



'Being values-led does not come at the expense of our business performance, it drives it. The wellbeing of people and the health of our natural environment is at the heart of what we do.' MARCUS C. BLACKMORE AM

Contents

01	Introduction – p2-4
02	About Blackmores – p6-13
03	Highlights – p14-15
04	Our Focus – p16-19
05	Progress – p20-43
06	Performance Data – p44-52
07	Assurance – p53-55
80	Glossary – p56-57

Blackmores' 2019 Financial Performance is shared in the Group Annual Report. www.blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports

Sustainability contacts

If you have any feedback or questions about Blackmores' 2019 Sustainability Report, please contact:

Sally Townsend, Head of Sustainability sustainability@blackmores.com.au

Cover image: Mia, aged 4, celebrating World Environment Day 2019 at Blackmores' tree planting day.

Chairman's Introduction

As our business continues to adapt through a period of unprecedented change, we're conscious of the importance of both our strong, values-driven heritage and our need to adapt to the rapidly evolving world in which we operate.

Our sustainability vision is at the nexus of these developments. In the last year, we have seen new regulation such as the introduction of the *Modern Slavery Act* that has instigated programs of work to enable us to better understand human rights through our supply chain. We have progressed the integration of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations into our business, and we've stepped up our response to the war on waste by exploring sustainable packaging solutions.

Whilst all of these initiatives address areas of central importance to our key stakeholders, they are also reflective of the values that have guided Blackmores for more than 87 years.





Maurice Blackmore understood that you can't have healthy people without a healthy planet. He long advocated the imperative to:

- Improve lives through better health and wellbeing
- Nurture the earth and use nature's resources with respect
- Treat employees like family and owners of the business
- Give back to the community
- Partner with others to make a difference.

To improve our sustainability performance, we are guided by the United Nations Sustainable Development Goals that address the global challenges we face and act as a blueprint for a better future for all. We have aligned our business strategy and our sustainability vision to these goals which has been a powerful test of the relevance of our business to the needs of the community.

Our Board of Directors has been engaged throughout the year in understanding and responding to our greatest sustainability risks and progressing the initiatives that will add value by making a positive contribution. Sustainability risks are integrated into our Enterprise Risk Management Framework and we have strengthened the governance of these during the reporting period. Our Leadership Team are clear on their role in leading the wellness revolution, especially to deliver our vision for a world where people and nature thrive together.

Key differences of this report

Over the last year, we have identified key areas of risk and influence as they relate to social and environmental issues. We have taken a more focused approach that reflects the greatest impacts of our operations and highlights our biggest opportunities to effect change.

For the first time, we are publishing clear targets supporting our sustainability goals.

We continue to be informed by the standards of the Global Reporting Initiative, and are guided by 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). Our thanks to Deloitte for providing independent assurance of the key indicators shared in this report.

The results shared herein reflect the passion of our committed workforce of talented and hardworking employees, suppliers and business partners. I'm pleased to share our 2019 Sustainability Report and our commitment to continuous improvement. In that spirit, we welcome your feedback.



Brent Wallace Chairman

Sustainable Development Oals 17 goals set by the United Nations in 2015 to define global sustainable development priorities and aspirations for the planet.



CEO's Introduction

Since joining Blackmores Group as Chief Executive Officer, my first 30 days is focused on listening to our people, our customers and our shareholders. The one consistent message is that our greatest opportunity is to create a future that is underpinned by the strong values inherent in

We are in an exciting and fast changing category, one where high quality and trusted products thrive. Our brands are world-class, built off a common set of values which we can leverage for a better, more natural future.

We can demonstrate our commitment to this through our sustainability performance. Addressing the social and environmental impacts in our future business strategy will become even more relevant in the coming weeks when we expand our operational footprint into manufacturing.

The move into manufacturing will more than double our emissions profile and will deepen our supplier base significantly. It also increases our opportunity to influence positive change by enabling us to champion human rights throughout our value chain and to take a strong position to address the impacts of climate change on natural medicine.

We are committed to four sustainability goals:

- Tread lightly
- Source responsibly
- Lead the change
- Improve wellbeing.

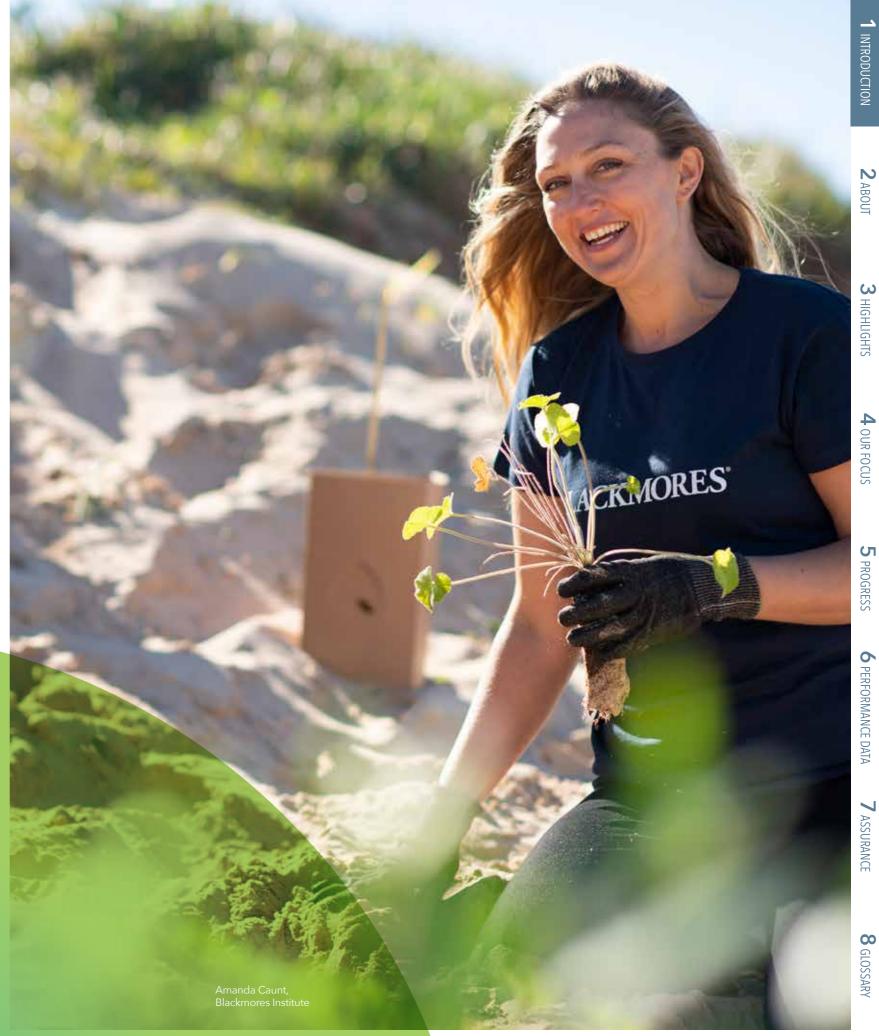
This report publishes targets and provides greater context about our performance than ever before, reflecting my firm belief that our future sustainable growth must be supported by a clear strategy, a strong governance framework and transparent reporting. As we learn more, we will update our strategy and our metrics. I look forward to sharing our progress with you.



Group Chief Executive Officer and Managing Director



'On 20 September, in recognition of the UN Climate Action Summit, we announced that the Blackmores Campus in Warriewood, will move to use a minimum of 50% renewable energy in 2020 as the first step of a journey to 100% renewable sources.'



The Blackmores Group is an ASX 200 publicly listed company employing over 1,400 people, with an extensive presence across the Asia Pacific.

Founded by visionary naturopath Maurice Blackmore, since 1932 we've been leading the wellness revolution by championing innovative natural health solutions and education services to help improve people's lives everywhere, every day.

Our high quality, evidence-based range of brands includes Blackmores - Australia's No.1 natural health brand; BioCeuticals - Australia's leading practitioner range; Impromy - our pharmacy-based weight management program developed in collaboration with CSIRO; Fusion Health & Oriental Botanicals - Australia's leading providers of Chinese herbal medicine; IsoWhey weight management range; and Pure Animal Wellbeing - natural health products for pets.

The Blackmores Institute is the research and education arm of Blackmores, established with a vision to improve and promote the quality use of natural medicine.

At the Blackmores Group we never compromise on quality, always placing the health and safety of our consumers at the heart of our business. We use premium ingredients from around the world, with products made to strict Australian manufacturing standards.

Recognising that you can't have healthy people without a healthy planet, we're strongly committed to embedding sustainability across our business and giving back to the communities in which we operate. The Blackmores Group headquarters and production facility is located on Sydney's Northern Beaches; our Asia regional head office is located in Singapore.

BLACKMORES°





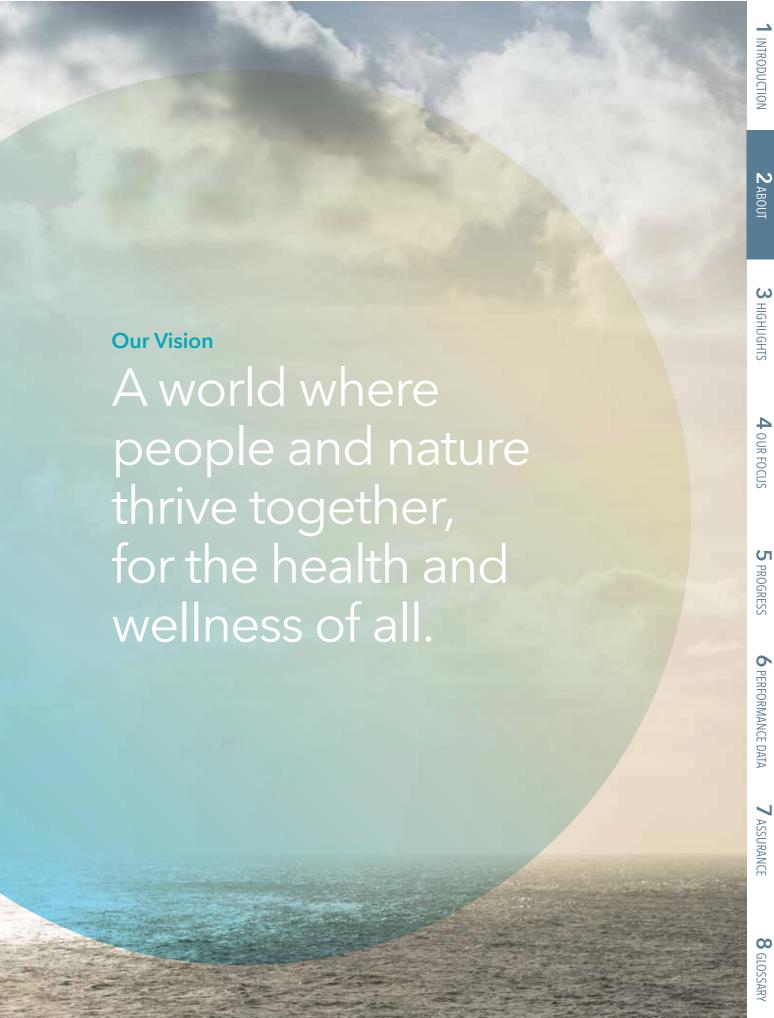












6 BLACKMORES GROUP SUSTAINABILITY REPORT 2019

BLACKMORES GROUP SUSTAINABILITY REPORT 2019 7

4 OUR FOCUS

5 PROGRESS

6 PERFORMANCE DATA

Our Purpose

Lead the wellness revolution

Our Mission

To champion innovative natural health solutions to bring wellness to billions of people everywhere, every day.

Our Values

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

- 1. Passion for natural health
- 2. Integrity
- 3. Respect
- 4. Leadership
- 5. Social responsibility.



Four Strategic Priorities

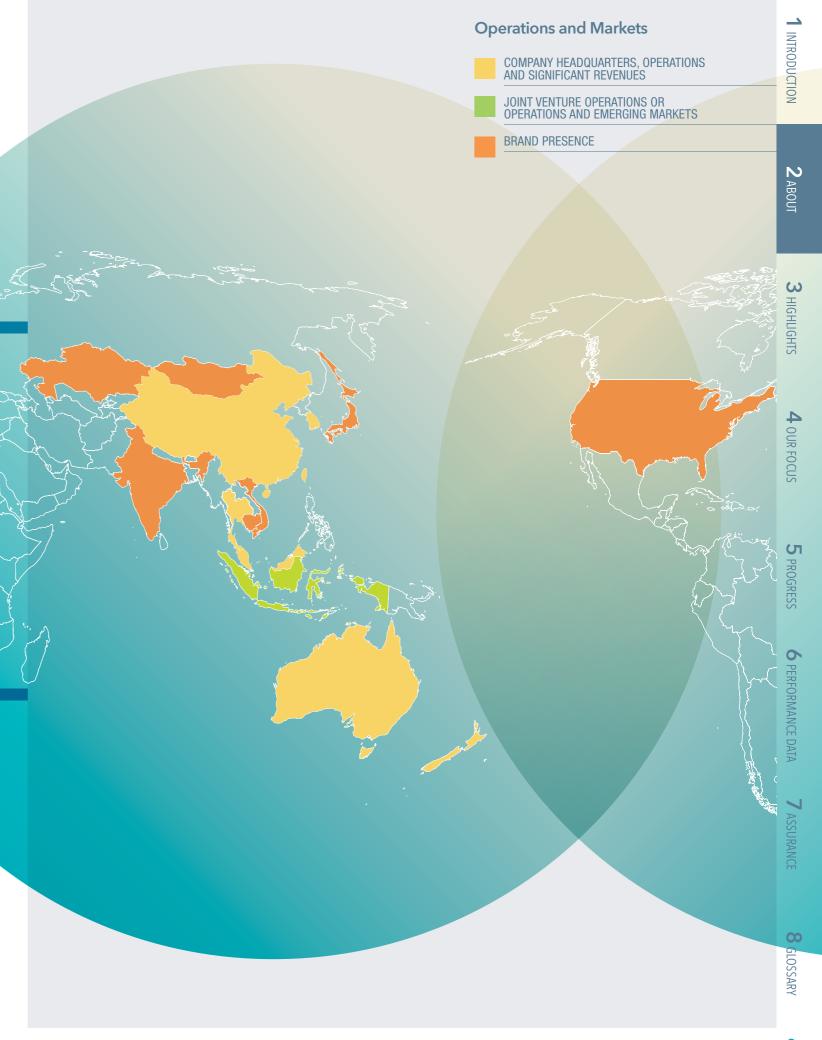
Blackmores is committed to superior business performance. Our strategic direction is focused on delivering growth and continuous improvement to maintain Blackmores' leadership position in the industry and to achieve ongoing success for our company, our people and our shareholders.



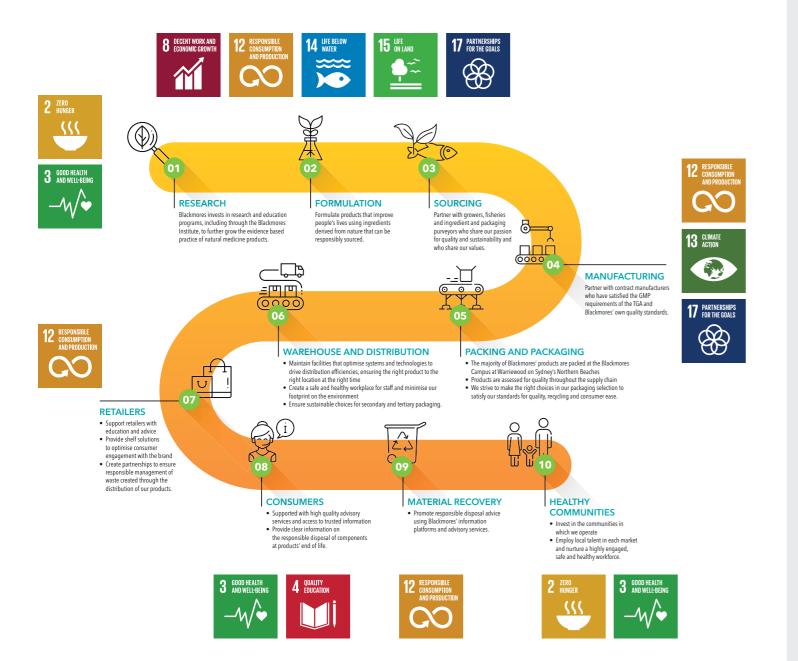


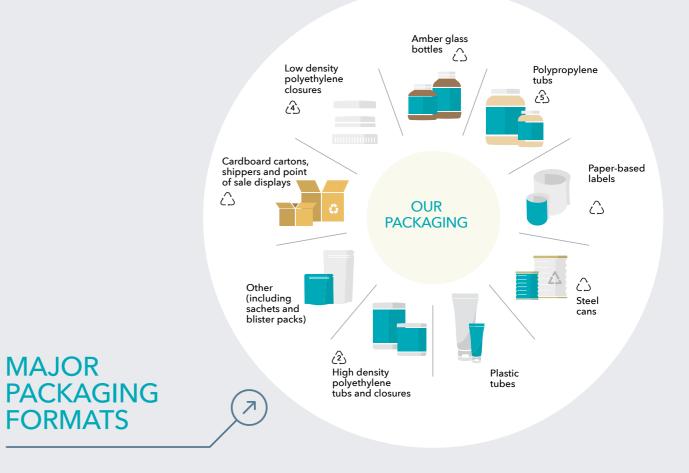






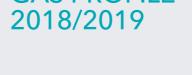
OUR VALUE CHAIN





GREENHOUSE GAS PROFILE 2018/2019









No change

Manages

Warehouse locations.



Our supply chain deals with more than 1,000 ingredients, 600 product formulations and approximately 1,600 individual product units.



16
office locations.



Supports more than

40+

platforms and software systems.

1,026

people across Asia Pacific (excluding employees of our joint venture in Indonesia).



Tier 1 direct suppliers for ingredients, packaging and contract

manufacturing.



We have a high reliance on natural resources and, accordingly, we have a strong sustainability charter.

12 BLACKMORES GROUP SUSTAINABILITY REPORT 2019



Clean energy

Waste

management

Human rights







Published Sustainable Nutrition, a Blackmores Institute scientific literature review to understand the impact of climate change on nutritional and natural medicine.

Completed a 2°C Scenario Workshop to inform a Group climate change risk assessment.





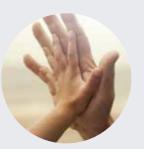
Adopted a Clean Energy Strategy to increase the use of renewable energy and reduce the intensity of our emissions by 20% by 2030.





71% on-site waste diverted from low value landfill and recovered for recycling and reuse.

25% of on-site waste sent to best practice landfill to create energy (biofuel) from waste.





Launched Partnering

For People with our supply partners, a program to improve supplier transparency and address the risk of modern day slavery in our supply chain. It includes deployment of supplier risk management software, with 73% of supply partners assessed.

Safety













Introduced Safety Improvement Teams across all locations.

Strengthened Chain of Responsibility program relating to heavy vehicle safety, with targeted training and integration of compliance into operations.





Commissioned a lifecycle assessment of Blackmores' two most significant packaging formats to better understand the environmental footprint of our products.





Implemented an Environmental Management System modelled on ISO 14001 standard to facilitate continuous improvement in environmental management throughout our facilities and operations.



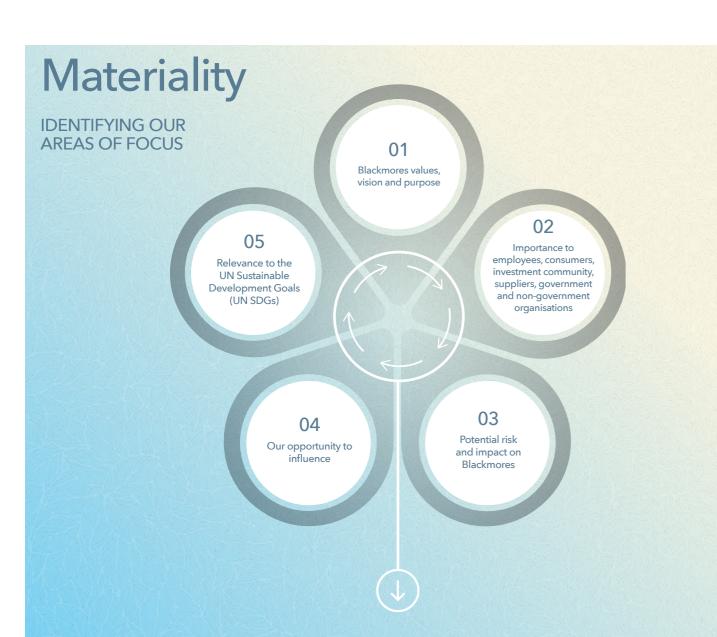
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Delivered the biggest and 'greenest' Blackmores Sydney Running Festival in 2019 replacing more than 300,000 single use plastic cups with reusable, recyclable and compostable alternatives.

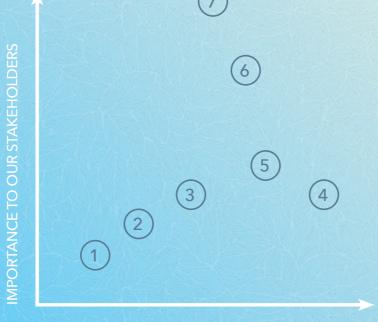
Running events across the Group raised more than \$1.5 million for charities and got more than 36,000 people moving.

LACKMORES GROUP SUSTAINABILITY REPORT 2019 15



Materiality evaluation was undertaken on a continuous basis with a cross section of stakeholders throughout the reporting period. Key initiatives included focus groups, social licence to operate research undertaken by Futureye, a UN SDG strategy alignment workshop facilitated by One Stone sustainability advisors and a climate change scenario impact assessment supported by PreSync. Blackmores' social media channels reaching 2.9 million people globally also provide valuable insights from consumers.

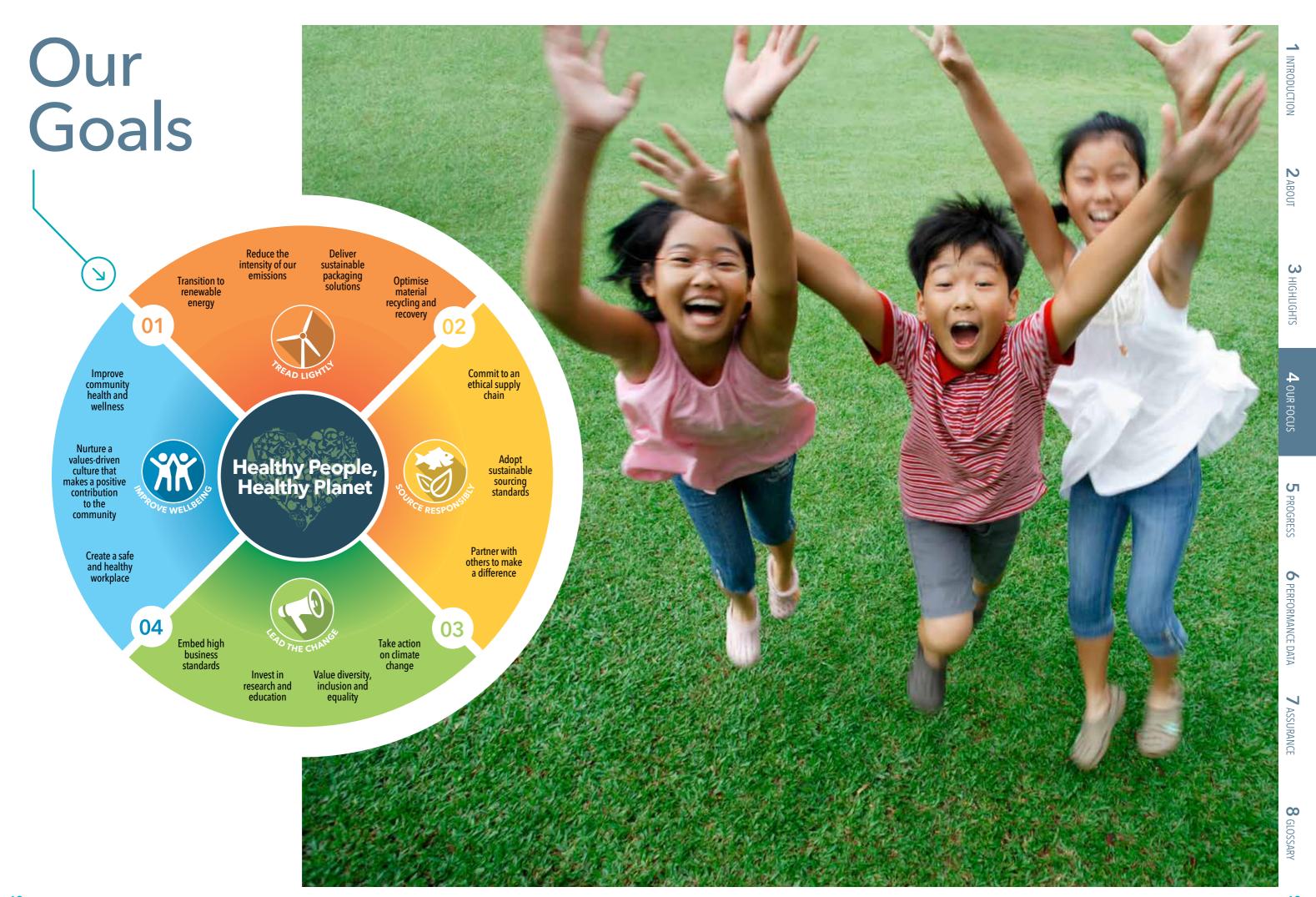
- 1 Equality and diversity
- 2 Community wellness
- 3 Health education
- 4 Ethical supply chains
- 5 Employee health and safety
- 6 Climate action
- 7 Sustainable packaging and waste



SIGNIFICANCE OF SOCIAL, ENVIRONMENTAL AND ECONOMIC IMPACTS TO THE BLACKMORES GROUP

16 BLACKMORES GROUP SUSTAINABILITY REPORT 2019

BLACKMORES GROUP SUSTAINABILITY REPORT 2019 17



18 BLACKMORES GROUP SUSTAINABILITY REPORT 2019



WHAT WE ARE STRIVING TO ACHIEVE

To deliver operational efficiencies while reducing our environmental intensity and carbon footprint.

HOW WE DELIVER THIS

- Transitioning to renewable energy.
- Reducing the intensity of our greenhouse emissions.
- Delivering sustainable packaging solutions.
- Optimising material recycling and recovery.

WHY IT MATTERS

Greenhouse gases from sources including fossil fuel-based energy, travel emissions and released from landfill are accelerating global warming. Human activity is contributing to temperature increases at such a rate that global temperatures will increase by a further 0.5°C by 2030 and will be 3°C higher

Any temperature rise affects the types of plants that grow and species that will survive and thrive and will disrupt the delicate balance of nature.

These changes will compromise our food security, water supply, stability of coastlines and will put human health at risk.

OUR COMMITMENTS

Reduce the energy intensity of our operations (20% reduction by 2030 compared to 2016).

Diversify our energy portfolio towards use of renewable sources of energy and aim for a minimum of 50% renewables across the Group by 2030.

intensity by

30% by 2030

compared to 2018¹).

Optimise **Progress** the use of technology recyclable and increase staff awareness to reduce our travel impact (reduce our by 2025. travel emissions

100% 50%

towards our vision of 100% packaging in Australia and New Zealand

Implement the Australasian Recycling Label on 50% of Australian products by

Conduct a Group audit of packaging material by 2020 and publish a target for improvement by 2021.

Improve Blackmores' resource recovery by diverting 80% of on-site waste from landfill by 2025.









1. 2018 was the first year the South Pole metric was used by the Group.

20 BLACKMORES GROUP SUSTAINABILITY REPORT 2019 BLACKMORES GROUP SUSTAINABILITY REPORT 2019 21

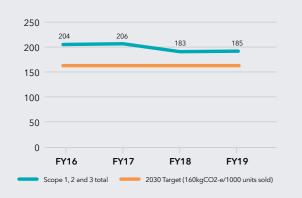
Tread Lightly

REDUCE OUR FOOTPRINT

- 2030 Clean Energy Strategy endorsed by Executive Team and implementation underway
- Lower emission energy generation through on-site trigeneration
- Greenhouse emission intensity on track for 2030 target.

Read more on Blackmores' response to address the impacts of climate change on page 34.

Performance Against 2030 Emissions Intensity Target (kgCO2-e/1000 units sold)



Blackmores Greenhouse Gas Emissions Intensity Trend (kgs CO2-e/1000 units of product sold)

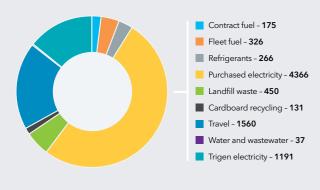
2030 TARGET

Reduce by 20% the

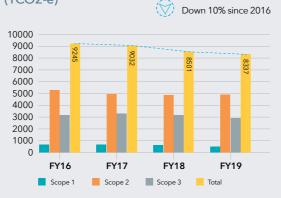
our operations based on a 2016 baseline.



Major Greenhouse Gas Emissions Sources 2019 (TCO2-e)



Blackmores Greenhouse Gas Emissions Trend (TCO2-e)



ON-SITE RESOURCE RECOVERY







MANAGING OUR TRAVEL EMISSIONS

4%

25%

- Travel emissions intensity decreased by 15% compared to the prior year.
 The implementation of a new agile working approach will support further reductions in the coming year through:
- > Introduction of Microsoft Teams to enable video conferencing, virtual meetings and project collaboration
- > Flexible working protocols based on the principle that 'work is what you do, not where you are'.

The transition to more flexible ways of working will support employee wellbeing, productivity and efficiency and diversity targets as well as Scope-3 greenhouse gas emissions.



TRAVEL EMISSIONS INTENSITY DECREASE COMPARED TO PRIOR YEAR

0000 TABGE

2030 TARGET

Reduce travel emissions intensity by 30% compared to 2018 baseline.

22 BLACKMORES GROUP SUSTAINABILITY REPORT 2019 23

WORKING BETTER EVERY DAY

Because we know that the little things all add up, Blackmores has progressed guidelines to influence everyday decisions and ensure the team has the information to make better choices. This includes new Blackmores' Sustainable Facilities Guidelines, Sustainable Print Guidelines, Sustainable Travel Guidelines and Sustainable Events Guidelines.

Blackmores changed their source of tea bags during the financial year to eliminate 1,500 single use foil wrappers every week from going to landfill and transitioning to a 100% Rainforest Alliance Certified supplier.

REDUCING THE IMPACT OF OUR PACKAGING

An assessment of Blackmores' two most significant packaging formats was undertaken in January 2019 to determine and compare the environmental impact through the entire product lifecycle. The Australian Packaging Covenant Organisation (APCO) published valuable research on actual recycling rates of each material in Australian kerbside recycling programs. Blackmores will now participate in a trial of post-market recovery rates to inform more sustainable packaging.

The resulting Sustainable Packaging Comparison
Matrix aggregated this information with other comparable
parameters, including consumer perception/preferences,
operational implications, shelf life, moisture containment,
Australasian Recycling Label eligibility and recycled content
limitations

Several ongoing factors and external influences beyond Blackmores' control, including the capacity of the Australian recycling market to adjust to the new reality of China's One Sword Policy which has significantly impacted the commercial feasibility of recycling options and the availability of quality recycled content, remain outstanding. Once these are clarified, through trials at material recovery facilities and progress of APCO's industry working groups, the company will be able to take an informed and longer-term approach to sustainable packaging that meets customer, quality, regulatory and environmental expectations.

Progress

- Sustainable packaging guidance tools developed with key team members trained
- 15 SKUs with Australasian Recycling Label
- Sustainable packaging integrated into the new product development process
- Supporting APCO's Glass Packaging Working Group 2018 and 2019.

OUR VISION FOR A BETTER PACKAGING FUTURE

- Use of recycled or recyclable materials
- Low environmental impact packaging manufacturing
- Optimal product protection, preserving the efficacy of active ingredients and ensuring a long shelf life
- Clear communication of recyclability
- High recycling rates from consumers
- Market for use of recycled materials in high value products



OF CARDBOARD FROM OUR SUPPLY CHAIN

boxes) were identified as larger than needed for the stacking arrangement of packaged tubs and bottles, resulting in unnecessary void space.

Reducing the size of the carton to better fit the contents reduces this void and, importantly, allow more cartons to be stacked on pallets, reducing freight costs per tonne of product sold.

partner, Austcor, to reduce the depth of the cartons by 30mm, reducing the carton mass by 8%.

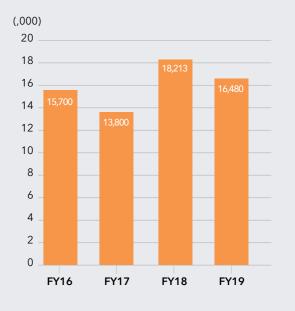
This delivered an annual fibre reduction of more than 2.5 tonnes, eliminating over 450kg of greenhouse gases from the production process.

PRESERVING PRECIOUS WATER

Water usage has normalised at the Warriewood Campus, following last year's increase resulting from the major landscaping project to create the wholefood garden.

To enable a water preservation strategy to be developed, including reduction targets, a water metering project has commenced. Though water usage at the site is not a material area of focus, it is being addressed as a priority given the current strain on Sydney's dam levels.

Warriewood Water Consumption (kL)



24 BLACKMORES GROUP SUSTAINABILITY REPORT 2019 25



Source Responsibly

WHAT WE ARE STRIVING TO ACHIEVE

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

HOW WE DELIVER THIS

- Ommitting to an ethical supply chain.
- Adopting sustainable sourcing standards.
- Partnering with suppliers to make a difference.

WHY IT MATTERS

More than 40 million people around the world are trapped in conditions of forced labour, a quarter of them children.

As a company, we take pride in the way we treat our employees. We demonstrate our core value of respect in the workplaces we create. We seek to pay our people fairly and to ensure our staff are healthy and safe at work.

We have the same expectations of those in our broader supply chain and we will be more proactive in understanding the working conditions impacting people in the development and manufacture of our products.

Our marine resources are under pressure because of climate change, ocean acidification and illegal and unregulated fishing. Sustainable marine harvesting practices are important for the protection of potent nutrients from marine sources and also for the communities that rely on fishing for their livelihoods.

Similarly, the protection of terrestrial and freshwater biodiversity is vital for ensuring long-term and sustainable use of land-based natural resources.

Blackmores Group uses more than 1,000 ingredients, so adopting a sustainable and ethical approach to sourcing is necessary to support our long-term operational viability and mitigate supply chain risk.

OUR COMMITMENTS

100%

Engage 100% of Tier 1 direct suppliers by 2020 to agree shared sustainability commitments



Align our procurement framework to ISO 20400 by 2020



Source key raw materials and commodities sustainably to an independent standard by 2025



Raise awareness of sustainably sourced products





12 RESPONSIBLE CONSUMPTION AND PRODUCTION



14 LIFE BELOW WATER





17 PARTNERSHIPS FOR THE GOALS

PROGRESS

Leadership

On 2 December 2018, Blackmores Group CEO launched Partnering for People, a program to understand and address the risk of modern day slavery in our supply chain. This included implementation of supplier management software to support improved supplier engagement, data capture and evaluation of regions and sectors that carry higher risk profiles.

Governance

 Corporate Social Responsibility (CSR) and modern day slavery prevention added into Blackmores' Group Supplier Code of Conduct and Blackmores' supplier contracts.

Systems

- Online Supply Chain Management (SCM) system launched in February
- Supply Chain Risk Assessment software implemented (SCREEN).

Training

• Staff training commenced on ethical supply chain obligations (73 attended April sessions).

Dutcomes

- 61 Tier 1 direct suppliers have set up an account on Blackmores' Supply Chain Manager (SCM) portal (80% of total Tier 1 direct suppliers)
- 39 Tier 1 direct suppliers have committed to Blackmores' Supplier Code of Conduct sustainability performance expectations (51% of total)
- 59 CSR self-assessments were received and evaluated in the SCM system with improvement opportunities identified
- Three successful Sedex Members Ethical Trade Audits (SMETA) of key suppliers undertaken in Central and South America with improvement actions underway
- 14 GMP facility audits of suppliers undertaken, covering both quality and CSR performance
- Continued supplier collaboration to progress Marine Stewardship Council (MSC) certification of fish oil
- Blackmores Cod Liver Oil is MSC certified, sourced from Icelandic waters.

26 BLACKMORES GROUP SUSTAINABILITY REPORT 2019



Source Responsibly

Blackmores' progress in the year will enable comprehensive reporting in 2020 to meet the requirements of the *Australian Modern Slavery Act 2018*.

Our 2020 focus will be to align Blackmores' sourcing procedures to ISO 20400 standard and work towards adoption of independent standards for the procurement of key commodities. Future systems support will include a secure whistleblowers' hotline.



STRENGTHENING SUPPLIER PARTNERSHIPS THROUGH ETHICAL TRADING AUDITS

Blackmores is committed to working with environmentally and socially responsible suppliers. In an effort to build awareness and capability, we have committed to audit performance and collaboration to set and achieve meaningful sustainability goals.

From the very beginning of our relationship with TASA, a prominent Peruvian fish oil supplier, it was clear that we shared values for ethical working practices, our care for our employees and our passion for sustainability.

TASA opened their doors and fishing vessels to Blackmores twice in 2018 to conduct a publicly recognised SMETA by an independent party. The audit covered 4 pillars:

- 1. Labour standards
- 2. Health and safety
- 3. Environmental assessment
- 4. Business ethics

Additionally, the audit reviewed management systems, entitlement to work, subcontracting and home working.

The resulting transparency and new standards imposed to address improvement opportunities was of benefit to both Blackmores and TASA and strengthened the supply relationship. Since the audit, additional governance has been introduced to strenghten the company's Human Rights Policy, and update its Overtime Policy and Work Management Policy to further protect worker's personal information.

Wes Ipsen, Head of Strategic Sourcing

Sustainable agricultural practices for herbal harvesters









Global Therapeutics is a leading Australian modern herbal medicine company that is part of the Blackmores Group. It has two brands - Fusion Health and Oriental Botanicals.

Global Therapeutics' products are formulated to deliver 'synergistic health', a principle central to traditional Chinese medicine. The concepts of balance and harmony continue through to their gentle extraction techniques and continued endeavours to minimise their environmental footprint.

Two suppliers of the herbs used in Fusion Health and Oriental Botanicals' products have received global recognition for their commitment to sustainability and regenerative agricultural practices.

Natural Remedies in India meets our high expectations for both product quality and environmental protection.

In recognition of this commitment to sustainable business practices, Natural Remedies has received the prestigious 2019 CII-ITC Sustainability Award in Biodiversity from the CII-ITC Centre of Excellence for Sustainable Development (CESD).

This achievement recognises Natural Remedies' commitment to conservation of biodiversity. The company has contributed to improving the quality of Indian botanicals by actively participating in the preparation of analytical monographs for various international pharmacopoeias. The company is also a leading manufacturer and supplier of phytochemical reference standards from Indian medicinal plants, which are being used for quality and research purposes globally.

The organisation's biodiversity impact assessment includes diversion, harvest, and percolation of surface runoff on ground water, and bore well recharge in the 90-acre vicinity of the factory site. It also assessed the impact on birds, reptiles, and small mammal populations in the surrounding region.

Also based in India, Sabinsa was honoured with the 2018 Nutrition Business Journal Supply Chain Transparency/Sustainability Award for the company's extensive cultivation program. What began as a way to ensure enough raw material for certain products evolved into a company mission of Indian traditional herb stewardship and support of small farming communities.

28 BLACKMORES GROUP SUSTAINABILITY REPORT 2019

BLACKMORES GROUP SUSTAINABILITY REPORT 2019

29



WHAT WE ARE STRIVING TO ACHIEVE

- → To be a leader in natural health and sustainability through innovation, research, education and a robust corporate governance framework.
- To make a meaningful contribution by providing high quality and trusted health education, championing equality and improving recovery of our packaging.

WHY IT MATTERS

Blackmores Group had 30 million active relationships in the reporting period, with a strong presence as a leader in natural health across the Asia Pacific region.

Blackmores has strong expertise in natural health

Equal representation of women and pay parity in the workforce at all levels can have a profoundly positive impact on social and environmental wellbeing. Workplace cultures that are rich in diversity and genuinely inclusive positively impact performance, engagement, innovation and wellbeing.

The need to reduce waste creation and minimise waste going to landfill is greater than ever before. This can be supported by providing better information for consumers to make the right choices and increase materials recovery through kerbside recycling.

CULTURE EMBRACES SUSTAINABILITY

THROUGH **BUSINESS**

STRONG VISION

CLEAR

TARGETS

COMMITTED LEADERSHIP

GOVERNANCE

FRAMEWORK

Our ability to lead the change requires a robust governance framework

research and education, which is important to ensure the quality use of natural medicines and improved community health outcomes.

With an unrivalled heritage as the pioneer of the Australian natural health industry, Blackmores seeks to inspire and lead positive change and to progress the targets of the UN SDGs.

Across the Group, 70% of employees were women











DIVERSITY

- → 40% of women on the Executive Team.
- → 40% of senior executives.
- → 63% of other management roles.

We have set a target for women to comprise 50% of the Board of Directors and Group Executives by 2025. At the end of the reporting period 43% of the Board of Directors were women.

Blackmores' workforce represents four generations, with approximately 45% aged between 30-40; 15% over 50 years and about 12% under 30. Effective leadership of multiple generations and the ability to leverage the diversity in teams to achieve innovation, performance and productivity is a focus for the development of a broader inclusion program for leaders.

Blackmores adopted a more rigorous gender pay equity analysis in the Australian market during the reporting period, comparing female and male salaries on a like-for-like job basis, using two independent salary surveys as a benchmark. This process has not identified any significant gender pay issues. Gender equity analysis will be repeated twice yearly.



30 BLACKMORES GROUP SUSTAINABILITY REPORT 2019 BLACKMORES GROUP SUSTAINABILITY REPORT 2019 31



OUR COMMITMENTS

We will develop a best practice Environmental Management System and a strong compliance program by 2021.

100^K We will inspire wellbeing through research and delivery of accredited Healthcare

healthcare advisors each year. Advocate for change to optimise recycling and reduce the impact of our packaging. Progress toward our vision that 100% of our packaging is able to be

recovered for recycling in Australia by 2025.

health education to 100,000

Recycled packaging

advisors

Environmental

best practice

Implement the Australasian Recycling Label on 50% of Australian products by 2025.



Ensure a minimum of 50% of senior executive, 50% of management and 50% of Board roles are held by women by 2025.

Evaluate gender equity in relation to remuneration.

We are committed to annual public reporting of our sustainability performance.



PROGRESS

Growing our influence

• Focused leadership development on sustainability, including attendance of two senior leaders at University of Cambridge Institute for Sustainability Leadership programs, participation in industry working groups and presenting at conferences and events to inspire change.

- Implemented an Environmental Management System (EMS) modelled on the ISO 14001:2015 standard to facilitate continuous improvement in environmental management throughout our facilities and operations
- 23% of relevant personnel trained on the Blackmores Group EMS.

- 1.9 million education touchpoints across the Group to grow knowledge and support the quality use of natural medicines
- 4,564 healthcare advisors trained on evidence-based natural health accredited health education, including online learning modules, attendance at research symposia and training events
- 52 research projects and clinical trials progressed
- \$1.7 million contributed to research institutions
- 1.67 million downloads of FX medicine podcasts in 133 countries, leading conversations about the latest in evidence-based nutritional medicine
- 70,000 consumers and practitioner health inquiries responded to by advisory and technical services teams
- 1,040 healthcare practitioners attended Blackmores Group Research Symposia in Australia, Thailand and Vietnam.

Improved recycling rates

- The Australasian Recycling Label (ARL) is an evidence-based labelling system for Australia and New Zealand that provides clear instructions about how to correctly dispose of every part of a product's packaging. Blackmores increased use of the ARL on products sold in Australia across the Group, with 15 approved in the year and a further seven prior to the release of this report
- We are exploring alternate packaging materials, including bioplastics and compostable formats, whilst maintaining the need to protect therapeutic ingredients and maintain longevity of shelf life.





B FOR EARTH CAMPAIGN

More than 18,000 Blackmores' glass bottles were returned in Thailand through the B For Earth initiative for recycling. Five thousand of these bottles were reused as hydroponic planting vessels for edible vegetables used in school education, with money raised through recycling donated to an orphanage supporting the nutrition and welfare of young girls.

We're proud of this highly connected initiative that addresses several of the global goals by delivering environmental, social and educational benefits in the local communities of one of our key markets.





32 BLACKMORES GROUP SUSTAINABILITY REPORT 2019



CLIMATE CHANGE ACTION

Blackmores Group has a reliance on nature for key ingredients in nutritional medicine products and is accordingly proactive in addressing the changing natural environment.

Blackmores has taken a strong position to address mitigation - our actions to slow the acceleration of global warming, and adaptation - building resilience into our business model and supply chain. By doing so, we adapt to the changing physical world and changing markets as a result of climate change with a focus on protection and conservation of natural resources.

GOVERNANCE

Our Audit & Risk Committee of the Board has responsibility for considering the potential impacts climate change will present in the future. This includes oversight of the operational strategy to adapt to global warming, the transition to a low-carbon economy, and to targets to reduce the intensity of the Group's emissions.

The Executive Team, supported by the Sustainability Team, Group Operations and Blackmores Institute, are responsible to developing and progressing the mitigation and adaptation strategies.

The impact of climate change is featured in the Group risk overview in the 2019 Blackmores' Annual Report.

The Board was formally updated on key sustainability risks and opportunities, including climate change, four times in the reporting period.



STRATEGY

To help mitigate global warming, Blackmores will responsibly manage our greenhouse gas emissions. This will become more significant after October 2019 when the Group expands its operations into manufacturing following the acquisition of Catalent Australia, which will double our energy emissions profile.

To adapt to changes to our physical world, Blackmores is undertaking an ongoing review of ingredients in our supply chain to evaluate their risk and resilience.

Blackmores Institute's 2019 scientific literature review on the impact of climate change on human nutrition showed that future need for natural medicine will be greater than ever before. So, too, will the need for clear dialogue on the conservation initiatives to ensure the nutrients we need are available in abundance, now and for many years to come.

Food sources will become less nutritious, with the literature review showing that levels of protein, calcium, magnesium, iron and zinc in crops will be compromised. Fruits and vegetables will see declines in levels of protein, calcium, phosphorus, iron, vitamin B6 and vitamin C.

Because extinction rates of animals and plants are accelerating

we undertake monitoring of every resource we rely on for therapeutic use to ensure we have the right measures in place to secure their longevity.

Medicinal plants with a narrow geographical range are particularly vulnerable and need to be monitored for availability and potency.

Ocean levels, temperatures and acidification have the potential to threaten valuable sources of marine omega-3s. Blackmores has been the foundation partner in a global fishery improvement project to progress sustainable aquaculture, address marine environmental issues, and protect access to marine oils for future generations.

We will also continue to diversify our sources of omega-3s so we build greater resilience into our supply chain. We're seeing promising developments in algal sources of omega-3s as well as alternative marine-based omega sources with a more sustainable biomass to take pressure off fish stocks.

Blackmores is exploring opportunities with farming organisations in Australia to understand the potential to use by-products from food processing to extract valuable nutrients and fibres for nutritional products that would otherwise go to landfill.

A senior management facilitated 2°C Scenario Workshop and subsequent risk analysis was undertaken in the reporting period. Three workstreams resulted to progress more detailed internal risk assessment and mitigation plans for the likely impacts on:

- Capital and governance –
 transitional and liability risks
 based on changing markets and
 regulation as we transition to a
 lower-carbon economy
- Operations supply chain, manufacturing and logistics implications as a result of changes to the physical environment
- People and brand consequences

 risks and opportunities (staff and consumers), including impacts to our social licence to operate.

34 BLACKMORES GROUP SUSTAINABILITY REPORT 2019

BLACKMORES GROUP SUSTAINABILITY REPORT 2019

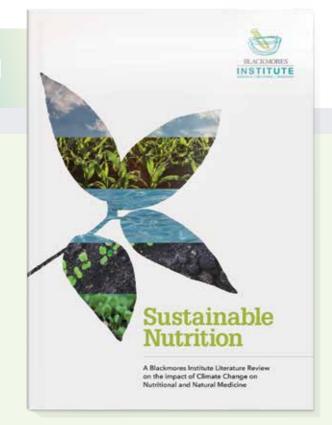


CLIMATE CHANGE ACTION

METRICS AND TARGETS

Blackmores acknowledges the recommendations of the Task Force on Climate-related Financial Disclosures and publishes further information including Scope 1, Scope 2 and Scope 3 greenhouse gas emissions in this report.

We have committed to source key raw materials and commodities sustainably to an independent standard by 2025, with our Procurement Team proactively engaging and partnering with suppliers to seek to optimise environmental and social outcomes.









To inform evidence-based decision-making on the risk of climate change, the Group has:

Published a scientific literature review on the impact of climate change on nutritional and natural medicine. The report considers the likely impact of climate change on flora and fauna, reviews how the nutritional composition of our foods may change as well as the effects on medicinal plants and marine biodiversity. This informs a better understanding of issues, including nutrient availability.

Sustainable Nutrition explores:

- The impact of climate change on human nutritional needs and changing requirements for supplementary nutrients
- The need to build a resilient, sustainable supply chain and secure future access to nutrients from natural sources
- The responsibility to mitigate global warming by managing emissions
- The Blackmores Group approach to address climate change Read the full report: blackmoresinstitute.org/sustainablenutrition.
- Held a senior management facilitated 2°C Scenario
 Workshop and subsequent risk analysis. Key initiatives have
 been integrated into the Blackmores Group Enterprise Risk
 Framework
- Adopted a Clean Energy Strategy to deliver a targeted reduction in emissions intensity of 20% by 2030.

36 BLACKMORES GROUP SUSTAINABILITY REPORT 2019

8 BLACKMORES GROUP SUSTAINABILITY REPORT 2019

Improve Wellbeing

WHAT WE ARE STRIVING TO ACHIEVE

To foster a responsible workforce; a safe and secure workplace; to maintain our licence to operate in our communities and markets; and to make a positive contribution to health and wellbeing.

OUR COMMITMENTS



Ensure a group-wide approach to workplace health and safety with education, reporting and continuous improvement programs in every market.



Make a positive contribution to the communities in which we operate.

50%

Increase staff involvement in community initiatives through matched donations and staff volunteering (2019 matched donations 30%, up from 27% last year - target 50% by 2025).







PROGRESS

Safety

Safety remained a principal priority with 13 reportable injuries across the Group, and no fatalities which is in line with the prior period. The workplace injury rate was 1.12, an increase from last reporting period as it was calculated using only the working hours in the regions where incidents were reported. Re-stating this rate is a more accurate reflection of the Group's safety performance.

Global Workplace Health and Safety (WHS) reporting continues to be challenged by differing cultural attitudes to reporting incidents, with no reported incidents across the Asia region. There is a strong commitment to increase education and systems in the coming year as part of a continuous improvement approach.

Blackmores' strong WHS culture covers more than just physical safety. It also addresses the work-life balance, mental health and overall wellbeing of employees.

In the 2019 financial year, the Blackmores Workplace Health and Safety (WHS) Committee was restructured as the business prepares to add manufacturing to its value chain.

The Group WHS Committee now comprises a Steering Committee plus eight Safety Improvement Teams (SITs) ensuring all locations are represented. The Steering Committee is responsible for setting the direction for WHS throughout the business. Our SITs are location-based, responsible for WHS improvement plans and performance for their designated site.

This new structure allows us to effectively facilitate cooperation between management and workers in investigating, developing and carrying out measures to ensure workers' health and safety across our sites. The aim of the committee is to ensure that workers' views are heard on WHS matters and to continually improve safety across our business.

Blackmores Group's Chain of Responsibility program, relating to heavy vehicle safety was improved in the reporting period, with targeted training and integration of compliance into Operations.

Community

Across the Group, Blackmores contributed \$644,385 t community initiatives.

Nutritional products valued at \$446,580 were donated to support people in need.

Community Wellbeing

Our programs to support healthier communities across the Group in the 2018/2019 year included two partnerships recognising diversity and inclusion:

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

Blackmores sponsored inspiring athlete Sam Bloom in the 2019 World Adaptive Surfing Championships.



38 BLACKMORES GROUP SUSTAINABILITY REPORT 2019

BLACKMORES GROUP SUSTAINABILITY REPORT 2019

Improve Wellbeing

Blackmores Sydney Running Festival 2019

A GREENER EVENT

The Blackmores Sydney Running Festival inspired more than 34,000 to achieve their fitness goals, raising more than \$1.5 million for charities in September 2018.

The 2018 festival highlighted the impact of such a significant participation event on the environment, with considerable use of single-use materials. In 2019 we demonstrated our commitment to deliver a more sustainable event with a smaller environmental footprint and a bigger community benefit!

As well as this iconic Sydney festival, Blackmores' other inspiring participation runs included Thailand's Run & Move race, and the Byron Bay Lighthouse Run sponsored by Fusion Health.

Together, these great initiatives got over 36,000 people moving more!









Our journey to a more sustainable event

REDUCING PLASTIC AND PAPER



7,000

fewer single use plastic bottles



300,000

biodegradable cups used



Globelet reusable cups used in bars keep it or return it



Digital event guides replacing paper guides



charity option for plastics disposal



Prohibited use of balloons and helium

PROACTIVE WASTE MANAGEMENT



300,000

Biodegradable cups decomposed post event at a specialised waste plant



Clearly labelled recycling and food waste bins to promote more careful disposal of waste



All excess food donated to OzHarvest







Drink station waste management plan including stand by sweeper to capture any widespread litter resulting from high winds, extra fences to protect waste from being blown into the harbour and storm drain protectors







Co-mingling waste service-waste taken to an environmentally friendly plant where recyclable products and waste are separated to improve recycling outcomes

REDUCING CARBON EMISSIONS



public transport available to all participants

GIVING BACK TO THE COMMUNITY



1,000kg of discarded clothing donated to charity



Over \$20m raised for charities since the event started



Empowering people of all abilities to participate in a community event with over 1,300 volunteers



40 BLACKMORES GROUP SUSTAINABILITY REPORT 2019 BLACKMORES GROUP SUSTAINABILITY REPORT 2019 41

Improve Wellbeing

THE GROWTH PROJECT

Blackmores Australia supported The **Growth Project**, bringing together individuals, companies and philanthropists with charity leaders to help maximise their positive impact on the world. The Growth Project will realise their ambition to grow 100 charities over five years by 2020.

BUMI SEHAT FOUNDATION, INDONESIA

Bumi Sehat - or 'Healthy Mother Earth' - supports the health of mothers and babies in rural communities in Bali and Aceh, with access to quality nutrition for expectant mothers.

Kalbe Blackmores Nutrition in Indonesia is proud to continue their support of the Bumi Sehat Foundation.

PROJECT KINDNESS

Blackmores Malaysia's Project Kindness supports the often forgotten members of society - the elderly, the poor and the homeless.

This year, Project Kindness included a recycling drive, urban farming at aged care homes and support for soup kitchens feeding the urban poor and homeless in Kuala Lumpur.

QUEST FOR LIFE

The **Quest for Life Foundation** provides retreats, community-based workshops and resources that encourage, educate and equip people with the tools to create emotional resilience and peace of mind. Blackmores has partnered with Quest for Life since 2013.









STAFF CONTRIBUTIONS

Our passionate and generous staff have also made a difference in their communities.

- → Volunteered more than 2,383 hours
- Donated \$229,229 to charities through Blackmores Matched Donations program. This was 30% of staff, up from 27% in 2018.
- Planted 1,000 native seedlings to prevent dune erosion across our local coastline.
- → Packed 400 Christmas hampers for Rotary, supporting 17 charities.
- Raised \$33,000 to support the Dorji Lingpa Foundation in Bhutan.



42 BLACKMORES GROUP SUSTAINABILITY REPORT 2019 43



OPERATIONS

Performance Measure	Boundary	FY16	FY17	FY18	FY19	Assurance
Units of product sold	G	45,384,288	43,644,705	46,409,974 ¹	45,194,428	✓

^{1 -} FY18 reported units sold reassessed during 2019 and changed from 45,539,158 to 46,409,974.

GREENHOUSE EMISSIONS

Performance Measure	Boundary	FY16	FY17	FY18	FY19	Assurance
Total reported GHG emissions (tCO2-e)	А	9,245	9,032	8,501	8,339	✓
Gross direct GHG emissions (Scope 1) ² tCO2-e2	А	639	670	587	576	✓
Indirect GHG emissions (Scope 2) tCO2-e	А	5,382	4,896	4,754	4,859	✓
Other indirect GHG emissions (Scope 3) tCO2-e	А	3,224	3,466	3,160 ³	2,902	✓
Direct GHG emissions (Scope 1) kgCO2-e/1,000 units of product sold	А	14	15	13	13	✓
Direct GHG emissions (Scope 2) kgCO2-e/1,000 units of product sold	А	119	112	102	108	✓
Direct GHG emissions (Scope 3) kgCO2-e/1,000 units of product sold	А	71	79	68³	64	✓
Total reported GHG emission intensity (kgCO2-e/1,000 units of product sold)	А	204	206	183	185	✓

^{2 -} Scope 1 emissions include refrigerant losses estimated from previous years. New measurements will be taken in FY20.

Performance Data

AS OF 20 SEPTEMBER 2019



ENERGY - ELECTRICITY

Performance Measure	Boundary	FY16	FY17	FY18	FY19	Assurance
Total consumption (kWh)	А	7,264,393	7,988,583	7,634,552	7,977,662	~
Blackmores' owned and operated facilities (Warriewood campus) - kWh	NSW	3,421,111	2,127,864	2,056,270	2,109,572	✓
Hot water boiler (kWh) ⁴	NSW	649,722	631,919	323,2935	690,252	✓
Hot/chilled water (kWh) ⁴	NSW	1,216,654	2,555,209	2,608,685	2,460,257	✓
Blackmores' leased facilities ⁶ - kWh	А	1,976,906	2,673,591	2,646,304	2,717,581	✓
Total electricity intensity (kWh/1,000 units of product sold)	А	160	183	165	176	~

4 - Hot water boiler and hot/chilled water relate to the Warriewood trigeneration plant.

5 - FY18 hot/chilled water includes a 3-month downtime period.

6 - Where data was not complete for smaller sites assumptions were made based on square meterage for each site and Warriewood's kWh intensity.

ENERGY - FUELS

Performance Measure	Boundary	FY16	FY17	FY18	FY19	Assurance
Fuel consumption from non-renewables by type (L) (Fleet)	А	152,630	148,798	124,473	124,344	✓
Post 2004 diesel	А	147,150	146,214	98,300	70,840	✓
Post 2004 gasoline	А	5,480	2,584	25,874	52,890	✓
Post 2004 ethanol (E10)	А	NA	NA	299	614	✓
Fuel consumption from non-renewables by type (L) (Third party contractor)	А	37,465	43,881	51,805	60,054	✓
Post 2004 diesel	А	37,465	43,881	51,805	60,054	✓
Total fuel consumption (L)		190,095	192,679	176,278	184,398	✓
Total fuel consumption (L/1,000 units of product sold)	А	4.19	4.41	3.79	4.08	✓

^{3 -} For consistency with FY19 Scope 3 emissions, FY18 Scope 3 emissions have been amended to include recalculation of business flights emissions using South Pole calculation provided by travel service provider, Corporate Traveller. The South Pole emission factors are based on average passenger kilometres and radiative forcing (RF).



ENERGY - RENEWABLES

Performance Measure	Boundary	FY16	FY17	FY18	FY19	Assurance
Electricity consumption from on-site generation (kWh) ⁷	NSW	0	0	51,736	43,091	✓
% of renewable electricity purchased compared to total electricity consumed ⁵	NSW	0	0	0.68	0.54	✓

^{7 -} Blackmores purchases electricity from its Bungarribee NSW distribution centre rooftop solar (owned by landlord). Site occupied by Blackmores in FY18.

WATER AND WASTEWATER

Performance Measure	Boundary	FY16	FY17	FY18	FY19	Assurance
On-site water supply withdrawal from municipal supply (KL)	А	42,098	41,069	53,775	48,425	
Total on-site water withdrawal from municipal supply (KL/1,000 units of product sold)	А	0.93	0.94	1.19	1.07	
Total water discharge to sewer (KL)	WW	14,617	12,792	17,004	15,579	

Performance Data

AS OF 20 SEPTEMBER 2019



RESOURCE RECOVERY

Performance Measure	Boundary	FY16	FY17	FY18	FY19	Assurance
Total waste generated for disposal (Metric Tonne) ⁸	NSW	904.50	808.80	847.66	948.68	✓
Total waste generated for disposal (kg/1,000 units of product sold) ⁸	NSW	20	20	20	21	✓
Total waste sent to landfill (MT) ⁸	NSW	266.30	248.69	248.00	275.16	✓
Total waste sent to best practice landfill (waste to energy) ⁹	NSW	NA	225.44	188.95	234.5	✓
Residual waste landfilled ¹¹	NSW	NA	23.25	59.05	40.66	✓
% of landfill waste converted to energy ⁹	NSW	NA	91	76	85	✓
Total waste recovered for recycling (diverted from landfill) by type (MT) ⁸	NSW	638.2	560.19	599.66	673.51	✓
Cardboard/paper		536.82	452.87	489.73	544.03	✓
Comingled (plastic and glass)	NSW	15.10	14.84	15.46	17.28	~
Other ¹⁰	NSW	86.28	92.48	94.47	112.21	✓
% of total waste diverted from landfill	NSW	71	69	71	71	✓

^{8 -} FY18 and FY19 boundary for inclusion is Warriewood, Bungaribee and Eastern Creek only. Previous years were Warriewood and Eastern Creek.

6 PERFORMANCE DATA

^{9 -} Proportion of waste sent to landfill is directed to a waste to energy facility at the landfill.

10 - Other includes organics, plastic shrink film, printer cartridges, lamps and light globes, batteries, coffee pods and laptops (sent to Alice Springs

^{11 -} Residual waste is the difference between total waste sent to landfill and the amount of that waste used to generate energy at the landfill



SUSTAINABLE SUPPLY CHAINS

Performance Measure	Boundary	FY16	FY17	FY18	FY19	Assurance
Global supply chain GMP quality/sustainability audits completed ¹²	G	22	19	17	14	
Total number of Tier 1 direct suppliers ¹³	G	-	-	-	76	✓
Tier 1 direct suppliers that have signed the 2019 Supplier Code of Conduct	G	NA	NA	NA	39	✓
Tier 1 direct suppliers that have set up an account on Blackmores' SCM portal ¹⁴	G	NA	NA	NA	61	✓
Suppliers that have completed the Blackmores' CSR Self-assessment ¹⁵	G	NA	NA	NA	59	✓
Site CSR audits undertaken (SMETA format) ¹⁶	G	NA	NA	NA	3	✓

^{12 -} Good manufacturing practice audits cover a range of quality and sustainability criteria and are undertaken by Blackmores' staff at the suppliers' principal facilities.

Performance Data

AS OF 20 SEPTEMBER 2019



WORKPLACE DIVERSITY

Performance Measure	Boundary	FY19	2025 Target	Assurance
Females on our Board ¹⁷	G	43%	50%	✓
Females in Executive Team	G	40%	-	✓
Females in senior executive roles	G	40%	50%	✓
Females in other management roles	G	63%	50%	✓
Female employees	G	73%	70%	✓

17 - At time of publication this was 20%.

A team of Blackmores staff volunteers celebrated World Environment Day by planting more than 1,000 native seedlings across our local coastline to prevent dune erosion and support the Greener Communities program at Northern Beaches Council.



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3 HIGHLIGHTS

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ASSURANCE

O GLOSSARY

^{13 -} Tier 1 direct suppliers are suppliers of goods and services specifically related to our products (e.g. ingredient suppliers, contracted manufacturers or packaging manufacturers) that Blackmores pays. These suppliers do not include indirect suppliers whose goods and services relate to the running of the business (e.g. cleaning and waste contractors). The number reported are those that were active on Blackmores' JDE during FY19.

^{14 -} As of 30 June 2019. The Supply Chain Manager (SCM) online portal was setup during the year with an initial focus on Tier 1 direct suppliers (CMOs, ingredient and packaging suppliers). This will be extended to all Tier 1 suppliers in coming years.

^{15 -} CSR self-assessments are a Corporate Social Responsibility questionnaires and requests for information sent to Tier 1 direct and indirect suppliers and new product development companies during the year to better understand their sustainability capabilities.

^{16 -} Sedex Members Ethical Trade Audit (SMETA) is considered a best practice ethical audit methodology and is undertaken by third party trained and qualified professionals. Three FY19 audits were undertaken in Mexico and Peru. These audits are more comprehensive on sustainability than the above GMP audits.

Performance Data

AS OF 20 SEPTEMBER 2019



OUR PEOPLE

Performance Measure	Boundary	FY16	FY17	FY18	FY19	Assurance
Total workforce ¹⁸	G	843	917	994	1,026	~
Workforce by gender ¹⁸						
Male	G	240	254	284	310	✓
Female	G	603	663	701	715	✓
Not specified ¹⁹	G	0	0	9	1	✓
Workforce by region ¹⁸						
AUS/NZ	G	578	597	649	661	✓
Asia (principal locations)	G	265	320	345	365	✓
Workforce gender ratio (M:F)	G	29:71	28:72	29:71	30:70	~
New employee hires	G	91	189	191	228	
Workforce terminations	G	-	122	148	154	
Total employees under benefits scheme (%) ²⁰	G	69.0	100	100	100	
Number of employees taking	g parental leave,	by gender ²¹				
Male	А	4	8	6	8	
Female	А	30	46	53	52	
Not specified ¹⁹	А	-	0	0	0	
Parental leave return to work	rate, by gender	(%)				
Male	А	-	100	100	100	
Female	А	-	100	80	94	
Not specified ¹⁹	А	-	0	0	0	
Employees who received a regular performance review (%) ¹⁸	G	100	100	100	100	

18 - 'Workforce' or 'employees' includes all permanent full-time and part-time employees inclusive of the Executive Team. It does not include casual, fixed-term or other external contractors. Workforce breakdown by age is provided on page 31. The workforce breakdown by age data has not been subject to limited assurance

Performance Data

AS OF 20 SEPTEMBER 2019



WORKPLACE HEALTH AND SAFETY

Performance Measure	Boundary	FY16	FY17	FY18	FY19	Assurance	
Total workforce represented in formal joint management worker Health & Safety Committee (%)	G	100	100	100	100		C HIGHLIGHIS
Workforce recordable injury,	by type (EA) ²²						
Fatalities	G	0	0	0	0	✓	
Injuries with permanent impairment	G	0	0	0	0	✓	4 OUR FOCUS
Injuries with long-term impairment	G	2	0	1	3	✓	SUDO
Injuries with short-term impairment	G	8	16	12	10	✓	
Workforce recordable injury,	by gender (EA) ²	2					<u>C</u>
Male	G	5	4	4	5	✓	PROGRESS
Female	G	5	12	9	8	✓	ESS.
Not specified ²³	G	0	0	0	0	✓	
Workforce recordable injury rate (%) ²⁴	G	1.01	0.92	0.70	1.12 ²⁵	✓	O FE

^{22 -} Workforce includes all permanent full-time and part-time employees inclusive of the Executive Team. It does not include casual staff or external $contractors. \ Recordable\ injury\ includes\ psychological.$

6 PERFORMANCE DATA

^{19 -} The term not specified replaces previous year's reporting term 'undisclosed'.

^{20 -} Our benefits scheme includes Enterprise Agreement (AUS) and comparative benefits for other countries. Refer to Disclosure Index.

^{21 -} All staff with over 12 months service are eligible. Paid primary carer leave was increased from 12 to 16 weeks during the reporting period.

²³ - The term not specified replaces previous year's reporting term 'undisclosed'.

^{24 -} Based on 100,000 standard work hours. Permanent full-time and part-time employees only. Excludes overtime and contractors.

^{25 -} FY19 rate is for Blackmores Group Australia only, previous years were Blackmores Group global.

Performance Data

AS OF 20 SEPTEMBER 2019



RESEARCH AND EDUCATION

Performance Measure	Boundary	FY16	FY17	FY18	FY19	Assurance
Financial assistance to research institutions, number of research projects and number of Blackmores Institute educational touch points (not hours of accredited training) provided during the reporting period						
Total monetary value of financial assistance to research institutions (\$'000s)	G	589	650	785	1,702	
Total research projects (ea) ²⁶	G	24	40	74	52	
Number of educational touchpoints with external stakeholders ²⁷	G	447,816	1,215,300	1,540,922	1,946,183	~
Number of accredited educational touchpoints with external stakeholders ²⁶	G	NA	NA	NA	4,564	✓

- 26 Number of research projects relates to projects with research partners and includes clinical trials and academic papers.
- 27 Number of external participants in Blackmores' educational sessions. FY18 data includes Group. FY16-17 data is Blackmores Australia only.
- 28 Includes BioCeuticals seminars, research symposiums, online LMS course completions and Blackmores' CMed courses in Australia, Malaysia and Thailand. No data recorded for previous years.



Assurance

Deloitte.

Deloitte Touche Tohmatsu

ABN 74 490 121 060 Grosvenor Place 225 George Street Sydney NSW 2000 PO Box N250 Grosvenor Place Sydney NSW 1220 Australia

Tel: +61 2 9322 7000 Fax: +61 2 9322 7001

Independent Assurance Practitioner's Limited Assurance Report on the 2019 Sustainability Report to the Directors of Blackmores Limited

We have undertaken a limited assurance engagement relating to the selected Sustainability Performance Indicators detailed below (the 'Subject Matter') presented in the Blackmores Sustainability Report for the year ended 30 June 2019 ('2019 Sustainability Report').

Subject Matter and Reporting Criteria

The Subject Matter and Reporting Criteria for our limited assurance engagement for the year ended 30 June 2019 and disclosed in the Blackmores 2019 Sustainability Report is as follows:

Sustainability Performance Indicators	Reporting Criteria
Greenhouse Gas Emissions Intensity	Global Reporting Initiative's Standard ('GRI Standard') GRI 305-4 2016
Total energy consumption (from renewable and non-renewable sources)	GRI Standard 302-1 2016
Total Scope 3 emissions limited to employee travel (including flights, accommodation, other transport - taxis etc.)	GRI Standard 305-3 2016
Total weight of hazardous and non-hazardous waste, with breakdown of disposal method	GRI Standard 306-2 2016
Number and % of Tier One (direct) suppliers that have agreed to Blackmores' shared sustainability commitments	Blackmores' policies and procedures
Number and $\%$ of suppliers that have signed Blackmores' Supplier Code of Conduct as at 30 June 2019	Blackmores' policies and procedures
Number and % of suppliers' using the Blackmores' Supplier Compliance Management System as at 30 June 2019	Blackmores' policies and procedures
Number of suppliers that have completed the Blackmores CSR Self-Assessment as at 30 June 2019	Blackmores' policies and procedures
Number of SMETA audits completed as at 30 June 2019	Blackmores' policies and procedures
Number and percentage of relevant Blackmores' employees and contractors engaged in the Blackmores Environmental Management System and Modern Day Slavery during the reporting period	Blackmores' policies and procedures
Number of Blackmores Institute educational touch points and the total hours of accredited training provided during the reporting period	Blackmores' policies and procedures

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52 BLACKMORES GROUP SUSTAINABILITY REPORT 2019 BLACKMORES GROUP SUSTAINABILITY REPORT 2019 53

Sustainability Performance Indicators Reporting Criteria Diversity of governance bodies and workforce, by gender GRI Standard 405-1 2016 Number of Blackmores Institute educational touch points and the total hours of accredited training provided during the reporting period Diversity of governance bodies and workforce, by gender GRI Standard 405-1 2016 Number and rate of fatalities as a result of work-related injury; Number and rate of high-consequence work-related injuries (excluding fatalities); Number and rate of recordable work-related injuries; Main types of work-

Blackmores' policies and

Blackmores' policies and

procedures

procedures

Responsibilities of Management

reporting period

related injury; Number of hours worked

employees during the reporting period

Management of Blackmores is 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

Total \$ donated Blackmores Matched Donations program during the

Total number of volunteering hours completed by Blackmores'

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 ('ASAE 3000') issued by the Australian Auditing and Assurance Standards Board in order to express a conclusion whether, based on the procedures performed and the evidence obtained, anything has come to our attention that causes us to believe that the Subject Matter has not been reported, in all material respects, in accordance with the Reporting Criteria. ASAE 3000 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

Assurance

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 Subject Matter data owners and sustainability report responsible management to understand and assess the approach for collating, calculating and reporting the respective Subject Matter across the reporting period ended 30 June 2019
- Undertaking a sample of detailed walkthroughs of key systems and processes used / relied upon to compile the Subject Matter for the 2019 Blackmores Sustainability Report
- Assessing the supporting process documentation developed to support the collation, calculation and reporting process in accordance with the GRI Standards and Blackmores policies and procedures as applicable
- Completing analytical reviews over material data streams to identify any material anomalies / gaps for the Subject Matter and investigate further where required
- Agreeing overall data sets for the Subject Matter to the final data contained in the 2019 Blackmores Sustainability Report.

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 reported, in all material respects, in accordance with the Reporting Criteria.

Inherent Limitations

There are inherent limitations in performing an assurance engagement - for example, assurance engagements are based on selective testing of the information being examined - and it is possible that fraud, error or non-compliance may occur and not be detected. An assurance engagement is not designed to detect all misstatements, as an assurance engagement is not performed continuously throughout the year that is the subject of the engagement and the procedures performed on a test basis. The conclusion expressed in this report has been formed on the above basis.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and sampling or estimating such data.

Limitations of Use

This report is made solely to the Directors of Blackmores in accordance with our engagement letter dated 5 September 2019. 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.

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 have not been reported, in all material respects, in accordance with the Reporting Criteria in the GRI Standards and the Blackmores policies and procedures.

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Paul Dobson

Partner

Sydney, 4 October 2019

1 INTRODUCTION

APCO	The Australian Packaging Covenant Organisation is the organisation charged by government to make all packaging reusable, recyclable or compostable by 2025 or earlier. APCO works with government and industry to reduce the environmental impact of packaging on Australian communities by supporting sustainable design, education and end markets.
ARL	The Australasian Recycling Label is an initiative of APCO's Packaging Recycling Label Program - a nation-wide labelling program that provides designers and brand owners with the tools to inform responsible packaging design, and helps consumers to understand how to correctly dispose of packaging. Led by the APCO, in collaboration with Planet Ark and PREP Design, the program aims to promote the use of ARL on packaging to increase recycling and recovery rates and contribute to cleaner recycling streams.
Carbon dioxide equivalent (CO2-e)	A standard measure used to compare the emissions from various greenhouse gases based on their global warming potential. For example, one tonne of methane emissions is equivalent to 21 tonnes of carbon dioxide emissions.
Climate change	Climate change is a change in the pattern of weather, driven by an increase in atmospheric temperature, with consequential changes in oceans, land surfaces and ice sheets, occurring over time scales of decades or longer.
Corporate Social Responsibility (CSR)	CSR is an evolving form of self-regulation business practice that incorporates sustainable development into a company's business model and impacts and influences the way a company operates on a daily basis to achieve positive social, economic and environmental outcomes.
Emissions intensity	The ratio of greenhouse gases, expressed in tonnes of CO2-e per units of business activity. Blackmores uses the metric tonnes CO2-e/1000 units sold as its measure of the environmental intensity of its Australian operations.
Environmental Management System (EMS)	EMS is a system and database which integrates procedures and processes for training of personnel, monitoring, and reporting of specialised environmental performance information to internal and external stakeholders of an organisation. Blackmores' EMS is modelled on the International Standards Organisations' 14001:2015 EMS Guidelines.
ESG Governance	ESG stands for Environmental Social and Governance, and refers to the three key factors when measuring the sustainability and ethical impact of an investment in a business or company. ESG is a generic term used in capital markets. Most socially responsible investors evaluate a company's sustainability performance using ESG criteria to screen investments. ESG factors are a subset of non-financial performance indicators which include ethical, sustainable and corporate governance issues such as making sure there are systems in place to ensure accountability and managing the corporation's carbon footprint.
Materiality	A process to assist in identifying and prioritising the sustainability issues that matter most to our business and to our stakeholders.
Packaging - primary	Packaging designed to come in direct contact with Blackmores' products, e.g. glass bottles, plastic tubs and tubes.
Packaging - secondary	Packaging that contains a number of primary packaged units together in a more convenient unit, and used to replenish shelves or to group primary packaged units for purchase, such as shrink film or cardboard boxes.

Packaging - tertiary	Packaging designed to ensure damage-free or efficient handling and transport of a number of sales or grouped packages of ingredients or products e.g. plastic pallet wrap.
SCREEN	A web-based tool, based on a BSI product, to assist Blackmores identify risks within its supply chain based on geography, markets and CSR trends. SCREEN is a comprehensive database that is updated daily with news from every country based on trusted sources (government, NGO, news channels). It covers a variety of aspects such as business continuity, security and social responsibility.
Supply Chain Manager (SCM)	An online framework, based on a BSI business product, allowing Blackmores to engage its Tier 1 suppliers to support shared information, performance monitoring and compliance with sustainability expectations.
Sedex Members Ethical Trade Audit	SMETA is one of the most widely used ethical audit formats in the world. It is an audit methodology, providing a compilation of best practice ethical audit techniques. It is designed to help auditors conduct high quality audits that encompass all aspects of responsible business practice, covering Sedex's four pillars of labour, health and safety, environment and business ethics.
Scope 1 greenhouse emissions	Scope 1 emissions are direct greenhouse gas emissions released on an organisation's site or from their vehicles. More accurately they are carbon dioxide equivalent (CO2-e) emissions that come from sources owned or controlled by an organisation. Blackmores Scope 1 emissions are generated by owned or leased vehicles and the maintenance of equipment containing refrigerants (e.g. HVAC).
Scope 2 greenhouse emissions	Scope 2 emissions are indirect emissions generated by the electricity consumed and purchased by Blackmores.
Scope 3 greenhouse emissions	Scope 3, like Scope 2, is a category of indirect emissions and covers all other indirect emissions from sources that are not owned or controlled by Blackmores, but that occur as a result of its activities, such as emissions from business flights, hotel accommodation, waste disposal and water and wastewater treatment.
Supplier Code of Conduct	Describes how Blackmores chooses to do business with its suppliers by defining expectations and mutual commitment in achieving and maintaining improved environmental, ethical and social outcomes.
Sustainable packaging	Product packaging is fit for purpose, resource efficient, made from low-impact materials, and reusable or recyclable at the end of its useful life.
Sustainable Development Goals (SDGs)	Seventeen global goals set by the United Nations in 2015 to define global sustainable development priorities and aspirations for the planet.
Tier 1 supplier	Suppliers of goods and services that Blackmores pays and can include both direct (directly related to our products e.g. ingredient suppliers, contract manufacturers or packaging manufacturers) or indirect (related to the running of the business such as cleaning and waste contractors).
Tier 2 supplier	Suppliers contracted and paid by our Tier 1 suppliers (such as a grower, transporter or packaging supplier) to provide goods or services that are then sold onto Blackmores.

 $\textbf{Thanks to:} \ \textbf{NSW Sustainability Advantage, Australian Packaging Covenant Organisation, 2XE, PreSync and Advitech for supporting our 2019 program.}$

56 BLACKMORES GROUP SUSTAINABILITY REPORT 2019 57



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Blackmores Limited

Australia's Leading Natural Health Company
ACN 009 713 437

20 Jubilee Avenue Warriewood NSW 2102 Australia Phone: +61 2 9910 5000 Fax: +61 2 9910 5555

blackmores.com.au