2023
**SUSTAINABILITY
REPORT**

BLACKMORES®
|GROUP

healthy
people
planet
communities

About this report

The Blackmores Group Sustainability Report is prepared annually to share our progress on key indicators of the Group's performance in managing its environmental and social impact. We are guided by the United Nations Sustainable Development Goals (UNSDGs) and informed by relevant GRI[1] standards for select indicators. Limited[2] assurance is provided by Deloitte Touche Tohmatsu. The report has been prepared to update our community of retail partners, suppliers and the consumers of our products who share our commitment to people and the planet, as we take responsibility for the impact we make in the world.

1. Global Reporting Initiative.
2. Scope of limited assurance detailed on p 56.

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About Blackmores

Blackmores was founded to give people the choice to take control of their health and wellbeing through the power of nature. Our purpose remains as it did in 1932, when visionary naturopath Maurice Blackmore combined nature and science to deliver quality health solutions.

Blackmores is Australia's leading natural health company with a strong presence across Asia. Founded in 1932, our vision is to connect every person on earth to the healing power of nature by combining our knowledge of nature and science to deliver quality health solutions to people and their pets everywhere, every day.

Our high-quality, evidence-based range of brands includes Blackmores – Australia's number one natural health brand; BioCeuticals – Australia's leading practitioner range; and Pure Animal Wellbeing (PAW) – natural health products for pets. Blackmores Institute is our academic and research centre of excellence.

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. Blackmores Group headquarters is located on Sydney's Northern Beaches and our state-of-the-art tablet and soft gel capsule manufacturing facility is in Braeside, Victoria.

Our brands

BLACKMORES **BioCeuticals**

paw PURE ANIMAL WELLBEING by BLACKMORES   **impromy**

Our research and education centre

BLACKMORES INSTITUTE
RESEARCH | EDUCATION | INNOVATION

Our purpose

To give people a choice to make living well each day a natural way of life.

Our mission

Combine our knowledge of nature and science to deliver quality solutions to bring wellness to people and their pets everywhere, every day.

Our vision

To connect every person on earth to the healing power of nature.

Our values

Known as our PIRLS, they underpin our work practices and decisions and are supported by our governance framework:

- **Passion for Natural Health**
- **Integrity**
- **Respect**
- **Leadership**
- **Social Responsibility**

A note from Kirin Health Sciences

Last month, we were delighted to welcome the Blackmores Group into Kirin Health Sciences. The Kirin philosophy to Create Shared Value (CSV) aligns to Blackmores' commitment to healthy people, a healthy planet and healthy communities.

The combined passion of our people will amplify our impact in 2024 and we look forward to sharing this journey with you.

Takeshi Minakata, President of Kirin Health Sciences, Toru Yamasaki, Blackmores Deputy CEO and Chief Strategy Officer and Alastair Symington, Blackmores CEO.

CEO's Introduction

I am pleased to present our sustainability progress, a testament to our steadfast commitment to creating a more sustainable and resilient future.

We've recently embarked on the next chapter of Blackmores history as we join Kirin Health Sciences and continue to grow our business and deliver on our purpose to connect people with the healing power of nature.

Such a significant milestone is always an opportunity to reflect on our values and our heritage – those irreplaceable elements that have served us for more than ninety years – and to consider the enablers that will ensure we continue to thrive for many years to come.

This is our fifth report since committing to sustainability targets and in that time, we've navigated significant changes, not least the acquisition of our Braeside manufacturing facility, which effectively doubled our carbon footprint, and the impact of a global pandemic.

Throughout this period of change, we've remained accountable to our targets, and I'm proud to share the progress we have made in advancing our sustainability initiatives over the past year, including achieving a 40% reduction in carbon emissions compared to our baseline year, FY20.

This reflects the efforts of our dedicated teams that have explored innovative technologies, implemented efficiency initiatives, streamlined processes, and adopted renewable energy sources.

We recognise that our journey towards a net zero future is ongoing, and we remain committed to delivering further reductions in the years ahead.

We know that we can't get to net zero without embracing circular principles and adopting nature-based solutions.

In alignment with our circular economy goals, we have deployed our first Group Waste Strategy which resulted in a 22% improvement in waste diversion from landfill compared to the prior year.

The improvement in waste diversion was an outcome of a review that explored our waste systems, providers and behaviours and set a course for change. It's reflective of the way we hope to integrate sustainability into our business – by having clear targets, solid governance, reliable systems and a culture where our people are clear on what they need to do and feel accountable for doing it.

This culture resulted in even more improvements as individual employees identified innovative opportunities to find high value usage of former waste streams, especially at our Braeside manufacturing facility.

We'll undoubtedly be leveraging that enthusiasm as we deepen our understanding of nature-related impacts and dependencies.

As part of our aspiration to preserve and restore the delicate balance of our natural world, we have built on our learnings from the Nature Risk Assessments undertaken last year when we piloted the LEAP framework of the Taskforce for Nature-related Financial Disclosures (TNFD). This resulted in the development of a materiality matrix for our full portfolio of ingredients which we intend to

use to inform the next stage of our Nature Positive Strategy, ensuring that we operate in harmony with nature while safeguarding biodiversity and ecosystem health.

While we understand risks to nature, the opportunities are becoming clear as well. We know nature-based solutions are an important part of our climate resilience action plans and that they will be key to our Net Zero Emissions by 2030 commitment.

This groundwork will position us to make meaningful disclosures and make sure we have the systems and initiatives in place to secure both a net zero and nature-positive future.

This isn't a piece of work we can do on our own – so far we've relied on collaborations with the team at Pollination and from our peers across the Climate Leaders Coalition, but have also only made progress with the support of our supply partners.

While our decarbonisation and waste reduction efforts demonstrate positive change within our own operations, both our nature risk assessments and Scope 3 emissions profiling shows that our greatest opportunity for impact is in our supply chain.

Our valued supply partners have supported our sustainability progress in this reporting period, especially as we continue to assess and address the risk of exploitation in our supply chain, and the significant improvement in the closure of non-conformance areas arising from our human rights and environmental audit program is evidence of our commitment to people.

This metric, combined with our decarbonisation progress, is key to our Sustainability Linked Finance indicators. We were pleased to have exceeded the targets set in the first year of this arrangement and are grateful that there is an opportunity for ambitious targets to be recognised in a way that financially rewards the company.

I'd like to acknowledge the support we have received from the Victorian Department of Energy, Environment, and Climate Action, whose funding enabled us to complete a renewable hydrogen feasibility study, and the NSW Government's Sustainability Advantage program. This program has been a significant support to our team and we were delighted to be recognised last month with renewal of our Gold Partnership.

The progress I am sharing with you in this report is the result of collaboration, innovation, and the shared values of our employees, suppliers and other partners across our sector and value chain.

As we recognise these milestones, we know that our global challenges demand our collective determination and ingenuity. Climate change, resource scarcity, and social inequality continue to shape our global landscape, reminding us of the urgency of our mission.

As we work through the process of reviewing our material aspects and aligning our sustainability vision to Kirin's commitment to Creating Shared Value (CSV), we will update our core governance framework and share them in our 2024 report.

Looking forward, we are committed to:

- Delivering on ambitious targets for carbon reduction, driving us closer to our net zero aspirations.
- Advancing circular principles in our business through our waste management practices, by maximising resource utilisation and improving the footprint of our packaging.
- Further integrating nature-based solutions into our business strategies, recognising the critical

role of nature in our supply chain and to provide potent natural medicines.

Our commitment to sustainability extends beyond environmental stewardship. It encompasses social responsibility, ethical governance, and economic resilience. Together, we can forge a path towards a more inclusive, equitable, and sustainable future for generations to come.

I extend my heartfelt gratitude to our Blackmores community for their unwavering support, dedication, and shared commitment to our sustainability journey. Together, we are making progress towards a world where people and nature thrive together.

The best of health.

Alastair Symington
Chief Executive Officer

Our global footprint

Access to 3 billion consumers across Asia-Pacific

Shanghai, China – China head office and Global Innovation Centre

India since Sept 2021

Singapore – International regional office

Indonesia – Joint venture partner PT Kalbe Farma

Sydney, Australia – Global headquarters, production and distribution centres

Braeside, Victoria – Manufacturing facility

167 direct suppliers
for ingredients, packaging and contract manufacturing

300+ different product formulations

1,200+ employees

900+ individual products

1,000+ ingredients

Our value chain

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Research
- Blackmores invests in research and education programs, including through Blackmores Institute, to further grow the evidence-based practice of natural medicine products.

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Formulation
- Formulate products that improve people's lives using ingredients derived from nature that can be responsibly sourced.

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Sourcing
- Partner with growers, fisheries and ingredient and packaging purveyors who share our passion for quality and sustainability and who share our values.

←

Manufacturing
- The majority of soft-gel capsule and hard tablet product formats are manufactured at Blackmores' manufacturing facility at Braeside in Victoria.
- Partner with contract manufacturers that have satisfied the requirements of the Therapeutic Goods Administration and Blackmores' own quality standards.

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Processing
- Support improved awareness and mitigation of impacts on nature during refining of raw materials.

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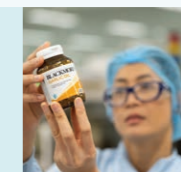
Farming
- Support and encourage sustainable agriculture and wild harvesting to mitigate risks and impacts on nature and natural systems.

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Packing and packaging
- The majority of Blackmores' products are packed at the Blackmores Campus at Warriewood on Sydney's Northern Beaches.
- Products are assessed for quality throughout the supply chain.
- We strive to make the right choices in our packaging selection to satisfy our standards for quality, recycling and consumer ease.
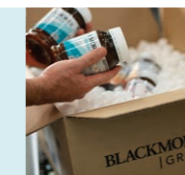
Warehouse and distribution
- Maintain facilities that optimise systems and technologies to drive distribution efficiencies, ensuring the right product gets to the right location at the right time.
- Create a safe and healthy workplace for staff and minimise our footprint on the environment.
- Ensure sustainable choices for secondary and tertiary packaging.

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Consumers
- Supported with high quality advisory services and access to trusted information.
- Provide clear information on the responsible disposal of components at products' end of life.

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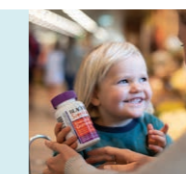
Retailers
- Support retailers with education and advice.
- Provide shelf solutions to optimise consumer engagement with the brand.
- Create partnerships to ensure the responsible management of waste created through the distribution of our products.

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Material recovery
- Promote responsible disposal advice using Blackmores' information platforms and advisory services.

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Healthy communities
- Invest in the communities in which we operate.
- Employ local talent in each market and nurture a highly engaged, safe and healthy workforce.

✓

Our *focus*

A world where people and nature thrive together

Guiding Principles

01	02	03	04	05
Tread lightly	Respond to our changing world	Source responsibly	Create a fair, safe, inclusive and sustainable workplace	Support community health

Health Education
Deliver better health outcomes by empowering people with knowledge.

Equality
Foster a diverse and inclusive culture.

Wellbeing
Advance evidence-based complementary medicines and ensure a healthy workforce.

Giving
Support healthy and vibrant communities everywhere we operate.

Climate
Reach Net Zero Emissions by 2030 and ensure a resilient supply chain and operational footprint.

Source Responsibly
Understand our extended supply chain to protect people and the environment.

Circularity
Optimise packaging recyclability and waste reduction.

Nature
Understand nature-based dependencies and support nature-positive solutions.

Partner for Change
Collaborate for greater impact across our industry and value chain.

- Healthy people
- Healthy planet
- Healthy communities

highlights

Healthy people — PROGRESS

Safety & Wellbeing
- Broadened workplace health and safety (WHS) reporting boundary to include China.
- Bolstered WHS systems including development of a WHS Management System, safety reporting app and online inspections.

Equality
- Blackmores continues to be recognised as a Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality (EOCGE), reflecting progress in our Diversity, Equity, and Inclusion (DEI) journey. Blackmores received a WGEA pay parity compliance certificate for 2022 and 2023.

Health Research & Education
- Delivered 245,564 education touchpoints.
- 11,446 accredited complementary medicine modules completed by pharmacists.
- Invested in 19 clinical research projects and collaborated with 30 leading research partners across nine countries.

Healthy planet — PROGRESS

Net Zero Emissions by 2030
- Group emissions are down by 40% (from 2020 baseline) driven by the transition to 100% renewable electricity, energy efficiency initiatives and improvements in waste diversion.
- Completed a hydrogen feasibility study at Braeside which identified further energy efficiency and reduction opportunities.
- Completed first Scope 3 emissions profile (value chain emissions) of a key ingredient.

Towards a Nature-Positive Future
- NSW Banksia Award Finalist 2022 in the large Enterprise Transformation category for "taking steps to create a scaleable approach for evaluating biodiversity physical and financial impacts that, together with the assessment of human rights and climate resilience, are accelerating sustainable progress across the value chain".
- Developed a Nature Risk Materiality Matrix to enable a portfolio level nature review.

Circularity
- 98% of Blackmores consumer packaging is made from materials that are technically recyclable.
- Implemented a Group Waste Strategy in October 2023 resulting in 22% improvement in waste diverted from landfill and 13% less total waste generated.
- A new waste recovery process resulted in 390MT of gelatine waste being diverted for reuse in other industries.

Healthy communities — PROGRESS

Giving
- $147,420 donated to charities through Blackmores' salary sacrifice matched donations program.
- 5,074 hours were donated through employee community and wellness days.
- Blackmores donated $290,000 in financial and product contributions to community organisations and people in need.

Source Responsibly – an ethical and sustainable supply chain
- Closed 96% of corrective actions resulting from human rights and environmental audits with suppliers in agreed timeframe, improving working conditions in our supply chain.
- Completed risk assessments on 100% of Tier One Direct suppliers.
- Extended Human Rights training to more than 700 employees in four languages.

Blackmores employees harvested more than 60kg of honey while supporting local biodiversity with our Campus bee hives!

Healthy people

WHY IT MATTERS

Our commitment to improve the wellbeing of people starts with our own employees and we are committed to providing a safe and healthy environment where all aspects of the wellbeing of our team is our primary consideration.

Blackmores has deep expertise in natural health 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 United Nations Sustainable Development Goals (UNSDGs). 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.

HOW WE DELIVER THIS

1. Health Education

Deliver quality education on complementary medicines to ensure better health outcomes in the community.

2. Wellbeing

Invest in research to grow the body of evidence to support improved quality use of complementary medicines and provide a safe workplace.

3. Equality

Foster diversity and inclusion in our workplace and product offering and honour First Nations culture and approaches to health and nature.

IMPACT

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1. Health Education

COMMITMENT

Deliver better health outcomes by empowering people with knowledge.

PROGRESS

Symposia, seminars and student training

Blackmores Institute hosts a program of face-to-face academic and training events throughout the year in Australia and in Asia. These include:

- Scientific research symposia – featuring internationally renowned experts who provide health professionals with valuable insights on translating research into clinical practice.
- Pharmacist masterclass and education seminars – clinically focused events developed to illustrate evidence-based steps that pharmacists can take to offer an integrative approach to pharmacy healthcare advice.
- Student training – aimed at educating pharmacists of the future, Blackmores Institute has associations with a number of leading education institutions in Thailand, Singapore, Hong Kong and Malaysia.

Delivered 245,564 education touchpoints.

11,446 accredited complementary medicine modules completed by pharmacists.

67,727 product training modules completed by health retail assistants.

Natural therapies training delivered to 944 employees, with 16,055 learning bites completed.

2. Wellbeing

Research

COMMITMENT

Invest in research to grow the body of evidence to support improved quality use of complementary medicines.

PROGRESS

Invested in 19 clinical research projects

Collaborated on 36 clinical research projects

Collaborated with 30 leading research partners across nine countries

Blackmores Institute focuses on improving and promoting the quality use of natural medicine. It does this through investment in research, educating healthcare professionals and advisors, and consulting with industry, government and university bodies.

The Institute is currently undertaking 36 research projects and clinical trials that aim to tackle conditions including pre-diabetes, vision issues, pregnancy outcomes and overall wellbeing.

This work bolsters Blackmores' ongoing commitment to support the health of people all over the world and continue our mission to connect one billion consumers to the healing power of nature by 2025.

Focus areas of research include addressing significant global health epidemics such as pre-diabetes, osteoporosis, and glaucoma; as well as key condition areas including cognitive health and vision.

Blackmores Institute published a systematic review of nutrition in Southeast Asian countries in March 2023 in *Frontiers in Nutrition*. The review explores dietary intakes in pregnant and lactating women in Southeast Asia. This is the first publication in a series of papers that will be published on key life stages.

Blackmores Institute concluded five randomised clinical trials (RCTs) in the reporting period and it expects the publication of findings to be released in the coming year.

Blackmores Institute has submitted for publication a major systematic review with significant findings of a key nutrient that can help to reduce foetal malformations and miscarriages.

The research is additional to gifted donations supporting research initiatives and PhD programs at the National Institute of Complementary Medicine (NICM) at the University of Western Sydney, University of Sydney, and University of Technology Sydney.

Blackmores Institute's research extends across a broad geographical region, involving collaborations with more than 30 leading research partners, investigating both human and animal health, utilising methodologies including randomised controlled trials, in vitro testing, systematic reviews and meta-analyses, along with social science research and practice research.

2. Wellbeing

Healthy people

Safety

COMMITMENT

Provide a safe workplace.

OUTCOMES

Previously, the Group has not included countries outside Australia and New Zealand in the safety reporting boundary because the abnormally low reports of injuries reflected a cultural reluctance to report workplace incidents. The broadening of the reporting boundary to include China is an outcome of a strong focus in recent years to bolster safety resources, training, systems and governance including in key international regions.

Consequently, recordable injuries are marginally up on the prior period although there has been clear progress towards safer workplaces across all operating regions:

- 100% of global workforce represented by joint management and worker health and safety committee.
- Four long term impairments (up from two the prior year) as a result of broadening the reporting boundary to include the China region.
- Total recordable injury frequency rate of 3.44 injuries per 200,000 standard work hours, slightly above the prior year.
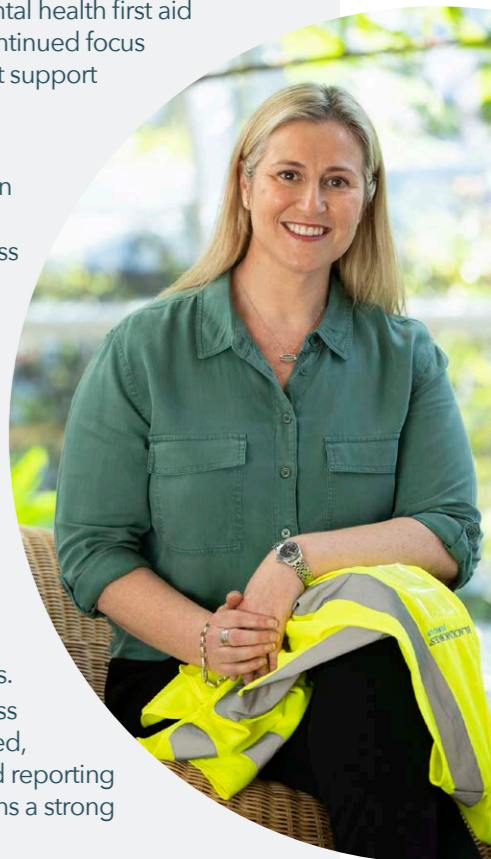
PROGRESS

Systems
- Developed a Work Health and Safety Management System aligned to ISO 45001 standard.
- Implemented B!Safe, a safety reporting tool and app. All Blackmores employees are able to download the app and report an incident, hazard or injury from their phone, tablet or desktop at any time.
- Online Safety Inspections have increased across the group with a deeper remit of indicators evaluated at each check.
- Created a WHS Hub on the company intranet.

Support
- Key operational sites at Warriewood, Braeside and Bungarribee have an on-site qualified physiotherapist. Data from the inaugural year of this service shows the positive impact of early preventative intervention and treatment of niggles is directly related to reduced injuries.
- To supplement first aid officers on site, a national healthcare provider has been appointed to triage employee medical needs.
- Continued implementation across all regions and employees of Sonder as the provider of an employee assistance program.
- Trained first aid personnel numbers have been adjusted to reflect reduced employee attendance on site as flexible working arrangements are supported.
- Training of further mental health first aid personnel will be a continued focus to boost this important support function.

Training & Culture
- Safety Alerts have been deployed to share key WHS information across key operational sites.
- Monthly WHS meetings are prioritised with senior employees to share learnings and progress safety initiatives.
- E-learning modules have been developed to assist employees nativgating the WHS systems and processes.
- Hazard reporting across the group has increased, reflecting an improved reporting culture which underpins a strong safety culture.

Skye Storey, WHS Rehab Advisor.

2. Wellbeing

Honour First Nations culture and approaches to health and nature

COMMITMENT

Honour First Nations culture and approaches to health and nature.

PROGRESS

At Blackmores, we recognise the importance of acknowledging and protecting the oldest living culture in the world and we aspire to honour First Nations' approaches to health and nature.

This is strongly aligned to our commitment to being a sustainable business, especially in how we source responsibly, protect biodiversity and address the impacts of climate change.

We have a lot to learn from the original stewards of the land and sea. Blackmores has made a commitment to understand more about how we incorporate these learnings into our daily ways of working.

Initiatives to ensure there is a growing place for First Nations recognition in our corporate culture have included providing opportunities for employees to engage more deeply with members of the First Nations community and events such as learning bushwalks to explore traditional use of plants as medicine.

As we explore nature-based solutions to protect precious natural medicine in a changing environment, we have recognised the role of indigenous communities in the protection of biodiversity.

Given our purpose is rooted in a holistic understanding of nature and wellbeing, we value First Nations perspectives to help us navigate our sustainable development.
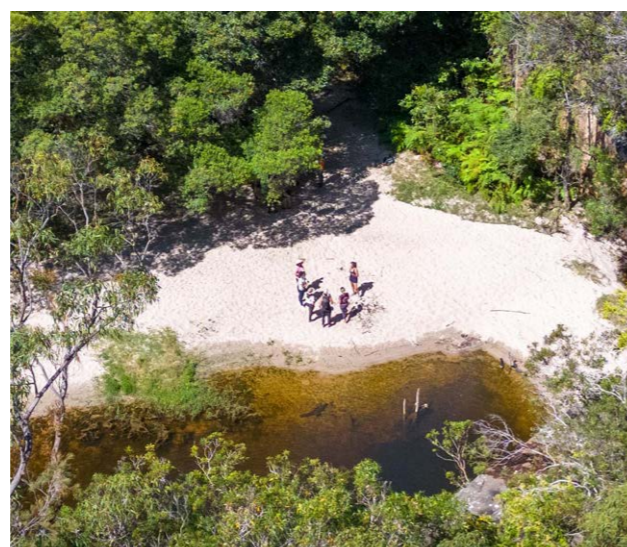
3. Equality

COMMITMENT

Foster diversity and inclusion in our workplace and product offering.

TARGET

Ensure 40% female, 40% male and 20% capacity for flexibility inclusive of male, female and non-binary employees in our workplaces.

PROGRESS

Diversity, Equity, Inclusion and Belonging (DEIB). We take pride in our diverse workforce that increasingly reflects the consumers we serve and communities we operate in. Blackmores remains ahead of our gender representation targets, exceeding our 2025 targets.

Workplace of choice

Blackmores continues to be recognised as a Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality (EOCGE), reflecting progress in our Diversity, Equity, and Inclusion (DEI) journey. Blackmores received WGEA pay parity compliance certificates for 2022 and 2023.

Criteria for the citation cover leadership and strategy, learning and development, gender remuneration, flexible work, and other initiatives to support family responsibilities.

For the fourth consecutive year, and in accordance with our annual submission to WGEA, we have maintained gender pay parity. The EOCGE citation for Blackmores recognises the work undertaken to achieve pay parity by closing the remuneration gap. We continue to support all staff through our gender-equal parental leave and domestic violence policies and flexible working 'FlexFit' philosophy, which encourages a family friendly and flexible workplace.

Blackmores has strong representation of women aligned to diversity targets:

- 60% of Board Members in the reporting period were women
- 55% of Executive Team members are women
- 49% of senior managers are women
- 63% of other managers are women
- 61% of non-manager roles are held by women
- 60% of total employees are women

Blackmores' program of inclusion-focused engagement initiatives is called B!Longing. As a pillar under the RISE employee wellbeing program, it supports Blackmores' participation in:

- International Women's Day
- Mardi Gras and Pride Month
- Harmony Day
- RUOK Day
- Mental Health Awareness Month including RUOK Day and World Mental Health Day
- International Men's Day
- Key cultural and religious celebrations in all locations
- Multi-language options for key communications and employee surveys
- Learning opportunities to build education on the innate link between diversity and inclusion and high-performance workplaces with richly inclusive cultures.

> We're in the unique position of operating across highly diverse markets and territories, and the company's leadership has a good understanding of what is at the core of DEI – valuing the unique perspectives and experiences each individual brings to the table and creating an environment that welcomes those differences safely.
>
> Jane Franks,
> Chief People Officer
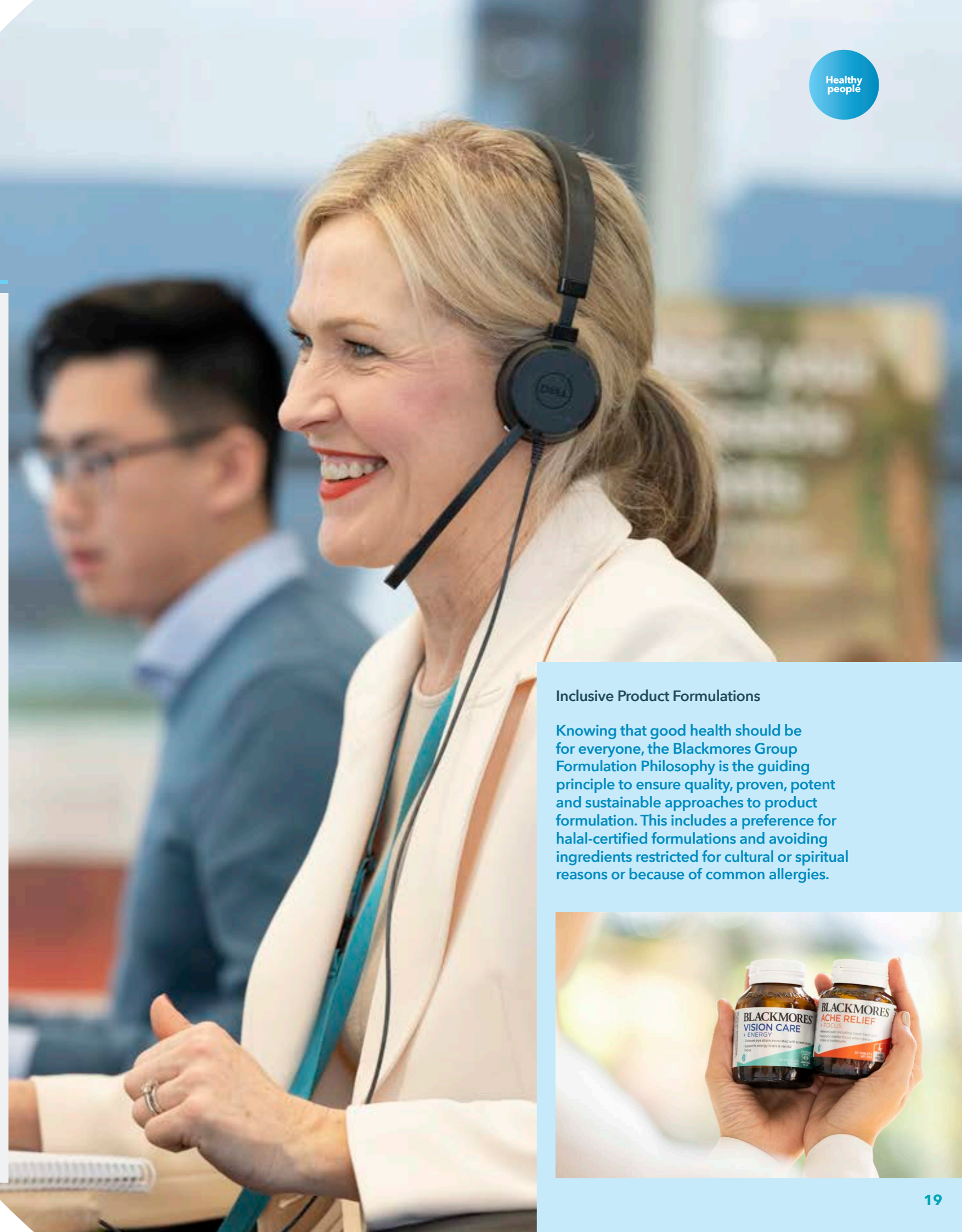
Inclusive Product Formulations

Knowing that good health should be for everyone, the Blackmores Group Formulation Philosophy is the guiding principle to ensure quality, proven, potent and sustainable approaches to product formulation. This includes a preference for halal-certified formulations and avoiding ingredients restricted for cultural or spiritual reasons or because of common allergies.

Healthy planet

WHY IT MATTERS

Greenhouse gases from sources including fossil fuel-based energy, travel emissions and landfill are accelerating global warming. Human activity is contributing to temperature increases such that the IPCC predicts that temperatures will rise above re-industrial levels by 1.5°C as early as 2030 and up to 4.4°C by 2100 with catastrophic results. Any trend in temperature rise affects the types of plants that grow and species that will survive and thrive, disrupting the delicate balance of nature. These changes will compromise our food security, water supply, the stability of coastlines and will put human health at risk.

The protection of terrestrial and freshwater biodiversity is vital for ensuring long-term and sustainable use of land-based natural resources. Blackmores Group uses hundreds of ingredients, so adopting a sustainable and ethical approach to sourcing is necessary to support our long-term operational viability and mitigation of supply chain risk.

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.

HOW WE DELIVER THIS

1. Climate

Committing to Net Zero Emissions by 2030.

2. Nature

Protect and restore nature.

3. Circularity

Delivering sustainable packaging solutions and optimising material recycling and recovery.

IMPACT

7 AFFORDABLE AND CLEAN ENERGY | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION | 14 LIFE BELOW WATER | 15 LIFE ON LAND

Healthy planet

1. Climate

Reach Net Zero Emissions by 2030 and ensure a resilient supply chain

COMMITMENTS

Reach Net Zero Emissions by 2030, drive progress towards a nature-positive future and ensure a resilient supply chain

Implement a clear climate resilience action plan to understand and address our exposure to the impacts of climate change

Conserve water

OUTCOMES

40% reduction in absolute emissions compared to 2020 baseline

Continued to implement energy efficiency projects

Concluded the first complete Scope 3 emissions profile of a key ingredient

Undertook a renewable hydrogen feasibility study

Continuing progress towards Net Zero Emissions by 2030

The Blackmores Group greenhouse gas footprint continued to decline in 2023, driven by improvements in energy efficiency, increased use of renewable electricity and reduced waste to landfill. Measured greenhouse emissions were 8,257 tCO2-e, a reduction of 4,709 tCO2-e or 36% at the Group level and 4,623 tCO2-e or 48% at Braeside Manufacturing compared to last year.

Scope 2 emissions from purchased electricity reduced by 4,138 tCO2-e or 49% in absolute numbers and by 49% in emissions intensity (per 1000 units sold) compared to last year.

Total emissions intensity at the Group level reduced by 100 kgs CO2-e/1000 units sold or 36% to 178 kgs CO2-e/1000 units sold and by 0.93 kgs or 43.67% to 1.20 kgCO2-e/1000 normalised doses produced at Braeside Manufacturing during the year. Both Group and manufacturing emissions reduction targets were achieved.
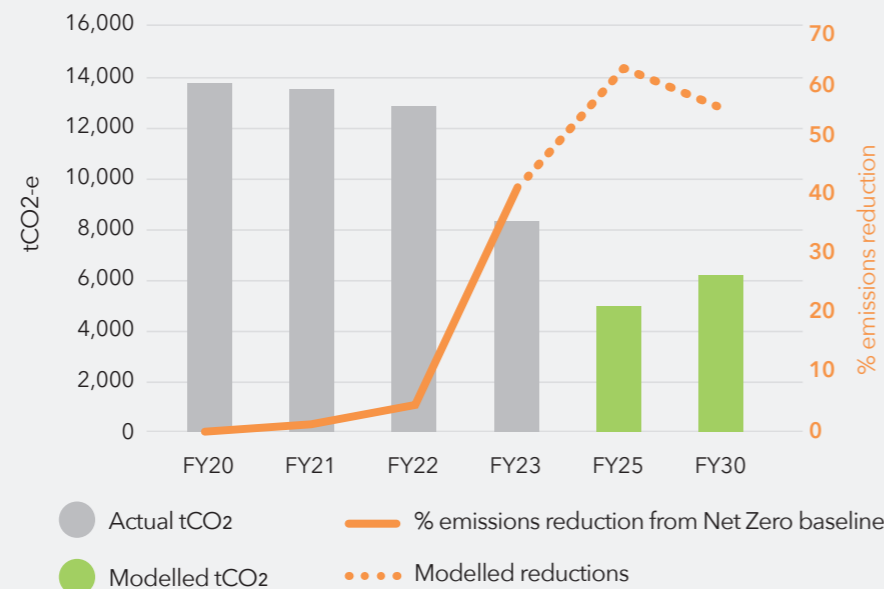
Progress towards the Group's 2030 Net Zero emissions target accelerated during the year achieving a 40% reduction on the 2020 baseline, a significant improvement from the 5% reduction achieved last year.

**TOWARDS ZERO CARBON**

1. Climate

Net Zero Emissions Progress to 2030

Legend:
- Actual tCO₂ (grey)
- Modelled tCO₂ (green)
- % emissions reduction from Net Zero baseline (orange line)
- Modelled reductions (orange dotted line)

The transition to 100% renewable electricity at Blackmores' Braeside Manufacturing Facility from 1 January 2023 was the primary driver of total emissions reduction, with 52% of the Group's electricity consumption during the year coming from renewable sources, avoiding 5,550 tCO₂-e. Reductions were also achieved in waste to landfill – 22% lower than last year – through the implementation of a new waste contract at Braeside, collecting a greater proportion of waste streams previously sent to landfill.

With the lifting of COVID-related restrictions on business travel, emissions grew by 273 tonnes compared to the previous year however this increase was moderated through the purchase of 300 tonnes of verified carbon offsets, reducing overall travel emissions to 67 tCO₂-e. Likewise, the lifting of COVID restrictions facilitated increased sales travel with Australian fleet emissions increasing 62% or 68 tCO₂-e from the FY22 COVID low.

Group Renewable Energy Use (MWh)

Legend:
- Renewable Energy Purchased (green)
- % of electricity consumed (orange line)
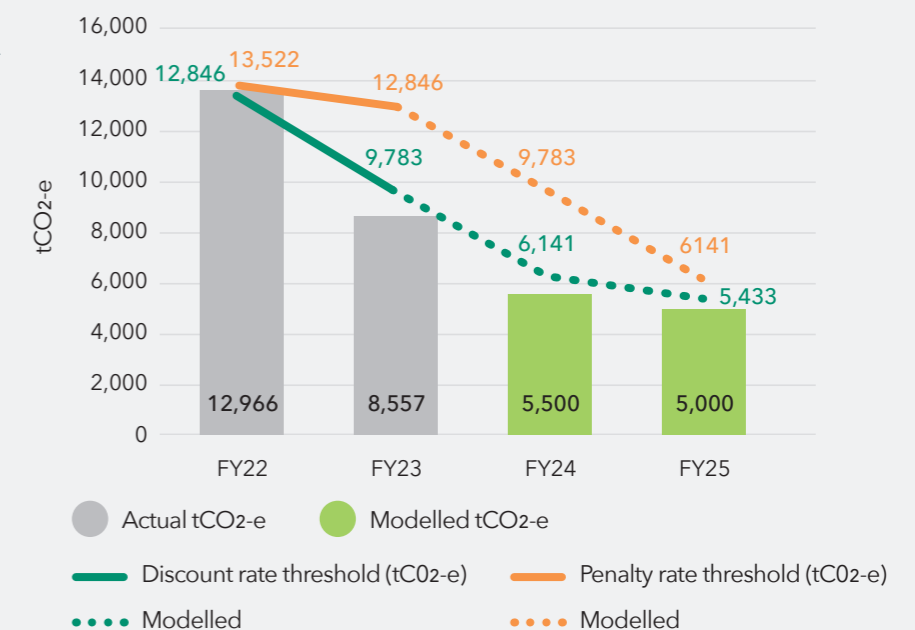
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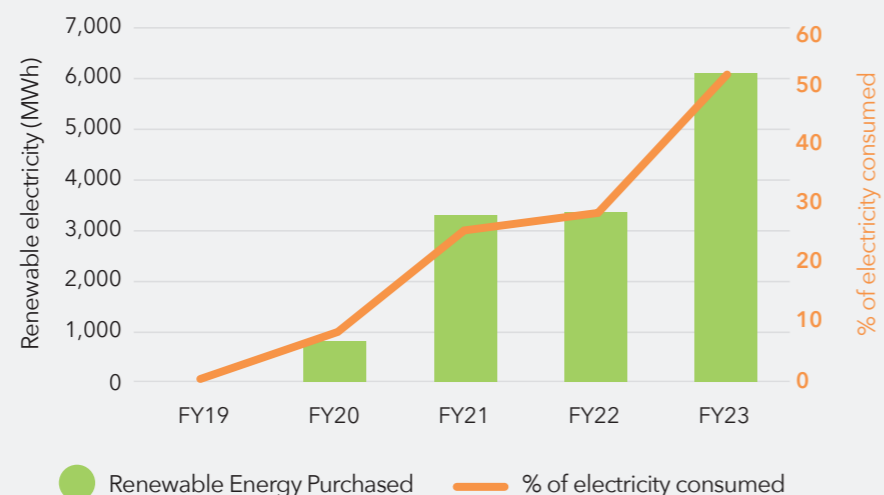
1. Climate

Operational efficiency projects undertaken during the year included adjustments to the reverse osmosis compressor and slowing down fans in the encapsulation hall, together reducing electricity demand by 92 MW pa. Further planned heat recovery on the compressors and boiler tank insulation have reduced modelled gas consumption in 2024.

Through grant funding from the Victorian Government, Blackmores' Braeside Manufacturing Facility undertook a 'Hydrogen-ready' feasibility study to ascertain key technical, operational and business case considerations in transitioning process heat to renewable (green) hydrogen in coming years. Refer to Manufacturing Energy Transition Planning on page 28 for more detail.

Sustainability Linked Loan

For the second consecutive year, total emissions (Scope 1, 2 and measured Scope 3) were less than the annual target set through the 2022-25 Sustainability Linked Loan agreements contributing to potential interest rate reductions on related loans. No carbon offsets are included in the reductions aligned to these targets.

Group absolute emissions progress against SLL targets

Legend:
- Actual tCO₂-e (grey)
- Modelled tCO₂-e (green)
- Discount rate threshold (tCO₂-e) (green line)
- Penalty rate threshold (tCO₂-e) (orange line)
- Modelled (green dotted)
- Modelled (orange dotted)

The Heating Ventilation and Air Conditioning (HVAC) system is the backbone of any medicines manufacturing facility and is critical to air quality control.

Consequently, HVAC consumes a large proportion of energy usage which contributes to increased cost of goods sold (COGS). Air handling units (AHUs) are responsible for circulation of air and filtration of airborne and aerosol contaminations and particles. Fans, filters and heating/cooling coils are the key components of the AHUs.

At the Braeside facility, there are more than 17 air handling units consuming more than 340kWh, including some operating 24 hours a day. Existing AHU fans are up to 40 years old and inefficient compared to newer technology. To address this, a program to upgrade the AHU fans to state-of-the-art efficient technology was commenced during the year. A priority focus on the encapsulation hall and drying rooms has resulted in $106,000 of estimated annual electricity cost savings and nearly 500 MW of reduced electricity demand.

Upgrade planning commenced in 2023 with works to be completed in 2024.

Net Zero journey

2016-19

- First carbon footprint reported for the Warriewood Campus
- Blackmores aligns business activities to the UN Sustainable Development Goals
- Development of greenhouse gas mitigation standard operating procedure embedded in Blackmores' Environmental Management System (EMS)
- Release of Blackmores' climate change position statement
- First Executive Team 1.5 to 2 degree climate scenario workshop and climate resilience risk assessment leading to climate risk included in Group Risk Register
- Blackmores sets first carbon reduction target, committing to reduce emissions intensity by 20% from 2016 baseline
- Group Climate Resilience Action Plan and Clean Energy Strategy developed
- Began the transition to renewable energy with 20% renewable electricity
- Blackmores Group acquired the Braeside manufacturing facility in October 2019 which almost doubled the Group's emissions footprint

2020

- Commenced 20% renewable electricity at Braeside Manufacturing Facility and 50% at the Warriewood Campus
- Energy Management System benchmarking undertaken
- NSW Government High Energy User Coaching Project and subsequent benchmark assessment undertaken*
- Commenced development of an Energy Management System to support strategic energy monitoring, management and reporting at Warriewood and Braeside*
- Net Zero Emissions by 2030 commitment announced by CEO Alastair Symington
- Second annual Executive Team climate scenario workshop and climate resilience risk assessment
- Decommissioned the gas-fired trigeneration plant at the Warriewood Campus, transitioning to 100% electrification with significant carbon reduction due to improved energy efficiency
- Carbon reporting embedded in the Group Scorecard as one of the key business performance metrics
- Blackmores joins NSW Government Net Zero Pathway Pilot Program enabling further development of the Net Zero emissions pathway*
- Blackmores Braeside Manufacturing Mechanical Services Energy Audit and Energy Efficiency Improvement Feasibility Study undertaken
- Commenced transition of fleet vehicles to hybrids
- Commenced purchase of 20% grid supplied renewable energy at Blackmores' Bungarribee Distribution Centre to complement rooftop solar

2021

- Adopted facility-specific Energy Performance Indicators
- Commenced Carbon Offset Investment Strategic Review
- Group Energy Management System developed
- Installation of high-level fans at Braeside eliminated energy intensive stratification in key work zones
- Climate change Financial Sensitivity Model developed
- Third annual Executive Team climate scenario workshop and climate resilience risk assessment
- Blackmores New Zealand and major facilities across Asia included in Group carbon footprint
- Hybrid cars represent 86% of fleet vehicles

2022

- Installation of LED lighting and improved energy monitoring through an upgraded Building Management System at Warriewood Campus
- Improved energy efficiency with upgraded pumps and installation of variable speed drives on air handling units at Braeside
- With Victorian Government grant support, commenced a "hydrogen ready" feasibility study at Braeside
- Commenced planning for further emission reduction projects in mechanical services at Braeside
- Linked 50% of Blackmores loan facilities to sustainability targets via a Sustainability Linked Loan
- Fourth annual Executive Team climate scenario workshop and climate resilience risk assessment
- Installed electric vehicle charging stations at Warriewood Campus
- Continued sales fleet transition to cleaner fuel sources with 95% hybrid vehicles and the remainder electric vehicles

2023

- Multidisciplinary Net Zero Team established to coordinate and track mitigation and abatement initiatives
- Achieved, for the second year running, Sustainability Linked Loan Net Zero annual emission reduction targets
- Completed the Blackmores Braeside "Hydrogen ready" feasibility study leading to a Process Heat Decarbonisation Pathway 2023-30
- As a result of our CEO's participation in the Climate Leaders Coalition, the focus on Scope 3 emissions within Blackmores' supply chain broadened with a pilot to model the full value chain Scope 3 emissions of a key ingredient
- New electricity supply agreements in place with 100% renewable electricity at Braeside leading to 52% of Blackmores' Australian electricity consumption from renewable sources
- Commenced a Group-wide Climate Transition Plan
- Piloted carbon offset investment to offset business travel emissions
- Implemented further manufacturing energy efficiency projects at Blackmores Braeside site including heat pump installation and upgrades to Air Handling Units
- Group Waste Strategy in practice, enabled a new waste contract at Braeside recovering a greater proportion of waste streams previously sent to landfill

BEYOND 2023

- Continue to implement energy, water and waste efficiency projects in Australian owned facilities to reduce the emissions intensity of production
- Renew electricity supply contracts in Australia to enable 100% renewable electricity at major facilities
- Continue to invest in carbon offsets to mitigate impacts of some operational activities in the lead up to 100% Group emissions offset in 2030 with abatement investment aligned to Blackmores values
- Include remaining Asian operating facilities in energy and emissions reporting
- Measure and identify Scope 3 emission reduction opportunities in Blackmores national and international product distribution networks
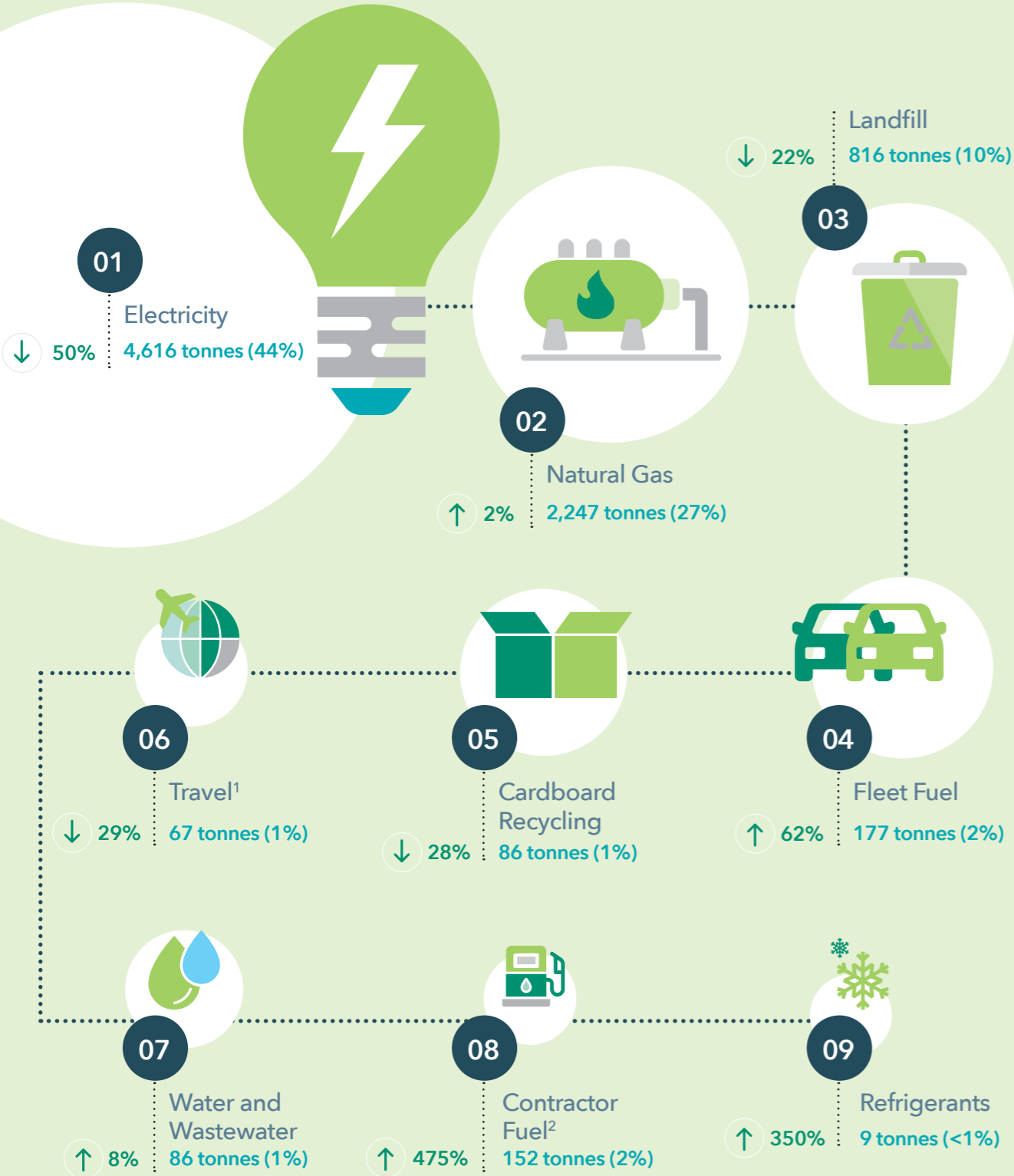- Increase awareness within our supply chain of the benefits of emission reduction opportunities

TOWARDS
ZERO CARBON
BLACKMORES | GROUP

* These initiatives were supported by the NSW Government Department of Planning and Environment.

Greenhouse Gas Emissions

Tonnes (Scope 1-3) / (% of annual total) / % change from FY22 ↑ ↓

01 Electricity
↓ 50% 4,616 tonnes (44%)

02 Natural Gas
↑ 2% 2,247 tonnes (27%)

03 Landfill
↓ 22% 816 tonnes (10%)

04 Fleet Fuel
↑ 62% 177 tonnes (2%)

05 Cardboard Recycling
↓ 28% 86 tonnes (1%)

06 Travel[1]
↓ 29% 67 tonnes (1%)

07 Water and Wastewater
↑ 8% 86 tonnes (1%)

08 Contractor Fuel[2]
↑ 475% 152 tonnes (2%)

09 Refrigerants
↑ 350% 9 tonnes (<1%)

1. Includes 300 tCO2-e offset investment.
2. November 2022 NGA Workbook revised method of calculating Scope 3 emissions for diesel consumption.

1. Climate
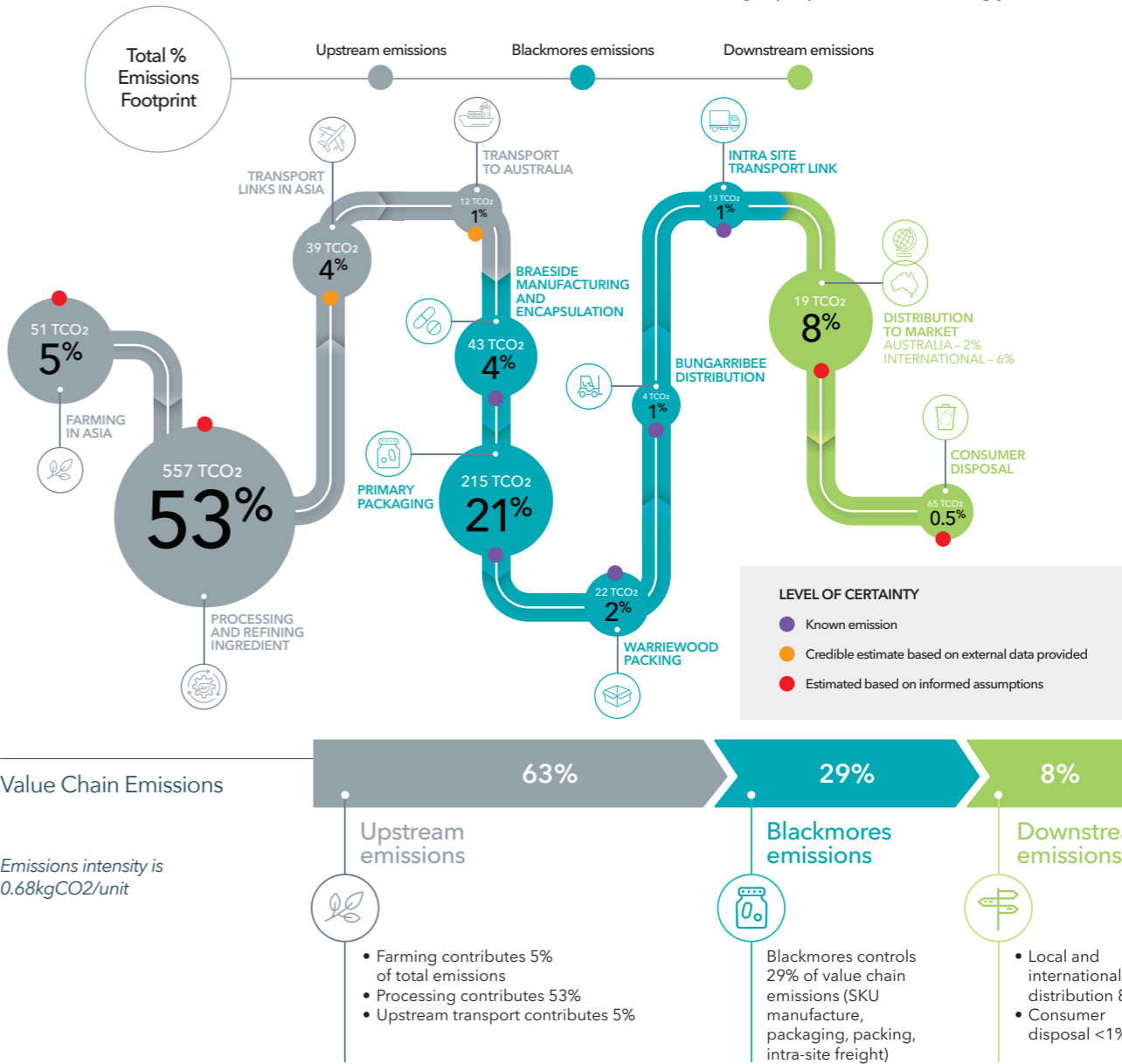
Value Chain Emissions

Guided by the playbook published by the Australian Climate Leader's Coalition, with endorsement from Blackmores CEO Alastair Symington, Blackmores broadened its focus on Scope 3 emissions within its supply chain in 2023 with a pilot to model the full value chain emissions of a key ingredient.

Through in-house estimation, external databases and direct engagement with the upstream herbal supplier, emissions were mapped from the farm through to processing, transport, Blackmores' use in product manufacture and packing, distribution to markets and consumer disposal of packaging.

The intent was to understand Blackmores' contribution to the full value chain profile and to identify opportunities to influence the emission hot spots outside our operational control. The highest emissions were in the offshore raw material farming and processing stage contributing 63% of the total estimated value chain emissions.

Blackmores' own operations contributed 29% of the emissions and distribution to market accounted for a further 8%. It is expected that similar results will be likely with proposed assessments of other key raw material value chains involving agricultural products.

Analysis of other sourcing value chains, such as fisheries and wild harvesting is proposed in the coming year.

Total % Emissions Footprint — Upstream emissions — Blackmores emissions — Downstream emissions

TRANSPORT LINKS IN ASIA
TRANSPORT TO AUSTRALIA
INTRA SITE TRANSPORT LINK
12 TCO2 1%
39 TCO2 4%
BRAESIDE MANUFACTURING AND ENCAPSULATION
13 TCO2 1%
19 TCO2 8%
DISTRIBUTION TO MARKET AUSTRALIA – 2% INTERNATIONAL – 6%
51 TCO2 5%
FARMING IN ASIA
43 TCO2 4%
BUNGARRIBEE DISTRIBUTION
4 TCO2 1%
557 TCO2 53%
PRIMARY PACKAGING
215 TCO2 21%
22 TCO2 2%
WARRIEWOOD PACKING
CONSUMER DISPOSAL
65 TCO2 0.5%
PROCESSING AND REFINING INGREDIENT

LEVEL OF CERTAINTY
● Known emission
● Credible estimate based on external data provided
● Estimated based on informed assumptions

Value Chain Emissions

Emissions intensity is 0.68kgCO2/unit

63%	29%	8%
Upstream emissions	**Blackmores emissions**	**Downstream emissions**
• Farming contributes 5% of total emissions • Processing contributes 53% • Upstream transport contributes 5%	• Blackmores controls 29% of value chain emissions (SKU manufacture, packaging, packing, intra-site freight)	• Local and international distribution 8% • Consumer disposal <1%

1. Climate

## Manufacturing Energy Transition Planning

Blackmores' Clean Energy Strategy guides the Group's ambition to use the cleanest sources available, most efficiently and delivering the best value for each unit of energy. Energy choices must support the sustainability, operational and financial goals of the Group.

Natural gas is used extensively at Blackmores' manufacturing facility in Braeside, Victoria. Following the completion of planned renewable electricity transition and efficiency projects in the coming years, natural gas will account for approximately 47% of the Group's emissions footprint, 94% of this at the Braeside facility.

Through grant funding from the Victorian Government, Blackmores' Braeside Manufacturing Facility undertook a 'Hydrogen-ready' feasibility study to ascertain key technical, operational and business case issues in transitioning process heat to renewable (green) hydrogen in coming years. Key learnings included:

- Our current process heat infrastructure can accommodate up to 13% hydrogen blend without any infrastructure upgrade required.

- The higher understanding gained through this study, coupled with the limit to hydrogen's application, availability and cost in the current market, resulted in new thinking on how we can change some operational practices, capture waste heat, and electrify equipment to reduce the use of gas (as opposed to just switching the fuel source).

- Implementing these concepts will result in Blackmores using less natural gas in our processes. For example, the preliminary business case for electrification and heat recovery to meet low temperature process heat (hot water) needs can reduce the site's gas consumption by over 20% using market ready technologies such as heat pumps and air compressor heat recovery.

The study produced a detailed Process Heat Decarbonisation Roadmap which is the basis for further project business case development including the introduction of new heat pumps and upgrades to existing chiller heat pumps at Braeside.

BLACKMORES | GROUP

EXPLORING

hydrogen

AS A CLEAN ENERGY OPTION ON THE NET ZERO PATHWAY
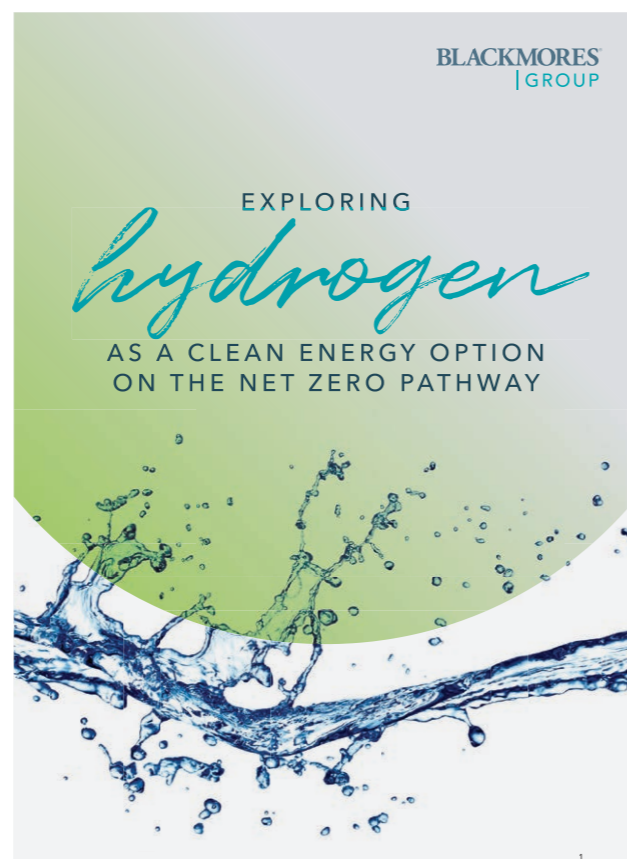
1. Climate

Water and wastewater challenge

Through the Nature Risk Assessment work undertaken over the last two years, the importance of access to clean water and the essential ecosystem service water provides, we aspire to deepen our management of water use and wastewater management.

Blackmores' Australian manufacturing, packing, office and distribution facility water use is not significant when benchmarked with other Australian manufacturers. Approximately 99% of water use is from municipal water supply and wastewater is returned to water authority facilities with the exception of steam release at Braeside via regulated stack emissions, landscape irrigation and potable consumption.

The Warriewood campus greywater system, a key component of the 2011 design and construction, has been challenged by inadequate construction phase commissioning and has not performed to expectations. As a consequence, very little roof and grey water is captured for reuse on site.

Studies have indicated the scope of remedial action and subsequent extensive costs to achieve design intentions at Warriewood. To date, the investment is not cost effective and technically challenging given the operational requirements of the facility (it is a major 5-6 day a week packing facility).

Water conservation and reuse opportunities will be further investigated in the coming year.

Scott Grant, Group Engineering Projects Manager.

1. Climate Risk

Annual climate resilience risk assessment continues to confirm the most significant climate change risks, both physical and transitional, come from our extended global supply chain. They take the form of impacts on the agricultural, forestry and fishery practices we depend on for quality reliable raw materials and while some of these will be directly related to accelerating extreme weather trends, others relate to impacts on nature's ability to provide the services we depend upon. This includes pollination, reliable water, clean air and seasonal weather patterns supporting economic activity. Where nature struggles to maintain these ecosystem services our supply chain is at risk of poor yields, increased disease, and increasing costs. **Our climate risk analysis is inextricably linked to nature and biodiversity and accordingly, nature risk analysis has driven our climate resilience focus this year.**

Focus Area	Mitigation a focus on Net Zero	Adaptation a focus on supply chain resilience
STRATEGY & PLANNING	• Blackmores' Net Zero Pathway is integrated into operational business planning with targets aligned to CEO and senior executive remuneration and accountability deepened by aligning decarbonisation indicators to a Sustainability Linked Loan. • Achieved, for the second year running, the Sustainability Linked Loan annual absolute emissions and ethical supply chain targets. • Annual review and update of the Group Climate Resilience Action Plan.	• Developed a Group Nature Positive Action Plan designed to embed best practice biodiversity management in strategic sourcing. • Commenced evaluation of a range of short- and long-term targets aligned to the Group Nature Positive Strategy. • Commenced implementation of the Group Carbon Offset Strategy and included a focus on co-benefits such as biodiversity conservation. • Commenced a Climate Transition Plan aligned to the Transition Plan Taskforce Disclosure Framework.
OPERATIONS	• Reduced Group emissions by 4,709 tCO2-e or 36% at the Group level and 4,625 tCO2-e or 48% at the Braeside Manufacturing facility compared to last year. • 12 months of renewable energy purchases avoided 5,550 tCO2-e and comprised 52% of annual electricity-related emissions. • Progress towards the Group's 2030 Net Zero target accelerated achieving a 40% reduction on the 2020 baseline, up from a 5% reduction last year. • Continued to plan, scope and implement emissions reduction initiatives at Warriewood and Braeside.	• Through the Partnering for Adaptation program, assessment of the impact of climate change on ingredients continued using a financial sensitivity model developed to evaluate the impact on revenues of climate scenarios and to inform disclosures in line with the recommendations of the Taskforce for Climate-related Financial Disclosures (TCFD). • Continued engagement with key suppliers to identify initial environmental data required to undertake ingredient level risk and resilience analysis.

Focus Area	Mitigation a focus on Net Zero	Adaptation a focus on supply chain resilience
OPERATIONS (CONT.)	• Improved waste diversion from landfill by 22%, compared to prior year, through the implementation of a Group Waste Strategy. • Developed a Process Heat Decarbonisation Pathway at Braeside with future focus on increased electrification, reducing dependence on natural gas.	• Completed a Scope 3 emissions pilot of the full value chain of a key herbal ingredient to better understand data limitations, assumptions and levels of certainty. • Annual ESG webinar, delivered to suppliers, advanced the Partnering for People and Partnering for Adaptation programs.
LEADERSHIP	• Blackmores' CEO Alastair Symington, supports the Australian Climate Leaders Coalition's (CLC) Scope 3 Roadmap – practical steps to address Scope 3 emissions. Blackmores used this approach to complete its first comprehensive emissions profile of a key raw material. Blackmores worked with CLC, resulting in a Scope 3 Roadmap to Excellence Report for the company. • Partnered with Complementary Medicines Australia to set a sectoral target and for members to measure emissions and commit to reduction targets enabled by a NSW Government Net Zero Accelerator program. • Continued to participate in the Science Based Targets ANZ Roundtable providing insights on our approach to understanding and mitigating our impact on nature and climate-related trends.	• Blackmores CEO Alastair Symington, lead the Australian Climate Leaders Coalition deep dive on Nature to build capability and capacity to incorporate nature-based approaches into Net Zero pathways. • Continued to participate in the TNFD Forum to contribute to the development of international guidance on evaluating and reporting an organisation's impact and dependence on natural systems and biodiversity. • Commenced development of a TNFD Case Study illustrating our pilot LEAP evaluations on a key herbal ingredient. • In collaboration with Western Sydney University's Institute for the Environment, and an ingredient supplier, commenced a study of the risks and adaptation principles as a consequence of climate change trends in a key Australian agricultural region.
SYSTEMS & PROCESSES	• Documented a Climate Resilience Accountability matrix that details accountability, capabilities, data systems and tools, and monitoring and reporting responsibilities across a range of Group operations and teams. • Updated the Net Zero Emissions Forecast tool to re-forecast a 2024 to 2030 emission trajectory based on known and estimated potential carbon reduction opportunities. • Continued CEO scorecard reporting on quarterly absolute and emission intensity indicators for the Group and Manufacturing. • Updated the Executive Team and Board on Net Zero performance outcomes and trends.	• Scoped alignment of internal processes and practices with TCFD, TNFD, Transition Pathway Initiative and Business Council for Sustainable Development to identify priority modifications. • Documented a Nature Positive Standard Operating Procedure in the Group Sustainability Management System to clarify roles and responsibilities related to nature risk assessments of Blackmores' ingredients and products. • Developed a Supplier Ingredient ESG Scorecard inclusive of assessment of People, Nature and Climate risk management.

1. Climate Risk

Our climate resilience approach

During the reporting period, Blackmores' Climate Resilience approach was enhanced with the integration of learnings from the Scope 3 Value Chain emissions pilot and the Carbon Offset and Nature Credit Investment Strategy, as a key element of our approach to mitigation. Nature Risk Assessments were also recognised as an essential diagnostic tool in our adaptation approach.

Evidence-based Insights
SUSTAINABLE NUTRITION / IPCC / LEAP / CC-NATURE RESEARCH

Mitigation	**Adaptation**
Net Zero Emissions by 2030 Pathway	Scenario Planning – Risk Management
Scope 3 Value Chain Emission Profile	Climate Resilience Action Planning
Sustainability Linked Loan	Financial Impact Assessment
Carbon Offset / Nature Credit Investment Program	Climate Transition Plan

Supplier Engagement

Targets – Reporting – Governance

1. Climate Risk

Climate Change Financial Sensitivity

Extending our model to evaluate nature risks
With an aim to better understand our potential financial exposure to climate driven trends impacting nature and biodiversity, Blackmores progressed the use of its Climate Change Financial Sensitivity Model by extending the evaluation of a further five raw materials used in Blackmores' products.
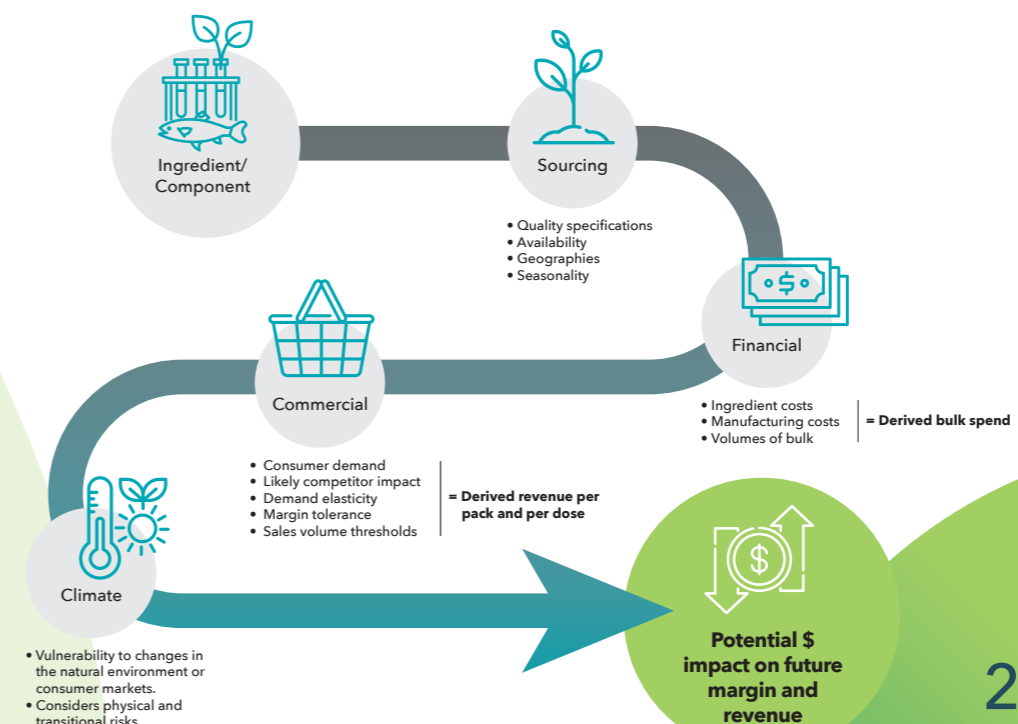
The tool is a multi-year sensitivity model, with variables including:
- Costs of key inputs
- Climate-related supply shocks that might constrain supply of key inputs and reduce output
- Price elasticity of key products
- Demand shocks that might reduce or increase product demand
- Simulated shocks to production capability or operating costs (such as extreme weather damage)
- Cashflow impacts that might increase working capital requirements

The materials were selected to explore a range of different hypothetical climate risk scenarios aligned to the Nature Materiality Matrix work Blackmores undertook during the year. The aim was to better understand the robustness of scenarios linking climate risk with nature impacts in the herbal ingredient supply chain and to evaluate the range of potential financial impacts on profit and loss should the hypothetical scenarios eventuate.

Whilst these scenarios and others tested during the year were hypothetical and are not envisaged to occur in the short to medium term, or may not occur at all, the sensitivity analysis links cost impacts with supply chain resilience to adverse climate trends, and reinforces the need for diversification in supply from different geographical growing regions where risks may be lower.

Such analysis helps to articulate the dependency of products derived from natural sources on the services nature provides, including clean water, soil health, pest avoidance and flood and storm protection.

Ingredient/ Component

Sourcing
- Quality specifications
- Availability
- Geographies
- Seasonality

Financial
- Ingredient costs
- Manufacturing costs
- Volumes of bulk
= Derived bulk spend

Commercial
- Consumer demand
- Likely competitor impact
- Demand elasticity
- Margin tolerance
- Sales volume thresholds
= Derived revenue per pack and per dose

Climate
- Vulnerability to changes in the natural environment or consumer markets.
- Considers physical and transitional risks.

Potential $ impact on future margin and revenue

2. Nature

Understand nature-based dependencies and support nature-positive solutions

Read more about Blackmores' progress to integrate nature into sustainable sourcing on pages 40-41.

3. Circularity

Optimise packaging recyclability and waste reduction.

COMMITMENT

Reduce the impact of our packaging.

GOAL

100% recyclable packaging in Australia and New Zealand by 2025.

PROGRESS

98.2% of Blackmores' current consumer packaging footprint by weight is technically recyclable.

Distribution Packaging Reductions

The team at the Blackmores Distribution Centres at Bungarribee and Warriewood implemented changes to pallet wrap which halved the amount of plastic used in logistics. This eliminates more than six metric tonnes of plastic from our processes annually and delivered a 30% cost saving.

Extended use of the Australasian Recycling Label (ARL)

The ARL is a series of symbols used on product labels in Australia and New Zealand. This evidence-based approach informs consumers on kerbside recycling to improve recycling outcomes and reduce confusion.

An audit of Blackmores and PAW product labels showed inclusion of the ARL on 46% of products with 83% of larger pack formats featuring the symbols.

Displaying necessary information, including ingredients and dosage, limits the available space to deploy the ARL across all packs.
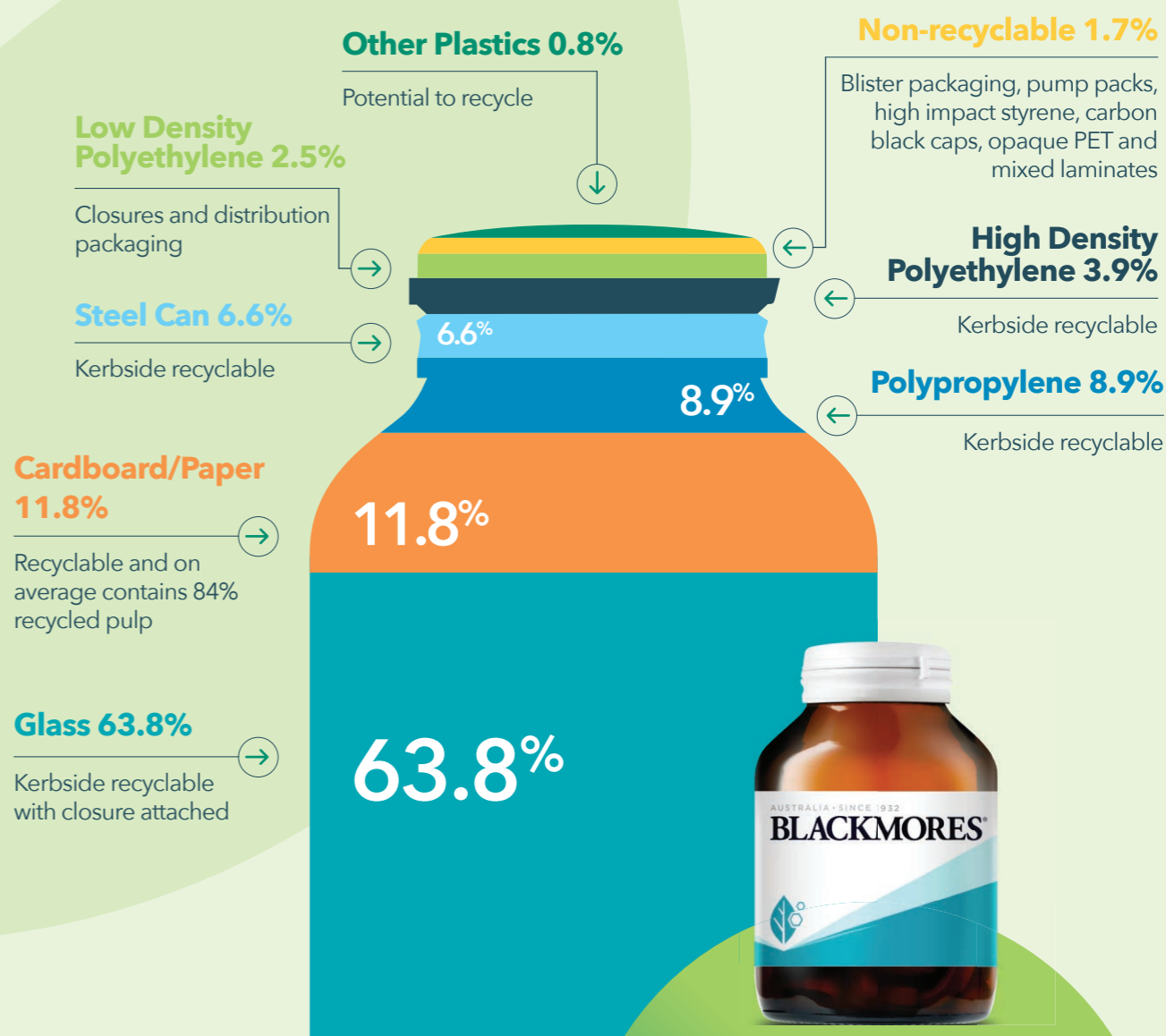
Implementing design-based solutions

Blackmores introduced a new design feature inside the lid of nutritional formula cans that allows the measuring scoop to attach to the inside lid. This delivers two important benefits including improved hygiene by reducing the need to touch the powder to retrieve the scoop and improving recyclability. By keeping like-materials attached at disposal, the scoop is more likely to be recovered for recycling.

3. Circularity

Percentage of total packaging volume by material type.

Healthy planet

Other Plastics 0.8%
Potential to recycle

Non-recyclable 1.7%
Blister packaging, pump packs, high impact styrene, carbon black caps, opaque PET and mixed laminates

Low Density Polyethylene 2.5%
Closures and distribution packaging

High Density Polyethylene 3.9%
Kerbside recyclable

Steel Can 6.6%
Kerbside recyclable

6.6%

Polypropylene 8.9%
Kerbside recyclable

8.9%

Cardboard/Paper 11.8%
Recyclable and on average contains 84% recycled pulp

11.8%

Glass 63.8%
Kerbside recyclable with closure attached

63.8%

BLACKMORES

Our packaging should be simple and respect nature. Therefore, we make choices to ensure:

Our packaging is 100% recyclable, easy to open and use, travels well and protects the product.

3. Circularity

Reduce Waste

COMMITMENT

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

PROGRESS

Blackmores deployed a Group Waste Strategy in October 2022 which resulted in an overall waste reduction of 13% and a 22% improvement in on-site waste diversion from landfill when compared to the prior year.
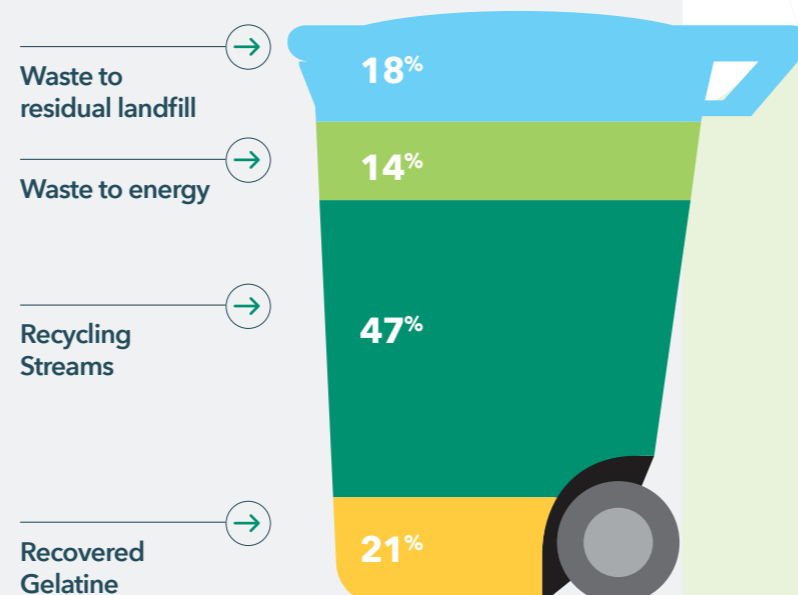
The generation of waste per unit of product sold has reduced by 15% through improved waste management.

The development of the strategy was informed by comprehensive waste audits undertaken in the prior reporting period. Waste management changes included a review of systems, contracts, infrastructure and employee training and delivered both a waste diversion benefit and cost savings.

A new waste opportunity was implemented that enables all our waste gelatine to be used in other industries (not just the clear gelatine, for which there are more re-use options).

The race to 80% waste diversion from landfill continues with the next stage of the program to reduce the amount of waste resulting from our manufacturing processes.

WASTE PERFORMANCE FY23

Waste to residual landfill → 18%

Waste to energy → 14%

Recycling Streams → 47%

Recovered Gelatine → 21%

Gelatine is an organic food waste stream generated through the manufacture of softgel capsules.

With diversion from landfill a key priority, and growing value for the material, the Braeside team implemented systems across the manufacturing process to segregate clean gelatine for reuse in alternate industries.

This initiative reduced waste by 390 metric tonnes (aligned to 819 tonnes of carbon emissions).

To remove more than 45 tonnes of carbon emissions, the Braeside facility team developed a process for the use of a collapsible, reusable container that could be filled with bulk tablets and capsules for delivery to our packaging facilities and be decanted into individual bottles. Once complete, the container is returned for sanitation and reuse. Additional benefits have included a reduction in work-related lifting injuries and line and handling efficiencies. This removes 3.5 metric tonnes of cardboard and 780kg of plastic bags from our processes annually.

Healthy planet

Healthy communities

WHY IT MATTERS

We have a responsibility to make a positive contribution in the communities in which we operate and can mobilise the time and skills of our workforce as well as contributing financial and product support to people in need.

More than 50 million people around the world are trapped in conditions of modern slavery, 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.

HOW WE DELIVER THIS

1. Source Responsibly

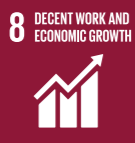Committing to an ethical and sustainable supply chain.

2. Giving

Giving generously with time, financial support and product donations.

3. Partner for Change

Partnering with others across our industry, sector and value chain to make a difference.

IMPACT

8 DECENT WORK AND ECONOMIC GROWTH

17 PARTNERSHIPS FOR THE GOALS

1. Source Responsibly

Partnering for People Initiative: Towards zero exploitation in our supply chain

COMMITMENTS

Assess and address the risk of modern slavery in our supply chain.

Integrating nature risk and protection of biodiversity into Blackmores' responsible sourcing approach.

PROGRESS

Ethical Sourcing

Blackmores is working towards a goal of zero exploitation within its supply chain. As a company, Blackmores has always taken pride in creating a best-practice workplace based on respect, fair remuneration and ensuring employees are healthy and safe.

We have the same expectations of those in our broader supply chain and take a proactive approach to better understanding the working conditions impacting people in the sourcing of ingredients and manufacture of our products.

The Group program to address human rights risk with suppliers and industry is called Partnering for People. It includes initiatives to work towards a value chain of suppliers who share our respect for the rights of those contributing to the production of our products. We commit to take remedial action with suppliers who don't share our aspirations to eliminate modern slavery and to transparently report on our progress. This commitment aligns to Goal 8 of the United Nations Sustainable Development Goals (SDGs).

The evolution of a supplier relationship management portal enabled a more systemised approach to supplier risk assessment.

100% of Tier One Direct suppliers contributing to the ingredients, packaging, manufacture and packing of Blackmores Group products have a current risk assessment.

Risk assessments are used to guide the commissioning of independent human rights audits to be undertaken on suppliers where greater transparency was sought to understand the conditions for the workers and address noted deficiencies.

Greater transparency of human rights risk and successfully addressing areas of concern for vulnerable workers is only possible by uplifting internal capability and growing awareness with suppliers and across the broader industry. The passion of the Blackmores Sourcing and Sustainability teams delivered improved education and business improvement outcomes:

- Supplier risk assessments remain a focus and 100% of Tier One direct suppliers have a current risk assessment.
- Four independent human rights audits were undertaken in the reporting period. A further 13 quality and sustainability audits were undertaken by Blackmores Group's quality team.
- 96% of Corrective and Preventive Actions (CAPA) were addressed within the agreed timeframe during the reporting period. This is a clear improvement on the 76% of CAPAs closed in the prior reporting period and reflects positive change to improve conditions for workers in our supply chain.
- 64 suppliers attended Blackmores Supplier Webinar in May 2023 to learn more about developments across our Partnering for People and Partnering for Adaptation programs.
- Blackmores' human rights training modules were launched in three additional languages to enable greater employee engagement and understanding of the program and their role to report concerns. More than 700 employees have completed these modules since 1 July 2022.

1. Source Responsibly

Sustainable Sourcing – Partnering with Nature

COMMITMENT

Understand the key impacts and dependencies of our business on nature and partner across our supply chain to take steps towards a nature positive future.

Recognising the importance of nature-based solutions as a necessary element of both Blackmores' climate resilience interventions and delivery of Net Zero Emissions by 2030, Blackmores has partnered with Pollination to develop a Nature Risk Materiality Matrix to enable evaluation of nature risks at a portfolio level.

CONTEXT

Blackmores relies on nature for key raw materials. This has evolved in recent years to a recognition of the impact the company has on nature, primarily through its extended global supply chain. In response, the Partnering for Adaptation program was expanded last year to include measures to better understand our impact and dependence on nature and to support Target 15 of the Kunming-Montreal Agreement (COP 15): to assess and disclose risks, impacts and dependencies on nature by 2030.

NATURE MATERIALITY

The 2022 pilot Nature Risk Assessment (NRA) aligned to the emerging best practice guidance set by the TNFD was a significant milestone to understand key nature impacts and dependencies.

The pilot highlighted the need for an evidence-based approach to inform the direction of future assessments based on the most vulnerable regions, key ecosystem services and likely risks unique to each biome.

Blackmores, in partnership with Pollination, which has strong expertise in nature, co-developed a Nature Materiality Matrix to identify likely material nature impacts and dependencies for each sourcing subcategory of ingredients (for example, farm, forest, fishery or factory). The resulting overarching risk matrix factors are financial dependency, formulation dependency, and supplier dependency.

For each sourcing sub-category, a summary has been developed to include:

- The most material nature risks to consider, from both a dependency and impact perspective.
- Critical supply chain data needed to support effective supplier engagement and ongoing communications.
- High-level risk mitigation actions addressing the material nature risks identified.
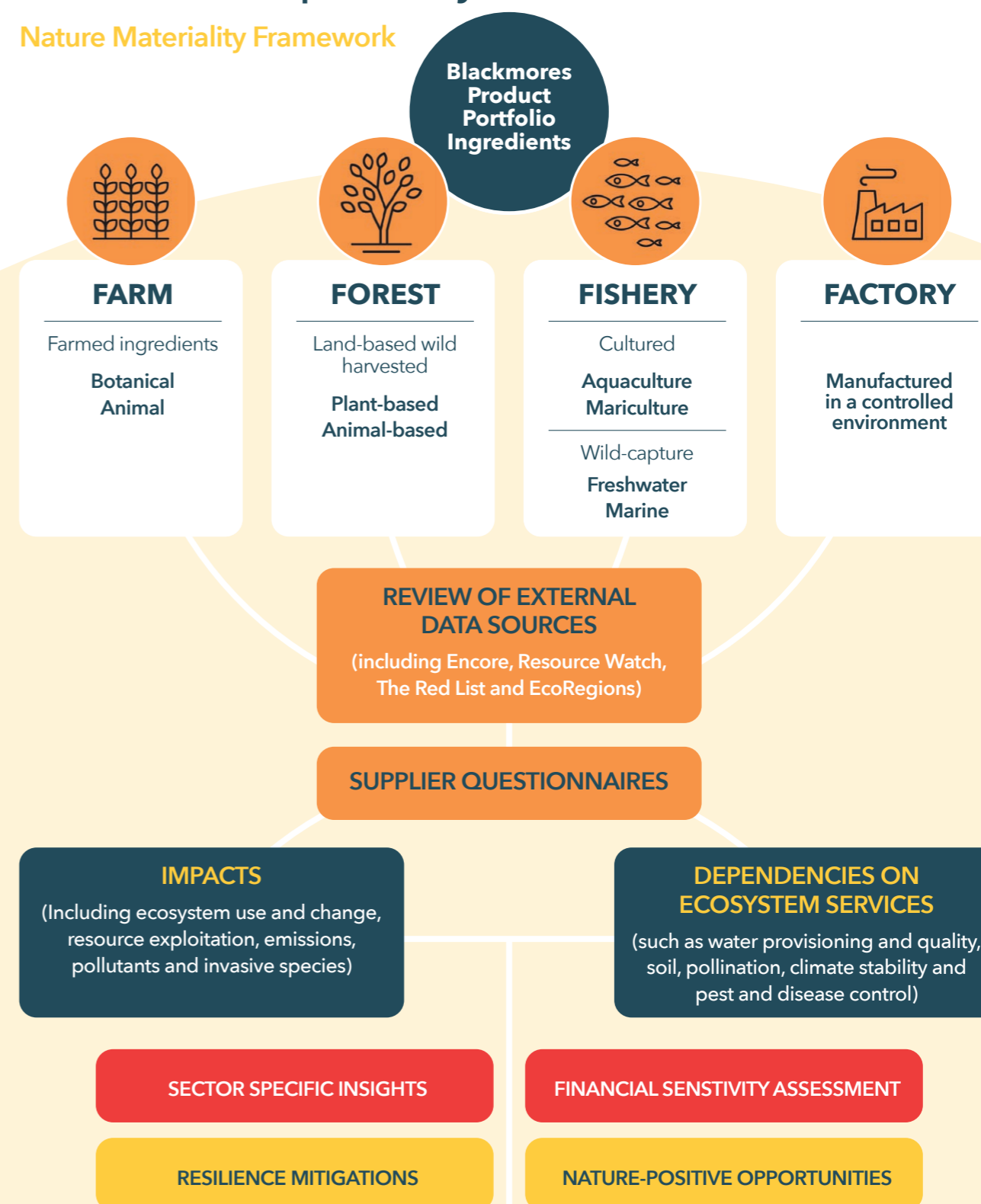
The matrix provides clarity on what aspects of nature risk and dependencies require more immediate focus and the range of questions needed to engage suppliers to obtain critical data upon which to determine if specific intervention is required.

This initiative is the first of its kind in the Australian Complementary Medicines Industry and sets the benchmark for assessing materiality in nature risk assessments for organisations with high risk, complex and international supply chains.

1. Source Responsibly

Nature Materiality Framework

Blackmores Product Portfolio Ingredients

FARM
Farmed ingredients
Botanical
Animal

FOREST
Land-based wild harvested
Plant-based
Animal-based

FISHERY
Cultured
Aquaculture
Mariculture
Wild-capture
Freshwater
Marine

FACTORY
Manufactured in a controlled environment

REVIEW OF EXTERNAL DATA SOURCES
(including Encore, Resource Watch, The Red List and EcoRegions)

SUPPLIER QUESTIONNAIRES

IMPACTS
(Including ecosystem use and change, resource exploitation, emissions, pollutants and invasive species)

DEPENDENCIES ON ECOSYSTEM SERVICES
(such as water provisioning and quality, soil, pollination, climate stability and pest and disease control)

SECTOR SPECIFIC INSIGHTS

FINANCIAL SENSTIVITY ASSESSMENT

RESILIENCE MITIGATIONS

NATURE-POSITIVE OPPORTUNITIES

Key Evaluating Risks   Exploring Opportunities

1. Source Responsibly

Nature Materiality Matrix

Nature risks were categorised based on the likelihood of an ingredient's upstream production process (for example, growing and processing a herbal extract) contributing to some form of impact on nature (such as high use of fertilisers polluting waterways) as well as an ingredient's production process having a limited, moderate or high dependency on ecosystem services (for example, the availability of water, or dependency on natural pollination or the impact of pests).

Risks varied across the sourcing categories with agricultural risks related more to dependencies on the services nature provides farmers, such as water supply and soil quality. Wild sourcing risks, such as bee products, were more at risk through pests and diseases, such as the Varroa Mite, and loss of pollen-containing habitat. Fishery sources, in particular freshwater or coastal aquaculture, are dependent on control of pests and diseases and good flood/storm protection, whereas wild caught fisheries are subject to ecosystem exploitation risks if not sustainably managed, and to longer term climate change trends impacting ocean hydrology and temperatures.

The Nature Materiality Matrix has enabled a common set of issues, concerns and data points to be developed for each sourcing category which will inform the supplier engagement process both for existing supplier relationships and as new products are developed. The work is the foundation for managing key risks and opportunities, and informing mitigation measures.

Potential mitigation actions may include:
- Improved sustainable agriculture or fishery practices including better management of water, fertiliser use, and pest and disease management, leading to 3rd party verification to an appropriate international standard.
- Improved raw material processing such as increased energy and potable water efficiency, increased renewable energy sources, and general good environmental management practices, often beyond local regulatory requirements.
- Support for improved access to helpful information for farmers and ingredient processors within their local jurisdictions, such as sustainable farming practice guidance and training, land rehabilitation funding, knowledge sharing and access to research and development projects.

Insights from both Nature Risk Assessment and the Nature Materiality Matrix are being used to review and refine a strategic roadmap towards a nature-positive future.

In parallel to the Nature Materiality work, Blackmores continued to engage as a member of the TNFD Forum, build internal capabilities aligned to the latest TNFD LEAP guidance, partner with organisations that help drive learnings, including Western Sydney University's Hawkesbury Institute and sharing knowledge through industry initiatives such as the Natural Capital Investment Initiative facilitated by ClimateWorks.

FARM PRODUCTION

MOST MATERIAL NATURAL RISKS

IMPACTS	DEPENDENCIES
Terrestrial ecosystem use	Water supply and cycle
Freshwater ecosystem use	Water quality
Water use	Soil quality
Water pollutants	Mass stabilisation and erosion control
Soil pollutants	Flood and storm protection
	Climate stability
	Pollination
	Pest and disease control

1. Source Responsibly

Considering biodiversity in natural product supply chains

Complementing Blackmores' nature risk assessments in 2022 and the development of a Nature Materiality Matrix, Blackmores collaborated with Hawkesbury Institute for the Environment (HIE) to research and consider nature assessments for natural medicine supply chains.

The research aims to better understand the impacts of business practices on biodiversity and related natural capital. There is a clear opportunity to further grow knowledge and build understanding of the overarching effects of global climate change disruption to supply chains, and how to mitigate the risk. Managing many of these risks, including impacts on ecosystem functions, requires collaboration with ecologists whose knowledge can be integrated into mitigation pathways and potentially reveal nature-positive solutions.

Preliminary findings highlight a disconnect between insights from external data sources and data from the farm, demonstrating the need to partner with suppliers to ensure the integrity of the assessment findings.

Through the Climate Leaders Coalition Blackmores CEO Alastair Symington partnered with the World Economic Forum in Melbourne in April 2023 to progress CEO dialogues about the need to elevate natural capital valuation in business decision making.

2. Giving

Support healthy and vibrant communities everywhere we operate.

COMMITMENT

Harness the time and skills of our workforce to support community initiatives through staff volunteering.

PROGRESS

- $147,420 donated to charities through Blackmores' salary sacrifice matched donations program.
- 5,074 hours were donated through employee community and wellness days.
- Blackmores donated $290,000 to community organisations in the year.
- More than $94,000 at Cost of Goods were donated to people in need.

Community Day

Building healthy communities is an important aspiration at Blackmores, which is why we provide Community Days – a paid leave day that gives our team a chance to give back to the community.

Members of our Thailand team raised money for Ramathibodi Hospital Foundation by hosting a donation drive for their Community Day. This medical not-for-profit organisation is doing incredible work to support low socio-economic groups needing medical treatment, with the goal of ensuring a healthy life for all Thai people – one which aligns with the Blackmores Group purpose.

The team donated books, clothes, toys, shoes and more, which were picked up and given to patients at the hospital. Some individuals chose to donate money, which the team delivered to the hospital.

Quest for Life Foundation

Blackmores has long supported the Quest for Life Foundation, which is known as a place of hope and healing. Located in Bundanoon in the Southern Highlands of New South Wales, the centre provides intensive educational programs and workshops that encourage and empower people with the tools to create emotional resilience, healing and peace of mind. Assisting people from all walks of life Quest for Life provide a proven, effective and holistic approach to physical, mental, emotional and spiritual wellbeing.

Long-term research on the impact of Quest programs found that over 90% of participants improved their quality of life and felt more in control of, and able to make changes to, their life.

The Blackmores donation has subsidised 200 people dealing with serious illness, depression, anxiety, grief and loss to attend the five-day program as well as 35 people from northern NSW who lost everything in floods and were suffering with post-traumatic stress injuries (PTSD).

CEO Sleepout

More than 122,000 people in Australia don't have a safe and secure place to live, including an increasing number of young people and older women.

While homelessness is a complex issue that cannot be solved easily, every contribution helps. Vinnies CEO Sleepout is one initiative that helps raise much needed funds and awareness for people who are experiencing or at risk of homelessness.

Blackmores' CEO Alastair Symington joined other business, government and community leaders to increase awareness about those sleeping rough, raising funds to support 23 individual support programs, 62 beds and 251 meals.

Blackmores and Rotary

Blackmores Group has been partnering with the Manly Rotary International Club for 42 years and Blacktown Rotary since 2018 to pack grocery hampers for people experiencing financial and other hardship.

The Rotarians and Blackmores team members and their families packed 400 hampers for the Rotary Club of Manly and an additional 200 hampers for the Rotary Club of Blacktown City.

Bilgola Surf Life Saving Club

We are proud supporters of local organisations that play a valued role in our community and Australian culture. Bilgola Surf Life Saving Club (SLSC) has patrolled our beaches for 73 years, keeping people safe. We have been privileged to support this important mission as a major partner for the last 16 years.

Employee-led Fundraising

Everyday, people from across our business demonstrate their care for the community by raising funds and awareness about the causes they are passionate about.

Team Blackmo's United for Movember brought awareness to men's health and raised more than $11,000.

Blackmores' PAW team supported the Gidget Foundation, which is a not-for-profit organisation that supports the mental wellbeing of expectant and new parents to ensure they receive the right specialist care.

One of the great pleasures of being an organisation that is committed to community health and wellbeing is seeing our people come together to support major community initiatives.

This includes annual support of the Cancer Council Australia's annual Biggest Morning Tea. The Big Blackmores Bake Off, brought together teams baking a wide range of delicious treats to share with colleagues and raised more than $5,000 to directly help people impacted by cancer through Cancer Council's life-saving research, prevention programs, and information and support services.
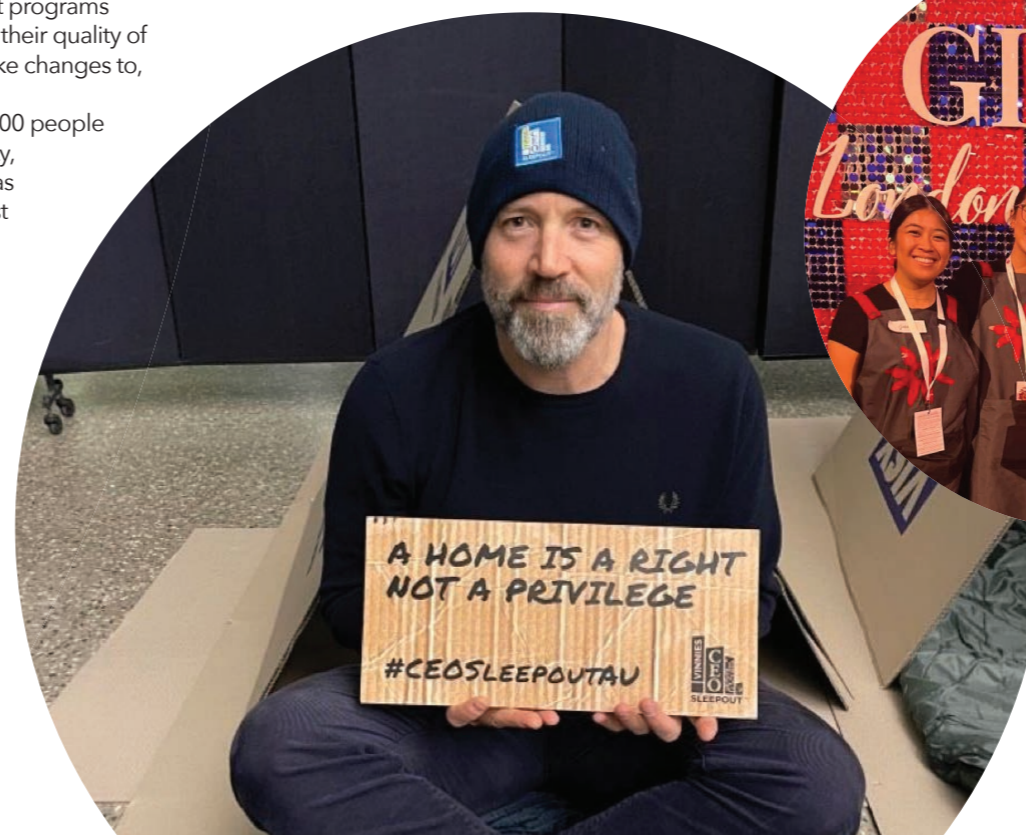
2. Giving

Nurturing a culture committed to sustainability

Central to Blackmores' achievement of our sustainability goals is the rich and vibrant culture of employees who share a commitment to driving positive change.

As well as generously giving their time and financial contributions to support the community, our employees have grown their knowledge by completing 1,630 sustainability e-learning modules and participating in experiences including harvesting our own Blackmores Campus honey.

Given our passion for natural health, it's little wonder the Blackmores team love our beehives – honey has been revered for centuries for its medicinal properties.

Today, our thriving hives at the Blackmores Warriewood Campus are symbolic of our commitment to protect and restore nature – with pollination an invaluable ecosystem service supporting our botanical ingredients.

We're learning from our resident bees all the time – beehives are known for organisational efficiency. Their unrivalled teamwork, clarity on roles and responsibilities, exemplary communication skills and commitment to quality, innovation and change are as relevant for Blackmores as for the bees. As always, there's brilliance in nature.

3. Partner for Change

Collaborate across our industry and value chain for greater impact

Our progress is only possible with the support of partnerships and collaborations across our value chain, industry and with peers who share our commitment to a world where people and nature thrive together. This includes:
• Australian Packaging Covenant Organisation
• Australian Food & Grocery Council Sustainable Practices Committee
• Complementary Medicines Australia Sustainability Committee and Modern Slavery Working Group
• NSW Sustainability Advantage – Department of Planning and Environment
• Victorian Government Department of Environment, Land, Water & Planning
• Climate Leader's Coalition Australia
• Taskforce on Nature-related Financial Disclosures Forum
• Rooftop Bees
• University of Western Sydney's Hawkesbury Institute for the Environment

Special thanks to Pollination, 2XE, and Better Sydney.

Performance Data

A = Australia
W = Warriewood
G = Global

OUR PEOPLE

Performance Measure	Boundary	FY19	FY20	FY21	FY22	FY23	Assurance
Total workforce (ea)[1]	G	1,023	1,278	1,208	1,220	1,213	✔
Workforce by gender[1]							
Male (ea)	G	307	468	468	483	482	✔
Female (ea)	G	715	809	739	736	730	✔
Non-binary (ea)	G	1	1	1	1	1	✔
Workforce by region[1]							
AUS/NZ (ea)	G	653	918	824	825	840	✔
Asia (principal locations) (ea)	G	370	360	384	395	373	✔
Workforce gender ratio (M:F)[1,2]	G	30:70	37:63	39:61	40:60	40:60	✔
Total employees under benefits scheme (%)[1,3]	G	100	100	100	100	100	★
Employees receiving regular performance reviews (%)	G	100	100	100	100	100	★
Number of employees taking parental leave, by gender[1]							
Male (ea)	A	8	13	9	11	15	★
Female (ea)	A	52	62	71	47	36	★
Non-binary (ea)	A	0	0	0	0	0	★
Parental leave return to work rate, by gender (%)[1]							
Male parental leave return to work (%)	A	100	100	100	73	100	★
Female parental leave return to work (%)	A	94	97	89	89	94	★
Non-binary return to work (%)	A	0	0	0	0	0	★

1 - Our workforce, calculated on 1 July 2023 includes all permanent full-time and part-time employees inclusive of the Executive Team. It does not include fixed-term, casual or other external contractors.
2 - This is a measure of the male to female gender ratio within our workforce. It does not capture our non-binary workforce.
3 - Our benefits scheme includes the Enterprise Agreement (AUS) and comparative benefits for other countries.

RESEARCH AND EDUCATION

KPI / data to be reported	Boundary	FY19	FY20	FY21	FY22	FY23	Assurance
Total monetary value of financial assistance to research organisations ($)	G	1,702,334	1,673,000	2,015,978	1,400,893	1,879,954	★
Number of educational touchpoints with external stakeholders (ea)[4]	G	1,946,183	1,953,495	146,787	204,921	245,564	★
No. of accredited educational touchpoints with external stakeholders (ea)[4]	G	4,564	13,824	9,668	12,811	11,446	★

4 - In FY21, inclusions were reset to reflect business. Includes accredited education touchpoints below as well as in-store pharmacy training, Blackmores Institute LMS registrations, masterclasses, workshops, podcasts and virtual classrooms.

✔ Independently assured

★ Controlled data self-assessment

Performance Data

WORKPLACE DIVERSITY

Performance Measure	Boundary	FY19	FY20	FY21	FY22	FY23	Assurance
Workforce Diversity[5,6]							
Board diversity (%) (F:M:N)	G	43	20	67	67:33:00	60:40:00	✔
Executive Team diversity (%) (F:M:N)	G	40	55	55	50:50:00	55:45:00	✔
Senior executive role diversity (%) (F:M:N)	G	40	52	52	47:53:00	49:51:00	✔
Other management role diversity (%) (F:M:N)	G	63	64	63	64:36:00	63:37:00	✔
Non-management role diversity (%) (F:M:N)	G	70	64	61	61:38:01	61:39:00	✔
Total workforce diversity[7]	G	73	64	61	61:39:<1	60:40:<1	✔
Total workforce gender pay gap (%)[7]	A	-	-	-	3.33	3.27	✔

5 - Our workforce, calculated on 01/07/23 includes all permanent full-time and part-time employees inclusive of the Executive Team. It does not include fixed term, casual or other external contractors.
6 - Includes all Australian active permanent full-time and part-time employees, inclusive of Executive Team, senior management, management and non-managers. It does not include casual, fixed-term or other external contractors.
7 - In FY22, Blackmores adopted a gender diversity target to have a minimum of 40% female employees, 40% male employees and 20% capacity for flexibility inclusive of non-binary employees, female and male employees, reflecting WGEA targets and leading practice.

WORKPLACE HEALTH AND SAFETY

Performance Measure	Boundary	FY19	FY20	FY21	FY22	FY23	Assurance
Workplace Health and Safety[8]							
Total workforce reprezentred in formal joint management/ worker Health and Safety Committee (%)	G	100	100	100	100	100	★
Workforce recordable injury, by type (ea)[8,9]							
Fatalities (ea)	A	0	0	0	0	0	✔
Injuries with permanent impairment (ea)	A	0	0	0	0	0	✔
Injuries with long-term impairment (ea)	A	3	2	0	2	4	✔
Injuries with short term impairment (ea)	A	10	22	24	20	21	✔
Total Recordable Injury Frequency Rate (TRIFR) (%)[10]	A	2.24	3.02	3.37	3.07	3.44	✔
Workforce WHS Training[8]							
Certified First Aiders (ea)[11]	A	-	-	-	62	52	✔
Certified Mental Health First Aiders (ea)[12]	A	-	-	-	45	21	✔

8 - Our workforce, calculated on 1 July 2023 includes all permanent full-time and part-time employees inclusive of the Executive Team. It does not include fixed term, casual or other external contractors.
9 - Commencing in FY23 the total workforce recordable injury frequency rate (TRIFR) expanded to include China region.
10 - In line with global best practice, the TRIFR is based on 200,000 standard work hours. Excludes overtime.
11 - FY22 First year of disclosure. Data set inclusive of Occupational First Aiders and First Aiders.
12 - FY22 First year of disclosure. Program to certify Mental Health First Aiders in the workplace. Our flexible work arrangements have led to a reduction in on-site attendance, reducing need for onsite MHFAs.

Performance Data

OPERATIONS

Performance Measure	Boundary	FY19	FY20	FY21	FY22	FY23	Assurance
Units of product sold (ea)	G	45,194,428	41,287,077	40,703,776	46,589,815	46,453,069	✔
Doses made (Braeside) - ('000s) normalised doses[13]	A	-	3,163,796	5,307,672	4,533,997	4,217,162	✔

13 - Blackmores data reflects operational control of Braeside in FY20 (8 months), FY21 and beyond reporting is inclusive of full 12 months. To compensate for differing capsule and tablet sizes, Blackmores refers to a 'normalised' size, converting all capsules and tablets to a standard measure when reporting manufactured volume.

GREENHOUSE GAS EMISSIONS (GHG)

Performance Measure	Boundary	FY19	FY20	FY21	FY22	FY23	Assurance
Total reported GHG emisisons (tCO2-e)[14]	G	8,339	13,684	13,522	12,966	8,257	✔
Total GHG emissions from manufacturing (tCO2-e)	VIC	-	7,100	9,847	9,672	5,049	✔
Gross direct GHG emissions (Scope 1) tCO2-e	A	576	1,805	2,052	2,128	2,181	✔
Indirect GHG emissions (Scope 2) tCO2-e	G	4,859	8,929	8,799	8,415	4,277	✔
Other indirect GHG emisisons (Scope 3) tCO2-e[15]	A	2,902	2,950	2,669	2,423	1,799	✔
Direct GHG emissions (Scope 1) kgsCO2-e/1,000 units of product sold	A	13	44	50	46	47	✔
Direct GHG emissions (Scope 2) kgsCO2-e/1,000 units of product sold[16]	G	108	216	216	181	92	✔
Direct GHG emissions (Scope 3) kgsCO2-e/1,000 units of product sold[17]	A	64	71	66	52	39	✔
Total GHG emissions intensity manufacturing (kgCO2-e/1,000 normalised doses made)	VIC	-	2.24	1.86	2.13	1.20	✔
Total GHG emissions from non-manufacturing activity (kgCO2-e/1,000 units of product sold)[16]	G	185	159	90	71	69	✔
Group reported GHG emissions intensity (kgCO2-e/1,000 units of product sold)[16]	G	185	331	332	278	178	✔

14 - In FY23, Blackmores purchased carbon offsets for the first time. The reported emissions are net after accounting for 300 tonnes of carbon offsets.
15 - Blackmores' business air travel in Asia is not included as data is not available.
16 - Commencing in FY22, electricity emissions associated with significant locations of operations in Asia are included (excluding Indonesia).
17 - Excludes Scope 3 electricity emissions from Asian operations.

✔ Independently assured

Performance Data

ENERGY – ELECTRICITY AND GAS

Performance Measure	Boundary	FY19	FY20	FY21	FY22	FY23	Assurance
Total electricity consumptions (kWh)[18]	G	7,977,662	11,267,906	12,769,429	12,844,772	11,743,008	✔
Blackmores-owned and operated facilities (Warriewood campus) (kWh)	NSW	2,109,572	1,774,441	2,711,828	2,984,965	2,794,516	✔
Blackmores' leased facilities (kWh)[18]	A	2,717,581	2,164,548	1,660,812	1,666,747	1,559,033	✔
Manufacturing electricity consumption (kWh)	VIC	-	5,643,404	8,336,789	8,193,060	7,389,459	✔
Manufacturing natural gas consumption (GJ)	VIC	-	24,508	34,619	37,165	32,888	✔
Manufacturing electricity intensity (kWh/1,000 normalised doses)	VIC	-	1.78	1.57	1.81	1.75	✔
Total electricity intensity (kWh/1,000 units of product sold)	A	-	273	314	276	253	✔

18 - Commencing in FY22 electricity consumption associated with significant locations of operations in Asia (excluding Indonesia) was included.

ENERGY – FUELS

Performance Measure	Boundary	FY19	FY20	FY21	FY22	FY23	Assurance
Fuel consumption from non-renewables by type (L) (Fleet)	A	124,344	100,521	62,519	45,281	61,848	✔
Post 2004 diesel (L)	A	70,840	37,513	4,269	3,483	3,473	✔
Post 2004 gasoline (L)	A	52,890	60,669	45,497	31,425	43,934	✔
Post 2004 ethanol E10 (L)	A	614	2,339	12,753	10,373	14,441	✔
Fuel Consumption from non-renewables by type (L) (Third Party Contractor)[19]	A	60,054	173,708	256,794	232,734	227,958	✔
Post 2004 diesel (L)	A	60,054	173,708	256,794	232,734	227,958	✔
Total fuel consumption (L)	A	184,398	274,229	319,313	278,015	289,806	✔
Total fuel consumption (L/1,000 units of product sold)	A	4.08	6.64	7.84	5.97	6.24	✔

19 - Includes contractor bulk dose transport from Braeside, VIC, Manufacturing Facility to Warriewood, NSW, Packing Facility and then Bungarribee, NSW, Distribution Centre.

Performance Data

ENERGY RENEWABLES

Performance Measure	Boundary	FY19	FY20	FY21	FY22	FY23	Assurance
Electricity consumption from on-site generation (kWh)[20]	NSW	43,091	36,270	35,302	34,516	44,211	✔
Total renewable energy purchased in new retail power supply contracts (kWh)	A	-	865,749	3,215,945	3,381,791	6,116,869	✔
Percentage of renewable electricity purchased compared to total electricity consumed (%)[21]	A	0.54	8.00	25.00	26.60	52.00	✔
Percentage of electricity purchased with carbon offset compared to total electricity consumed (kWh)(%)[22]	A	-	-	-	<1%	<1%	✔

20 - Blackmores consumes electricity generated from the rooftop solar (landlord owned) at our Bungarribee Distribution Centre.
21 - Renewable energy is in our retail power contracts or through onsite generation.
22 - Commencing in FY22, our WA facility retail power contract includes 100% carbon offset electricity.

WATER AND WASTEWATER

Performance Measure	Boundary	FY19	FY20	FY21	FY22	FY23	Assurance
On-site Group water supply withdrawal from municipal supply (KL)	A	48,425	71,564	84,064	80,769	87,172	★
Total on-site Group water withdrawal from municipal supply (KL/1,000 units of product sold)	A	1.07	1.73	2.07	1.73	1.88	★
Total on-site water withdrawal from municipal supply for manufacturing (KL)	VIC	-	37,670	48,699	47,895	47,567	★
Total on-site water withdrawal from municipal supply for manufacturing (L/1,000 normalised doses)	VIC	-	12	9	11	11	★
Total water discharge to sewer (KL)	A	15,579	10,765	61,739	34,339	41,917	★

✔ Independently assured

★ Controlled data self-assessment

Performance Data

RESOURCE RECOVERY

Performance Measure	Boundary	FY19	FY20	FY21	FY22	FY23	Assurance
Total waste generated for disposal (MT)[23]	A	948.68	1,649.51	1,809.27	2,102.96	1,828.69	✔
Total waste generated for disposal (kg/1,000 units of product sold)	A	21	40	44	46	39	✔
Total waste sent to landfill (MT)	A	275.16	517.00	929.35	752.34	583.15	✔
Total waste sent to best practice landfill (waste to energy) (MT)[24]	NSW	234.50	267.00	289.04	280.76	253.89	✔
% of landfill waste converted to energy	A	85	52	31	37	44	✔
Residual waste to landfill (MT)	A	40.66	250	640.31	471.58	329.26	✔
Total waste recovered for recycling (diverted from landfill) by type (MT)	A	673.51	1,115.07	866.37	1,350.62	1,245.53	✔
Cardboard/paper (MT)	A	544.03	604.9	389.23	528.35	421.84	✔
Comingled – plastic & glass (MT)	A	17.28	21	22.77	22.75	36.74	✔
% of total waste diverted from landfill	A	71	68	48	64	68	✔

23 - Blackmores' waste data relates to solid waste. The laboratory-derived liquid waste sent to a processing facilities is excluded.
24 - This proportion of waste sent to landfill is directed to a waste to energy facility.

Performance Data

Healthy communities

SUSTAINABLE SUPPLY CHAIN

Performance Measure	Boundary	FY19	FY20	FY21	FY22	FY23	Assurance
Global supply chain GMP quality/sustainability audits completed[25]	G	14	14	28	68	13	★
Total number of Tier 1 direct suppliers[26]	G	77	210	174	172	167	✔
Percentage of Tier 1 direct suppliers that have signed the Supplier Code of Conduct	G	NA	NA	82%	94%	97%	★
Number of ethical and sustainable site audits undertaken (SMETA format)[27]	G	3	2	4	4	4	✔
Tier 1 Suppliers attending Blackmores' Sustainable Supply Chain webinar	G	`_	39	72	56	64	★
Tier 1 Suppliers attending Blackmores' Sustainable Supply Chain webinar (%)	G	NA	NA	41%	33%	38%	★
Tier 1 Supplier Human Rights risk assessments completed (%)[28]	G	NA	NA	100%	98%	100%	★
Workforce assigned and completed Blackmores Ethical and Sustainable Supply Chain Training Modules[29]	G	NA	NA	345	256	701	★
% of SMETA derived CAPAs closed within agreed timeframe[30]	G	NA	NA	NA	76	96	✔

25 - Good manufacturing practice audits cover a range of quality and sustainability criteria undertaken by Blackmores' staff at the suppliers' principal facilities. In FY20 and FY21, due to the COVID-19 pandemic, several remote audits and questionnaires were necessary.
26 - Tier 1 direct suppliers are suppliers of goods and services specifically related to our products (foe example, ingredient suppliers, contracted manufacturers or packaging suppliers) that Blackmores pays and where the supply items are used or seen by the end consumer. These suppliers do not include 'indirect' whose goods and services relate to the running of the business (such ascleaning and waste contractors, or energy supply).
27 - SEDEX Members Ethical Trade Audit is considered a best practice ethical audit methodology and is undertaken by third party trained and qualified professionals.
28 - % of Tier 1 Direct Suppliers who have a current risk assessment completed in Blackmores' Supplier Relationship Management system
29 - Commencing in FY22, a targeted approach for the eLearning modules was directed towards new employees.
30 - CAPA describes 'Corrective and Preventative Action'. Includes only CAPAs arising from SMETAs conducted from 1 July 2021 onwards.

COMMUNITY SUPPORT

Performance Measure	Boundary	FY19	FY20	FY21	FY22	FY23	Assurance
Staff Contributions ($)[31]	A	229,229	197,644	181,500	188,684	147,420	★
Product Donations ($)[32]	G		845,561	324,673	274,595	94,836	★
Financial Donations ($)	G		905,592	556,870	83,862	290,000	★
Volunteer / Wellness Hours (Hrs)	A	2,383	5,063	5,310	8,804	5,074	★

31 - Matched donations are the combined donations from our workforce and matched by Blackmores.
32 - Product donations are valued at the cost of the products.

✔ Independently assured

★ Controlled data self-assessment

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Independent Limited Assurance Report to the directors and management of Blackmores Limited

Conclusion

We have undertaken a limited assurance engagement on Blackmores Limited's selected Sustainability Performance Indicators ('Subject Matter Information') disclosed in the Blackmores 2023 Sustainability Report for the year ended 30 June 2023.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that, the Subject Matter Information is not prepared in all material respects, in accordance with the Reporting Criteria detailed below for the year ended 30 June 2023.

Subject Matter Information and Reporting Criteria

The Subject Matter Information and Reporting Criteria for our limited assurance engagement for the year ended 30 June 2023 is as follows:

Sustainability Performance Indicator ('Subject Matter Information')	Reporting Criteria
Greenhouse Gas Emissions and Intensity, page 50	Global Reporting Initiative's Standard ('GRI Standard') 305-4 2016
Total energy consumption (from renewable and non-renewable sources), pages 51-52	GRI Standard 302-1 2016
Total Scope 3 emissions limited to employee travel (including flights and accommodation), page 50	GRI Standard 305-3 2016
Total weight of waste generated with breakdown by disposal method (MT and %), page 53	GRI Standard 306-3, 306-4, 306-25 2020
Number of CSR Site audits undertaken (SMETA format), page 54	Blackmores' policies and procedures
Number of Tier 1 direct suppliers as at 30 June 2023, page 54	Blackmores' policies and procedures
SMETA-derived CAPAs closed within the agreed timeframe (Number and %), page 54	Blackmores' policies and procedures
Diversity of governance bodies and workforce, by gender, as at 1 July 2023, pages 48-49	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-related injury, page 49	GRI Standard 403-9 2018
Staff participation in Work Health & Safety training (Number of certified First Aiders; Number of certified Mental Health First Aiders), page 49	Blackmores' policies and procedures
Total workforce remuneration gender pay gap (% variance between male to female remuneration), page 49	Blackmores' policies and procedures

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Basis for Conclusion

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.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities

Management is responsible for:

a) ensuring that the Subject Matter Information is prepared in accordance with the Reporting Criteria;

b) confirming the measurement or evaluation of the underlying subject matter against the Reporting Criteria, including that all relevant matters are reflected in the Subject Matter Information;

c) designing, establishing and maintaining an effective system of internal control over its operations and financial reporting, including, without limitation, systems designed to assure achievement of its control objectives and its compliance with applicable laws and regulations; and

d) the electronic presentation of the Subject Matter Information and our limited assurance report on their website

Our Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applied 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* in undertaking this assurance engagement.

Assurance Practitioner's Responsibilities

Our responsibility is to express a limited assurance conclusion on the Blackmores Limited's Subject Matter Information as evaluated against the Reporting Criteria based on the procedures we have performed and the evidence we have obtained. ASAE 3000 requires that we plan and perform our procedures to obtain limited assurance about whether, anything has come to our attention that causes us to believe that the Subject Matter Information is not properly prepared, in all material respects, in accordance with the Reporting Criteria.

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 Information. 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 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 a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information has been properly prepared, in all material respects, in accordance with the Reporting Criteria.

Our procedures included:

- Inquiries with Subject Matter data owners and sustainability report responsible management to understand and assess the approach for collating, calculating and reporting the respective Subject Matter Information across the reporting period ended 30 June 2023

Assurance

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- Inspection of documents as part of the walk throughs of key systems and processes for collating, calculating and reporting the respective Subject Matter Information for the 2023 Blackmores Limited Sustainability Report.

- Selection on a sample basis items to test from the selected sustainability performance indicators and agree to relevant supporting documentation.

- Analytical reviews over material data streams to identify any material anomalies for the Subject Matter Information and investigate further where required.

- Agreeing overall data sets for the Subject Matter Information to the final data contained in the 2023 Blackmores Sustainability Report.

Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the inherent limitations of any system of internal control there is an unavoidable risk that it is possible that fraud, error, or non-compliance with laws and regulations, where there has been concealment through collusion, forgery and other illegal acts may occur and not be detected, even though the engagement is properly planned and performed in accordance with Standards on Assurance Engagements.

Restricted use

The applicable criteria used for this engagement was designed for a specific purpose of assisting the directors and management report on the Subject Matter Information presented in the 2023 Blackmores Sustainability Report, as a result, the Subject Matter Information may not be suitable for another purpose.

This report has been prepared for use by the directors and management for the purpose of reporting on the Subject Matter Information presented in the 2023 Blackmores Sustainability Report.

We disclaim any assumption of responsibility for any reliance on this report to any person other than the directors and management or for any purpose other than that for which it was prepared.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

PR Dobson

PR Dobson

Partner

Sydney, 27 September 2023

Glossary

APCO	The Australian Packaging Covenant Organisation is the organisation charged by government to make all packaging reusable, recyclable or compostable by 2025 or earlier. The 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 the APCO's Packaging Recycling Label Program – a nationwide 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 Australian Packaging Covenant (APCO), in collaboration with Planet Ark and PREP Design, the program aims to promote the use of the 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 timescales 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/1,000 units sold as its Group-wide measure of the environmental intensity of its Australian operations. For manufacturing emissions intensity, a metric of tonnes of CO2-e/1,000 normalised doses is used.
Environmental Management System (EMS)	Environmental Management System 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	Environmental, Social and Governance, 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.
GreenPower	GreenPower is a renewable energy from government accredited sources.
LEAP	An integrated assessment process for nature-related risk and opportunity management developed by the Taskforce on Nature-related Financial Disclosure (TNFD) - Locate your interface with nature; Evaluate your dependencies and impacts; Assess your risks and opportunities; and Prepare to respond to nature-related risks and opportunities and report.
Limited Assurance	Limited assurance engagements require the assurance provider to obtain a meaningful level of assurance to form a conclusion, which is expressed in the assurance report in the form of negative assurance. However, the extent of evidence gathered is intentionally limited. If no material errors are found as a result of the limited procedures, the assurance report might state that nothing came to the assurance provider's attention that would lead them to believe the sustainability report is incomplete or inaccurate based on the identified criteria (for example, the voluntary guidelines developed by the Global Reporting Initiative).
Materiality	A process to assist in identifying and prioritising the sustainability issues that matter most to our business and to our stakeholders. Double materiality considers the matters that influence enterprise value (financial materiality) and matters that affect the economy, environment, and people (impact materiality).
Modern Day Slavery (MDS)	Modern day slavery is an extensive and endemic justice issue. Modern slavery describes situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom.
Net Zero Emissions by 2030	Net Zero Emissions by 2030 is Blackmores' commitment to decarbonise our operations to mitigate the impact of climate change. To achieve this commitment, we will take responsibility for our Scope 1 emissions (fuels we burn), Scope 2 emissions (electricity we purchase) and measured Scope 3 emissions (supply chain services including waste, water and business travel). Progress to achieve Net Zero Emissions by 2030 includes equipment efficiency upgrades, operational efficiency and waste reduction, maximising our use of renewable energy and sustainable procurement practices.

Glossary

Normalised doses	To compensate for differing capsule and tablet sizes, Blackmores uses a standard size as a reporting measure and converts all capsules and tablets to this size to report manufactured volume.
Packaging – primary	Packaging designed to come in direct contact with Blackmores' products, for example, glass bottles, plastic tubs and tubes.
Packaging – secondary	Packaging that contains a number of primary packaged units together in a more convenient unit, and is used to replenish shelves or to group primary packaged units for purchase, such as 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 for example, plastic pallet wrap.
SMETA	Sedex Members Ethical Trade Audit (SMETA) is one of the most widely used ethical audit formats in the world. SMETA 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 (for example, HVAC).
Scope 2 Greenhouse emissions	Scope 2 emissions are indirect greenhouse gas emissions generated by the electricity consumed and purchased by Blackmores.
Scope 3 Greenhouse emissions	Scope 3 emissions are indirect greenhouse gas emissions that are a consequence of Blackmores' activities, but that arise from sources that other entities own or control. 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	Our Supplier Code of Conduct describes how Blackmores chooses to do business with its suppliers by defining expectations and mutual commitments 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.
Taskforce on Climate-related Financial Disclosures (TCFD)	An international framework that organisations use to publicly disclose the climate-related risks and opportunities to their businesses.
Taskforce on Nature-related Financial Disclosures (TNFD)	An international initiative to develop and deliver a risk management and disclosure framework for organisations to report and act on evolving nature-related risks, with the ultimate aim of supporting a shift in global financial flows away from nature-negative outcomes and toward nature-positive outcomes.
Tier 1 Supplier	Suppliers of goods and services that Blackmores pays and can include both direct suppliers (directly related to our products, for example, ingredient suppliers, contracted manufacturers or packaging manufacturers) or indirect suppliers (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 on to Blackmores.

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