

23 September 2021

ASX Market Announcements Office
Australian Securities Exchange
Exchange Centre
20 Bridge Street,
Sydney NSW 2000

SUSTAINABILITY REPORT 2021

Attached for release is the Blackmores Limited Sustainability Report 2021.

Further information on Blackmores can be found at www.blackmores.com.au.


This announcement was authorised for release by the Board of Directors.

Richard Conway
Group General Counsel & Company Secretary
Blackmores Limited

Sustainability Report 2021

Our sustainable future





About this report

The Blackmores Group Sustainability Report is prepared annually and reviewed by the Board of Directors of Blackmores Limited to share our progress on key indicators of the Group's performance in managing their environmental and social impact. We are guided by the United Nations Sustainable Development Goals and informed by relevant GRI standards for select indicators. Limited assurance is provided by Deloitte Touche Tohmatsu.

The report has been prepared to update our community of investors, supply partners 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.

The data in this report includes the first full year of emissions, waste, water, energy usage and safety incidents from Blackmores' Braeside manufacturing facility which was acquired in October 2019.

Acknowledgement of Country

We begin by acknowledging the Traditional Owners of the land on which we live and work. We pay our respects to Elders past and present. We honour the continuing culture of the Aboriginal and Torres Strait Islander people that contributes to the strength and capacity of our company, and their custodianship of the natural resources on which we rely. As a company, we undertake to manage the land that we work on with all respect.

Contents

01	Introduction	
	About	2
	From the Board	3
	CEO's Report	4
	Performance Summary Highlights	6
	Our Value Chain	8
02	Our Focus	
	Overview of Focus Areas and Key Initiatives	10
03	Progress	
	Tread Lightly	12
	Emissions Footprint	15
	Net Zero Carbon by 2030	16
	Packaging Formats	21
	Source Responsibly	24
	Lead the Change	32
	TCFD Climate-related Disclosures	36
	Improve Wellbeing	40
04	Materiality Assessment	46
	Commitment to the United Nations Sustainable Development Goals	47
	Governance	49
05	Performance Data	50
06	Independent Assurance	58
07	Glossary	61

The 2021 Finance Performance of Blackmores Ltd is shared in the Group Annual Report. Learn more at blackmores.com.au/about-us/investor-centre/annual-and-half-year-reports.



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Sustainability contact

If you have any feedback or questions about Blackmores' 2021 Sustainability Report, please contact:

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

COVER: Tilly Finch, 9, from our Blackmores community.

About Blackmores Group

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

Founded by visionary naturopath Maurice Blackmore 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; PAW by Blackmores, natural health products for pets; and Impromy, our pharmacy-based weight management program developed in collaboration with CSIRO.

Blackmores Institute is the research and education arm of Blackmores Group: a centre of excellence established to improve and promote the quality use of natural medicine.

At Blackmores Group, we never compromise on quality, always placing the health and safety of our consumers at the heart of our business. We use premium ingredients from around the world, developing products made to strict Australian therapeutic goods standards at our state-of-the-art manufacturing facility in Braeside, Victoria.

Recognising that you can't have healthy people without a healthy planet, we're strongly committed to embedding sustainability across our business. This includes a 2030 zero carbon emissions target and giving back to the communities in which we operate.

Our brands



Our research and education centre



OUR purpose

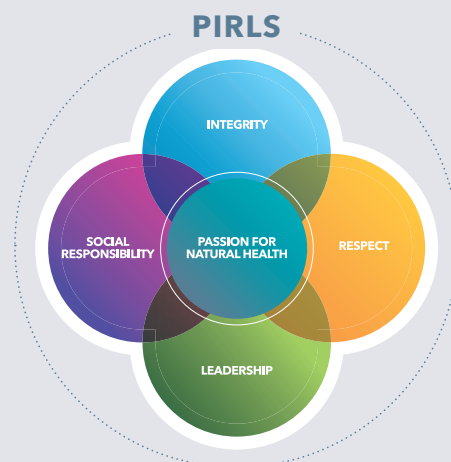
We exist so you have a choice to make living well each day a natural way of life.

OUR vision

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

OUR values

Our values are the heart of our business. Known as our PIRLS, these are both behavioural and aspirational - underpinning our work practices and decisions and supported by our governance frameworks.



From the Board

The Blackmores Board has been through the process of renewal in the last year and I am pleased to welcome new members of the Board, heralding the next chapter in our corporate history.

Our Board members bring diverse experience but all share a very united commitment to continuing to build on our environmental, social and governance (ESG) progress. We have regenerated the Group's governance structure to reflect the expectations on an organisation that has undergone a rapid growth journey in the last ten years and has withstood significant headwinds because of regulatory changes, evolving markets and the unprecedented impact of the global pandemic.

This has included the development of a new set of charters for each of our Board's governing committees, and our most significant ESG initiatives and indicators have been clearly built into this framework.

A Board's role in overseeing environmental and social impact is often through the lens of risk management. But the Blackmores Group Board has a clear vision for progressing both as an extension of the purpose and values of the organisation and ESG presents a significant opportunity to underpin our growth ambitions.

We share a clear belief in the role of this wellness company in supporting the health of the community and improving wellbeing.

For new non-executive Directors, the induction process to understand the inner workings of an organisation is extensive. While we have immersed ourselves in learning more about the fundamental elements of the strategy and operations, it has been the team's passion for sustainability that has set the Blackmores culture apart from many other organisations. One in five of our employees undertook human rights training this year. Our employees understand the connection between the role of Blackmores in enabling the healing power of nature and the need to protect the natural environment.



The Board will be focused in the coming year on supporting management's extension of our human rights program - Partnering for People - to assess and address the risk of modern slavery in our supply chain and to extend the program to understand climate change and biodiversity impacts also.

The most recent scientific assessment on climate change released last month by the Intergovernmental Panel on Climate Change (IPCC), was a timely reminder on the importance of our focus on achieving Net Zero Emissions by 2030 and continuing to assess changes to the physical environment on our operations.

We will continue to be transparent in our approach to disclosing the potential impacts of climate change, guided by the recommendations of the Task Force on Climate-related Financial Disclosures.

Our Board diversity has improved notably over the reporting period. Management equality in relation to gender balance and remuneration equity remains in line with our targets. While it has long been acknowledged that Blackmores' culture and flexible working environment has resulted in a richly diverse workforce, our views of diversity and inclusion are evolving. This is an area we're committed to progressing in the coming year.

On behalf of the Board of Directors, I'm pleased to share with you our sustainability progress for the year to 30 June 2021.

A handwritten signature in black ink that reads "Anne Templeman-Jones". The signature is written in a cursive, flowing style.

Anne Templeman-Jones
Chairman of the Board
Blackmores Limited

CEO's Report

Sir David Attenborough wrote in the foreword to the landmark Dasgupta Review this year, exploring the economics of biodiversity, "We are totally dependent upon the natural world." It resonated strongly within our Blackmores community because our ability to provide potent health solutions relies on our access to natural resources.

Our understanding of the strong connection between our ability to deliver on our vision to connect every person on Earth to the healing power of nature and the health of our planet has accelerated our sustainability progress over the last year.

In the first year since committing to Net Zero Carbon Emissions by 2030, we have taken clear steps to address our greenhouse gas emissions impact.

This is the first year we have reported a full year of emissions relating to the manufacturing facility at Braeside in Victoria which we acquired in October 2019. Even with this increased activity, overall emissions remained broadly inline with our prior corresponding report as a result of the first interventions that are part of our pathway towards the Net Zero goal. Group manufacturing emissions intensity was down 17% compared to the prior year which is a good indicator of our underlying progress.

This included a significant increase in our use of renewable sources of energy, our energy efficiency initiatives and our small travel footprint as a result of the pandemic. More equipment upgrades are planned in the coming year and these investments have been built into the program for utilising funds generated through the capital raising undertaken in the reporting period.

The Net Zero by 2030 commitment is our flagship initiative as part of our program to address climate change resilience. Through ongoing climate scenarios and risk assessments, we continue to monitor changes to our natural environment, our operational markets and to the evolving health needs of the people we serve, to ensure we address the need to mitigate against climate change and to adapt to its impacts.



This year we have developed a financial model to enable us to quantify the risk assessment in relation to our supply chain, which will enable us to prioritise our sustainable sourcing initiatives and improve our climate-related disclosures in future reports.

As we deepened our understanding of the impact of climate change on the ingredients we source, it was evident that we also needed to develop a framework for understanding biodiversity impacts in our supply chain, and we were pleased to take the first steps this year towards that goal.

We shared this journey with many of our key suppliers recently by introducing our Partnering for Adaptation initiative, a sister program for Partnering for People, which was launched in December 2018 when Blackmores Group committed to assess and address the risk of modern slavery in our supply chain.

As a result of this program, we were able to publish our first Modern Slavery Statement. Since that time, we have strengthened our Supplier Code of Conduct, completed risk assessments on 100% of our key suppliers and rolled out education modules to lift our capability to achieve a vision of zero exploitation within our supply chain.

The indicators shared in this report align to the global challenges detailed in the United Nations Sustainable Development Goals and serve as a constant reminder of the need to continually connect our business purpose to our ability to make a positive contribution.



We're pleased with our progress towards managing our environmental impact, to addressing human rights issues, progressing a diverse workforce and ensuring the safety of our people, which have all been highlights this year.

Ensuring we bolstered our support of employee mental health and wellbeing, especially given the impacts of the global pandemic, was an ongoing and important focus.

We are also very proud to be part of the health sector at a time when it is so meaningful to the community and I commend the Blackmores Institute for the leadership they continue to demonstrate as we provide quality and trusted health education across the regions in which we operate.

Challenges

This progress has not been without challenges, with our waste diversion from landfill declining significantly because of changes to the waste export market.

Even though more than 98% of our current packaging footprint is recyclable, there's more work to be done to achieve our vision for 100% recyclability and to contribute to a circular economy where we are more conscious of our resource footprint without compromising our product quality.

Towards a more sustainable future

My sincere thanks to the suppliers, organisations and employees who have partnered to support the programs detailed in this report. They share our understanding that the health of our business, the health of the community, and the health of our planet are highly interconnected and remained focused on driving progress across all three.

A handwritten signature in black ink, appearing to read 'Alastair Symington'.

Alastair Symington
Chief Executive Officer
Blackmores Limited

FY21 Sustainability Performance

We're proud of the progress made in the reporting period to take control of our emissions footprint and to embedding a robust ethical and sustainable supply chain framework. Our waste diversion remains a challenge and there is an opportunity to deepen our community outreach program which was impacted by event cancellations due to COVID restrictions.

Highlights

Emissions down, even with first full year of manufacturing impact

Group carbon emissions, encompassing Scope 1, 2 and 3 emissions were down by 162 tonnes. Though a modest 1% decline, the prior year contained only eight months of emissions from the recently-acquired Braeside manufacturing facility.

The Net Zero Carbon by 2030 initiatives have already facilitated a 24.7% reduction in the Group's footprint trajectory compared to the prior year, had the Net Zero pathway not progressed.

25% of energy is now from renewable sources

Up from 8% the prior year.

86% of corporate fleet now hybrid vehicles

TCFD progress

Developed a Financial Sensitivity Model to quantify potential climate impacts on future earnings to inform reporting in line with the Task Force on Climate-related Financial Disclosures. Identified areas of focus for our sustainable sourcing program.

Improved packaging recycling outcomes

The Australasia Recycling Label was added to a further 115 products and now appears on 51% of Australian and New Zealand products. Exceeded our 2025 target.

Driving efficiencies and waste avoidance

Shipper optimisation project at Blackmores' Braeside manufacturing facility removed 3.5 metric tonnes of cardboard and 780kg of plastic bags from our processes.

Strong sustainable supply chain progress

- Sustainability risk assessments completed on 100% of raw material, packaging, packing and contract manufacturing suppliers
- Engaged 41% of Tier 1 direct suppliers in our Partnering for Adaptation program to collaborate on climate risk and biodiversity impacts
- 346 human rights training modules completed to boost employee capability and awareness
- First supply chain biodiversity risk assessments undertaken
- Published our first Modern Slavery Statement

Improved Board diversity with more than 60% female representation

Clear Progress

Sustainable packaging

Undertook our first comprehensive group packaging audit, confirming more than 98% of current packaging is recyclable. Affirmed our commitment to 100% recyclable packaging by 2025.

Improving safety and sustainability systems

Introduced a new safety management system resulting in increased reporting on hazards and capturing 'near miss' incident data.

Developed a Group Energy Management System and Energy Management Plan, building capability in responsible energy management.

Transitioned our Environmental Management System to a Sustainability Management System, incorporating human rights protection.

Challenges

Waste diversion declined

Waste diversion from landfill declined to 48%, down from 68% in the prior period, as a result of the need to find an alternative outcome for coloured gelatine waste.

Community

COVID-related cancellation of events, including the 2020 Blackmores Sydney Running Festival and Project Kindness in Malaysia, limited Blackmores' social impact initiatives.

Outreach activities and product donations were lower than last year, though the Group contributed more than \$880,000 in product and financial donations and staff gave more than 5,300 hours of their time to wellness initiatives and volunteering to support communities in need.

Extending our emissions and safety reporting boundary across all regions

Building greater insights on our operational footprint for energy, waste, water, travel and safety is a future focus.

Value Chain

Research

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



Formulation

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



Manufacturing

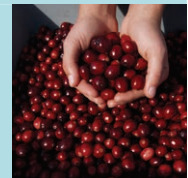
The majority of soft-gel capsule and hard tablet product formats are manufactured at Blackmores' manufacturing facility at Braeside in Victoria.

Partner with contract manufacturers who have satisfied the requirements of the TGA and Blackmores' own quality standards.



Sourcing

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



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



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



Retailers

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



Material recovery

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



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





**1,200
people**

employed across
Asia Pacific

**174 direct
suppliers**

for ingredients, packaging and
for contract manufacturing

>300 + >900

**different product
formulations**

**individual
products**

across Blackmores, BioCeuticals, PAW and
Impromy brands, sold in 12 markets.

Peter Tsigolis of Blackmores Institute, with his children
Billie and Orlando, wife Simone, and playful puppy Lola.

Our Sustainability Focus

Key Programs of Work

To learn more about our process to determine our sustainability focus, including emerging issues, our materiality assessment is detailed on pages 46-48.

By understanding the most significant impacts on our business and the areas where we have the greatest opportunity to influence better outcomes for people and the planet, we direct our efforts towards four focus areas:

- **Tread Lightly**
- **Source Responsibly**
- **Lead the Change**
- **Improve Wellbeing**

Each of these areas is supported by a program of work including clear goals, targets and a robust governance framework (read more about Governance on page 49) as we strive to systemise the principles of responsible business through our operations. This is only possible with committed leadership and by nurturing a culture that embraces sustainability.

.....

Net Zero Carbon Emissions by 2030

Reducing the impact of our Packaging

A Sustainable & Ethical Supply Chain, addressing human rights, climate resilience and biodiversity risk through our *Partnering for People and Partnering for Adaptation* programs



Physical Capital



Human Capital



Natural Capital



Tread Lightly

What we are striving to achieve

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

IMPACT



How we deliver this

- Committing to Net Zero Carbon Emissions by 2030
- Transitioning to renewable energy
- Reducing the greenhouse intensity of our operations
- Delivering sustainable packaging solutions
- Optimising material recycling and recovery

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 at such a rate that global temperatures will increase by a further 0.5°C by 2030 and will be 3°C higher by 2100. 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 and stability of coastlines and will put human health at risk.

7 AFFORDABLE AND CLEAN ENERGY



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



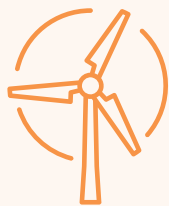
Our Commitments



Net Zero Carbon Emissions by 2030.



Increase usage of renewable sources of energy. Transition to 100% renewable electricity in Australia and NZ by 2025



Optimise the use of technology and increase staff awareness to reduce our travel emissions intensity by 30% by 2030 (compared to 2018)



Progress towards 100% recyclable packaging in Australia and New Zealand by 2025



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



See our progress



Tread Lightly



Net Zero Carbon Emissions by 2030

Strong underlying emissions reduction, with renewables transition and efficiency progress offsetting emissions from full year of Braeside manufacturing and Warriewood site electrification.

Group carbon emissions were down by 162 tonnes. Though a modest 1% decline, the prior year contained only eight months of emissions from the recently-acquired Braeside manufacturing facility.

Purchase of 50% renewable energy at Warriewood has enabled a 24% reduction of electricity emissions through the grid despite a 53% increase in purchased grid electricity, compared to FY20, following decommissioning of the gas-fired trigeneration plant.

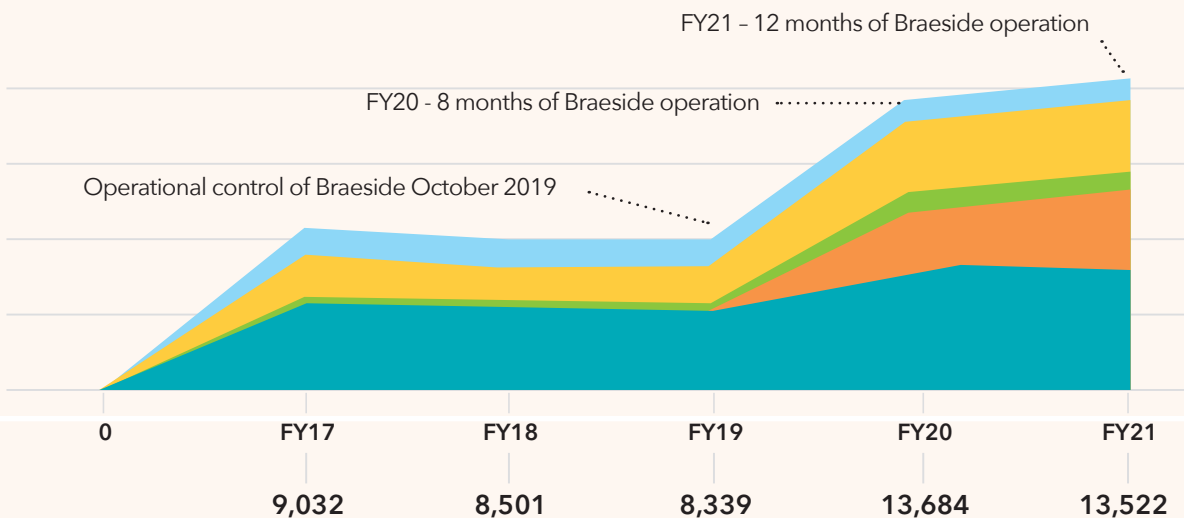
Blackmores' Net Zero Carbon by 2030 strategy has facilitated 3,210 tonnes of greenhouse gas savings from the purchase of renewable electricity which equates to a 24.7% reduction in our footprint trajectory, compared to FY20, had we not commenced Net Zero initiatives.

Operational energy efficiency measures included installation of de-stratification fans at Braeside to reduce heating and cooling demand.

By the end of the reporting period, 86% of the corporate fleet vehicles had been transitioned to hybrid cars. Lower emissions hybrid engines have been identified as an interim step towards full electrification in the Net Zero Emissions pathway.

These measures have enabled the Group to maintain its greenhouse gas emissions intensity per 1,000 units of product sold even with reduced units sold and with a full year of manufacturing emission in the Group profile.

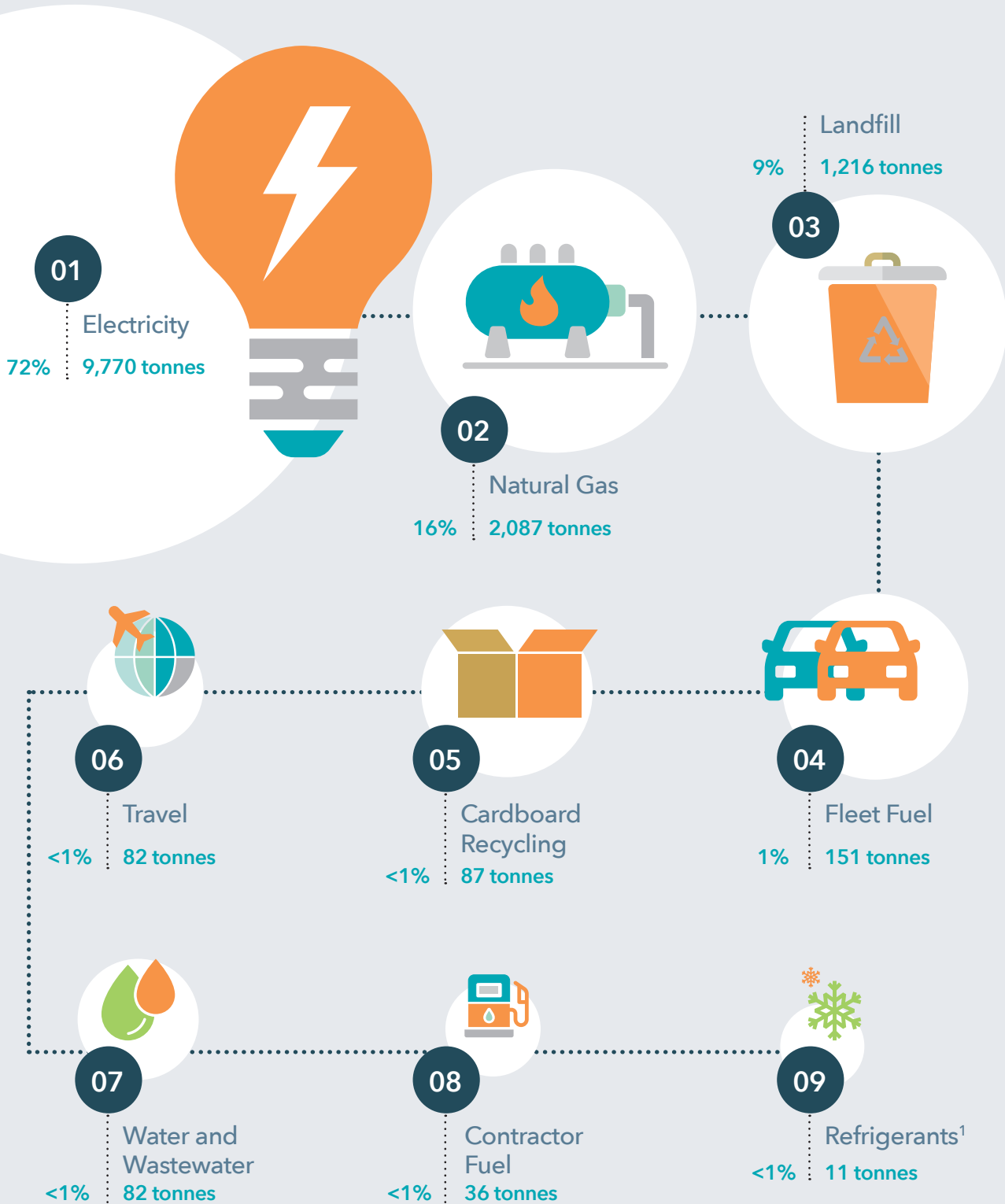
Blackmores' Greenhouse Gas Emission Trends (tCO₂-e/pa)



- Total Group GHG (tCO₂-e)
- Manufacturing GHG emissions (tCO₂-e)
- Scope 1 direct
- Scope 2 direct
- Scope 3 direct

Greenhouse Gas Emissions

Tonnes and % of total Group emissions



1. Blackmores changed its method of calculation from industry average leakage rates to maintenance top up records.

Tread Lightly

2021

Net Zero Journey 2020



2016

.....
First carbon footprint reported for the Warriewood Campus

.....
Development of greenhouse gas mitigation standard operating procedure embedded in Blackmores' Environmental Management System (EMS)

.....
Began the transition to use of renewable energy with 20% renewable electricity at the Blackmores Surry Hills Campus in Sydney

2018

.....
Carbon footprint reporting boundary expanded to cover all Australian operations

.....
Blackmores aligns business activities to the UN Sustainable Development Goals including Goal #18, Climate Action, and Goal #7, Affordable and Clean Energy

.....
Awarded a Manufacturer's Grant¹ for energy metering

2019

.....
Release of Blackmores' climate change position statement

.....
First Executive Team 1.5 to 2 degree climate scenario workshop and climate resilience risk assessment

.....
Blackmores sets first carbon reduction target, committing to reduce emissions intensity by 20% from 2016 baseline

.....
Group Climate Resilience Action Plan developed

.....
Climate risk included in Group Risk Register

.....
Group Clean Energy Strategy adopted

.....
Commenced transition of fleet vehicles to hybrids

.....
Commenced purchase of grid supplied renewable energy at Blackmores' Bungarribee Distribution Centre to complement rooftop solar

.....
Commenced 20% renewable electricity at Braeside Manufacturing Facility

.....
Energy Management System benchmarking undertaken

.....
NSW Government High Energy User Coaching Project and subsequent benchmark assessment undertaken¹

.....
Commenced development of an Energy Management System to support strategic energy monitoring, management and reporting at Warriewood and Braeside¹

.....
Net Zero Carbon 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

.....
Commenced use of minimum 50% renewable electricity at Warriewood Campus

.....
Carbon reporting embedded in 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 Carbon pathway¹

.....
Blackmores Braeside Manufacturing Mechanical Services Energy Audit and Energy Efficiency Improvement Feasibility Study undertaken

1. These initiatives were supported by the NSW Government Department of Planning, Industry and Environment.

.....
Adopted facility-specific
Energy Performance
Indicators

.....
Commenced Carbon
Offset Investment
Strategic Review

.....
Group Energy
Management System
developed

.....
Installation of high-level
fans at Braeside has
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

Beyond 2021



.....
2022
Pilot first electric vehicles
as current fleet completes
transition to hybrid
models

.....
2022
LED lighting installed at
Warriewood Campus

.....
2022-2024
Manufacturing energy
efficiency projects
implemented at
Blackmores Braeside

.....
2023
Travel efficiency focus with
100% of remaining travel
emissions offset

.....
2025
Electric vehicles
introduced for fleet cars

.....
2025
Power Purchase
Agreement in place
with 100% renewable
electricity for all Australian
sites

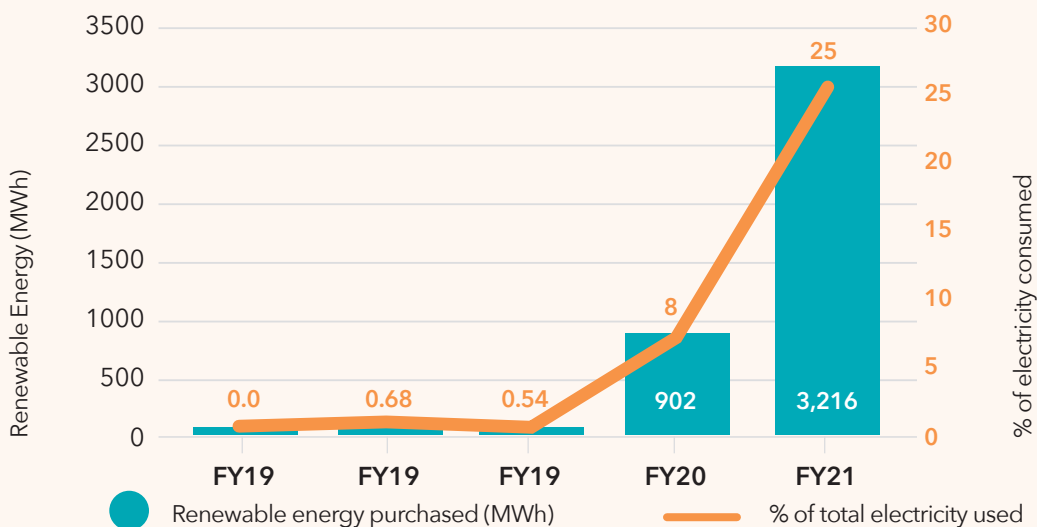
.....
2030
100% Group emissions
offset with carbon
abatement investment
aligned to Blackmores'
values

TOWARDS
**ZER
CARBON**
BLACKMORES
| GROUP

Tread Lightly



Group Renewable Energy Consumption (MWh)



Increase usage of renewable sources of energy.

25%



25% of Group energy is from renewable electricity sources, up from 8% in the prior year, a 213% increase.

Blackmores' GHG Emissions by Scope (TCO2-e)*



*Increase in FY20 reflects inclusion of 8 months of emissions from newly acquired Braeside manufacturing facility.

Tread Lightly



Optimise the use of technology and increase staff awareness to reduce our travel impact (reduce our travel emissions intensity by 30% by 2030 compared to 2018).

Travel emissions continue to be impacted by the global pause and were a further 90% down on the prior year, and 95% down on pre-COVID travel emissions baseline.



Progress towards our vision of 100% recyclable packaging in Australia and New Zealand by 2025.

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

The has been added to a further 115 products, and now features on 51% of Australian and New Zealand product labels and cartons, providing better recycling information for consumers.

98% of Blackmores' current primary packaging is recyclable in Australia and New Zealand.

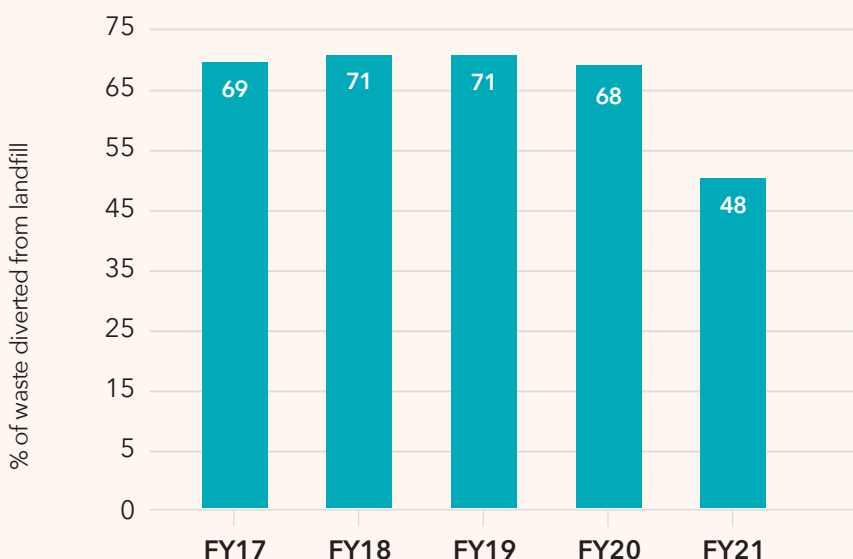


Improve Blackmores' resource recovery by diverting 80% of on-site waste from landfill by 2025.

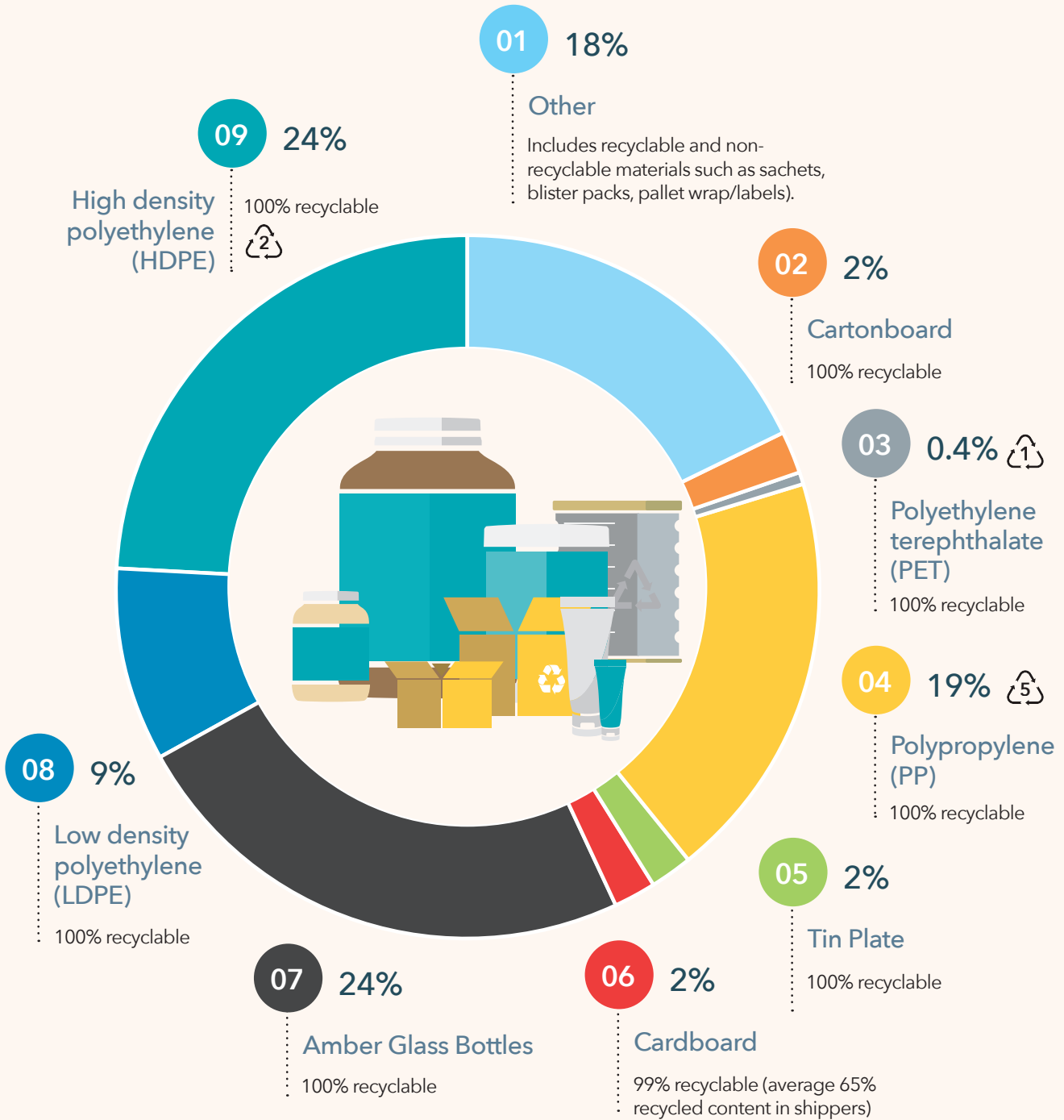
On-site recovery declined significantly in the reporting period with only 48% of waste diverted from landfill, down from 68% the prior year. The Group target is to divert 80% of on-site waste from landfill by 2025.

This is largely the result of a change to the specifications for coloured gelatine waste demand supplying alternate industry based in China.

FY21 - Waste Diverted from Landfill (%)



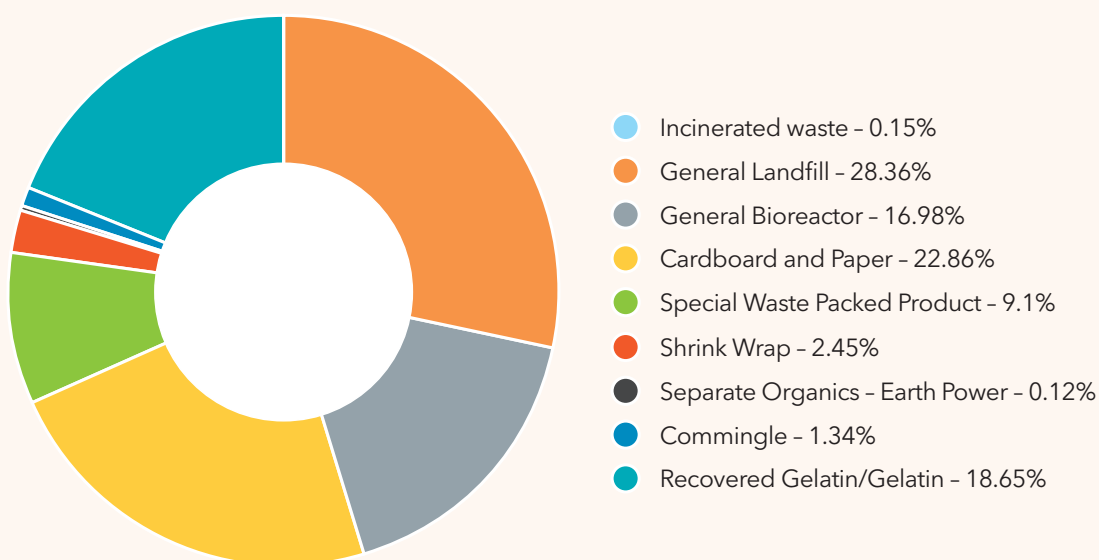
Major Packaging Formats*



* Includes primary, secondary and tertiary packaging components and materials.

Tread Lightly

FY21 - Major Sites Waste Breakdown by %



Reducing 3.5 tonnes of cardboard from Blackmores Braeside manufacturing operations

Blackmores' tablet and capsule manufacturing facility at Braeside in Victoria has implemented a program of work to optimise use of cardboard shippers, reducing the use of single-use packaging. This initiative delivered:

- Reduction in material demand, leading to reduction in packaging purchase volumes
- Increased line efficiencies
- Increased labour efficiencies, mitigating work-related injuries
- Increased transport efficiencies
- Reduction in overall carbon footprint

Since August 2020, more than 3.51 tonnes of cardboard shipper cartons and more than three quarters of a tonne of plastic bags have been removed from the Group operations footprint.



3.5
tonnes



Source Responsibly

What we are striving to achieve

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

IMPACT



How we deliver this

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

Why it matters

More than 40 million people around the world are trapped in conditions of forced labour, a quarter of them children. As a company, we take pride in the way we treat our employees. We demonstrate our core value of respect in the workplaces we create. We seek to pay our people fairly and to ensure our staff are healthy and safe at work. We have the same expectations of those in our broader supply chain and we will be more proactive in understanding the working conditions impacting people in the development and manufacture of our products. Our marine resources are under pressure because of climate change, ocean acidification and illegal and unregulated fishing. Sustainable marine harvesting practices are important for the protection of potent nutrients from marine sources and also for the communities that rely on fishing for their livelihoods.

Similarly, the protection of terrestrial and freshwater biodiversity is vital for ensuring long-term and sustainable use of land-based natural resources. Blackmores Group uses more than 1,000 ingredients, so adopting a sustainable and ethical approach to sourcing is necessary to support our long-term operational viability and mitigation of supply chain risk.

8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



14 LIFE BELOW WATER



15 LIFE ON LAND



17 PARTNERSHIPS FOR THE GOALS



Our Commitments



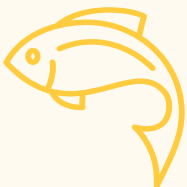
Assess and address the risk of modern slavery to deliver on our vision of zero exploitation within our supply chains



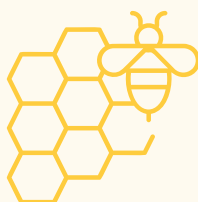
Engage 100% of Tier 1 suppliers by 2025 to agree to shared sustainability commitments

ISO

Align our procurement framework to ISO 20400 by 2025



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



Understand the exposure of our ingredients and products to biodiversity risks by 2022

See our progress



Source Responsibly



Commitment:

Towards Zero Exploitation within our Supply Chains

At Blackmores, we're proud of the care we show for our people.

We believe our employees should work here because they choose to, they're paid fairly, they enjoy good working conditions in a safe workplace and they have the right to share their concerns without fear.

Our goal is a future where every worker in our broader supply chain has those same rights.

A future where there is zero risk of exploitation in our supply chain.

Alastair Symington, CEO



Turmeric harvest ©Verdure Sciences

Blackmores' sustainable and ethical sourcing focus in the last year has been to drive progress towards a goal of zero exploitation within our 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 understand 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 - 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 is well aligned 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. This year ethical and sustainability risk assessments were undertaken on 100% of suppliers contributing to the ingredients, packaging, manufacture and packing of Blackmores Group products.

An outcome of the risk assessments was 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:

Progress to assess and address the risk of modern slavery in our supply chain:

183 sustainability and human rights risk assessments undertaken, including 100% of the 174 Tier 1 direct suppliers, a 235% increase on the prior year.

4 SMETA audits reviewed in the reporting period. These were targeted to higher risk types of work and regions identified in the risk assessments.

28 global supply chain good manufacturing practice quality and sustainability audits completed.

345 education modules on human rights were completed by employees in the reporting period. A further 455 employees attended an information session on employee obligations and to highlight work underway to deliver an ethical supply chain.

Blackmores led industry-wide modern slavery capacity and capability building initiatives across the Australian natural healthcare industry.

118 suppliers representing 72 companies attended Blackmores' supplier webinars in June 2021, and 85% increase in participation on the prior year.

Key governance updates:

Bolstered Group Supplier Code of Conduct with stronger alignment between key processes through business including a Group Human Rights Policy, Strategic Sourcing Strategy and systemised Risk Assessment indicators

New cross-functional Blackmores Modern Slavery Working Group with collaborative review of SMETA audits

Source Responsibly

A turmeric farmer in India ©Verdure Sciences





Deepening understanding of human rights in supply chains through ethical audits

Blackmores commissions on-site independent human rights and sustainability audits using the Sedex Members Ethical Trading Audit (SMETA) protocol. The method evaluates all aspects of responsible business practice in global supply chain including labour standards, health and safety, the environment and business ethics.

Areas of non-conformance are typically resolved within 90 days of release of the audit findings through a collaborative process with our suppliers to ensure better outcomes for people.

The bolstering of the mechanisms to assess and address human rights risk enabled Blackmores to publish their first Modern Slavery Statement to meet the requirements of the Australian Modern Slavery Act 2018.

ISO

Commitment: align our procurement framework to ISO 20400

Blackmores' alignment to global sustainable sourcing standards

Blackmores has continued to align its procurement and supplier engagement practices to the International Standard ISO 20400:2017 Sustainable Procurement - Guidance to pursue best practice outcomes.

Following a 20400 gap analysis in 2019, the fundamentals of procurement have been strengthened through: greater policy focus across operations; increased integration of accountabilities, particularly in ethical sourcing; and a continual focus on the value creation potential of a sustainable and ethical supply chain.

An integrated data system for Supplier Relationship Management (SRM) continues to be developed to link data with supplier engagement practices, and underpin key initiatives such as the Partnering for People and Partnering for Adaptation initiatives to collaborate with suppliers for more impactful outcomes.

Sustainability risk assessments were undertaken for all Tier 1 suppliers and an updated Supplier Code of Conduct released in May 2021 to further a collaborative effort in avoiding human rights risks. These enabling tools are supporting greater awareness and commitment in the supply chain and a recognition of the challenges posed by limited transparency, complex company structures and a geographically diverse supply base.

Importantly, ISO 20400 analysis has identified where further awareness raising and training is required both within Blackmores' workforce and its suppliers. During the year the company developed and delivered three modules of human rights training to staff across Australia, New Zealand and Asia, with tailored content aligned to the degree of engagement staff have with suppliers. In parallel, supplier sustainability webinars have been undertaken to support recognition of our aspirations and expectations around human rights, climate resilience and biodiversity protection.

Work to date is enabling further focus on short and longer-term sustainable procurement outcomes with further targets to be developed in 2022, supported by performance metrics, which will be integrated into the Supplier Relationship Management system to inform reporting.

Further work in integrating sustainable procurement into the Strategic Sourcing process has been identified with initiatives underway to better identify, measure and manage environmental and social requirements in the tendering process and in contract management. The ESG outcomes sought in raw material supply, contract manufacturing and packaging materials have been identified. Future emphasis will be to ensure that supplier engagement and management practices, supported by user-friendly data systems, enable these outcomes in a commercially acceptable and ethical manner.

Source Responsibly



Partnering for Adaptation: Biodiversity Risk Assessment in our Supply Chain

With a goal to source key raw materials and commodities sustainably to an independent standard by 2025, the Group commenced during the year an evaluation of biodiversity risks in its immediate and extended global ingredient supply chain. Initial assessment identified the prevalence of supply from mega biodiverse countries, in particular herbal ingredients.

Biodiversity risk is closely aligned with climate change risks as the natural environment, adversely impacted by extreme weather events and gradual changes in growing microclimates, impacts wild harvesting, cultivation practices, refining and manufacturing as well as transport links. Mapping these synergies also highlighted the close alignment of workforce vulnerability to human rights abuses.

Blackmores was invited in late 2020 by Business for Nature to submit comments to the Australian Government on the Convention of Biological Diversity (CBD) Post-2020 Global Biodiversity Framework, a stepping stone towards the CBD's 2050 Vision of 'Living in harmony with nature'. The response helped to consolidate a range of issues and opportunities for Blackmores to engage its raw material supply chain.

While the diagnosis of biodiversity risk in Blackmores' extended supply chain is challenged by poor transparency, complex corporate structures and widespread use of contracted growers, the work to date has identified a range of common issues with which we are engaging our suppliers. These include the awareness of and ability to evidence application of internationally accepted biodiversity standards around wild harvesting, sustainable agricultural and fishery practices, and environmental management in refining and manufacturing.

With 100% of Tier 1 raw material and contracted manufacturers assessed during the year, the next stage of Blackmores' biodiversity and climate change risk assessments will include direct engagement with support and tools to help them diagnose risk and identify potential control measures further down their supply chains. The first stage of this initiative, referred to as Partnering for Adaptation, occurred in June 2021, with 118 representatives from 72 Blackmores Group Tier 1 suppliers engaged through a Blackmores sustainability webinar series.

The opportunity exists for Blackmores to support the adoption of credible sustainable agriculture and wild harvesting standards within its supply chain, which will lead to improved transparency and traceability, reduced environmental and social impacts and a collective and progressive adaptation to the impacts of the changing climate.



Progress was made towards sustainable certification of fish oils, with more work to be done across other key commodities. Marine Stewardship Council certification is currently held for sources of cod liver oil and Forestry Stewardship Council certification held for paper sources.



Case Study



Partnering for progress with suppliers

Naturex, a Givaudan company, provides Blackmores with cranberry extract and hops for several Blackmores and BioCeuticals products. Cranberry is a perennial low-growing, trailing, woody vine that thrives in wetlands, typically in acidic peat soil, and is cultivated in bogs.

The entire cranberry system provides a diversity of habitat for numerous animal and plant species. For every acre of cranberry production, an average of six acres of support land remains undeveloped to support the hydrological needs of the vines.

Naturex has developed its own corporate sustainability program, called The Pathfinder, implemented through its responsible sourcing approach, where growers and other stakeholders along the chain of custody are assessed against Naturex's internal standards of best farming practices. These include minimising the potential for pesticide contact with ground and surface waters to help reduce any impacts to local water systems and supporting other water management programs to control and prevent water pollution. Naturex also conducts workshops with its supply chain to encourage integrated pest management practices and adoption of best management practices.

The Pathfinder Program is approved by the Union of Ethical BioTrade (UEBT), the non-profit association internationally recognised for its work with companies on ethical sourcing of ingredients from biodiversity. Pathfinder includes environmental management, human rights and botanical traceability.

Naturex's global cranberry and hops supply is gold qualified under its Pathfinder Program as stakeholders along the chain of custody have been assessed through field investigations and demonstrating best practices and are qualified under the company's progressive continual improvement bronze, silver and gold compliance scale. Pathfinder is now in the process of transitioning into the new Sourcing4Good program, representing the next phase of responsible sourcing at Givaudan.



Blackmores has shared sustainability commitments with many suppliers and is working towards extending this across 100% of Tier one suppliers by 2025.

Lead the Change

What we are striving to achieve:

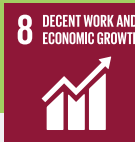
- Take a strong position to understand and address the impact of climate change and biodiversity loss on access to natural medicines
- To be a leader in natural health and sustainability through innovation, research, education and a robust corporate governance framework
- To make a meaningful contribution to society by providing high quality and trusted health education championing equality to support our consumers in the recovery of our packaging

Why it matters

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

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

IMPACT



Our Commitments



We will inspire wellbeing through research and delivery of accredited health education to 100,000 healthcare advisors each year



Advocate for change to optimise recycling and reduce the impact of our packaging



- 50% of senior executive roles are held by women by 2025
- 50% of management roles are held by women by 2025
 - 50% of Board roles are held by women by 2025
- Evaluate gender equity in relation to remuneration



Align reporting to the recommendations of the Task Force on Climate-related Financial Disclosures

See our progress



Lead the Change



Supporting better health outcomes through accredited education and training

149,679 education touchpoints across the Group to grow credible knowledge and support the quality use of natural medicines.

Education to change lives - Blackmores Institute has provided online training from the outset of the pandemic, with virtual learning platforms delivering best-in-class education through FY21.

The Complementary Medicine Education (CMEd) program for pharmacists across Australia, New Zealand, Malaysia and Thailand had 27,000 completions.

Blackmores Institute further employs digital communication strategies, podcasting, journal publication and conference keynotes to continue to offer trusted education on a global scale.

9,668 healthcare advisors received accredited education, including participation in online modules and attendance at training events.

Education events and symposia continue to be impacted by COVID-19. The education teams at the Blackmores Institute and BioCeuticals have embraced online formats and digital platforms to meet the changing educational context of healthcare professionals and needs of the community, with a strong focus on immune support and mental health.

41 research projects and clinical trials progressed with leading academic and research institutions across Australia and Asia, including clinical trials for vision improvement, memory, pre-diabetes and birth defects, as well as pharmacokinetic studies and literature-based projects including a systematic review of gut long axis.

\$2.02 million contributed to research institutions.

50,078 consumer, healthcare practitioner and retail customers health enquiries responded to through the Blackmores Naturopathic Advisory and technical services teams.



Towards a circular economy - driving better recycling outcomes

Blackmores completed our first group-wide mass materials balance audit of materials, including assessment of all materials based on a balanced scorecard to capture recyclability, protection of quality and potency of ingredients and emissions intensity.

More than 98% of Blackmores' current packaging footprint is recyclable in Australia and New Zealand and a program of work is underway to deliver continuous improvements.

A complete lifecycle assessment of all materials is expected to be completed by June 2022.

Use of the Australasian Recycling Label ensures consumers have clear directions of packaging recyclability and in the reporting period, the ARL was added to a further 115 product lines. This exceeded the Group's target to feature the device on 50% of Australian and New Zealand packaging by 2025. Smaller labels continue to be a challenge as there is not the available space to feature the ARL.

Blackmores also participated in two packaging recycling trials in partnership with the Australian Packaging Covenant Organisation designs to understand actual recovery rates of labelled glass at materials recovery facilities. The outcomes of these trials will inform future packaging specifications to optimise recovery rates.



Inclusion, Equity & Diversity

Female representation on the Board increased to 67% in the FY21 reporting period (in August 2021 it was 60%) in line with the Board target for at least 50% female representation by 2025.

Female representation on the Executive Team remained at 55%, in line with the prior reporting period.

52% of senior executive roles in the Group are held by women, with 63% of women in other management roles.

Across the Group, 61% of employees were women, down from 64% in the prior year.

The Group has in place robust governance to support gender equity with gender equity policies, a FlexFit philosophy on flexible working, and gender-equal policies for parental leave and domestic violence.

Gender pay equity analysis was undertaken in all key markets during the reporting period, comparing female and male salaries on a like-for-like job basis. This process has not identified any significant gender pay issues. Gender pay equity analysis is repeated twice yearly.

Blackmores recognises the benefits of having a richly diverse workforce and undertook the Group's first survey of employees on inclusion and diversity as the first step towards ensuring we remain informed and intentional in our workplace practises to nurture a culture where all perspectives are heard, valued and respected.

To improve our global mindset and deep understanding of key growth regions, we have placed conscious attention to improving cultural awareness, connection, and celebration over the past 18 months by:

- Increasing the number of cultural celebrations across all locations, including Lunar New Year, Ramadan and Songkran, to engage and educate the broader Group on the diversity of Blackmores' markets and people
- Proactively reviewing long-range calendars to limit conflict of key events with local holidays or customs
- Including local language translation into key communications and employee surveys
- Increasing the number of critical roles based outside of Australia to be closer to consumers
- Building workforce plans to align local leadership and reflect the representation of an increasingly diverse consumer base

Lead the Change



Climate Change Resilience

Take Climate Action

Blackmores Group takes a strong position to address the impacts of climate change on our business.

The Executive Team and Board are actively involved in the progress of a program of work to mitigate the impact of climate change, spearheaded by our commitment to Net Zero Carbon Emissions by 2030. The Blackmores Group Climate Change Resilience Action Plan details activity to adapt to the impacts of global warming, acknowledging the physical, transitional and liability risks.

Governance

The Risk and Technology Committee has responsibility for considering the impacts of climate change as a material risk. Climate change is addressed in the enterprise risk framework and detailed in the Operating and Financial Review of the Group Annual Report.

The Group business strategy addresses our key mitigation initiative (Net Zero Carbon by 2030) and key adaptation progress (supply chain resilience). The Executive Team undertakes regular climate scenario assessments to review the Climate Change Resilience Action Plan and ongoing adaptive measures.

CEO and key senior executive remuneration is aligned to achievement of sustainability targets, including the Net Zero goal.

The Sustainability Team, Group Operations, and Innovation, informed by insights from the Blackmores Institute, have day to day accountability for progressing the Climate Change Resilience Action Plan. Climate-related risks and opportunities are considered as part of the broader enterprise risk framework and are informed by senior executive scenario workshops.

Risks considered include:

- Physical risks: impact on assets, facilities and changes to the natural environment. Impacts on the cost, potency, quality and availability of raw materials.
- Transition risks: changes to markets, demand and regulations, insurance costs, and meeting the expectations of the community and our investors. Supply chain disruptions and implications on logistics. Changing health needs of our consumers.
- Liability risks: the risk of not acting to address climate change impacts.

Control measures with a one-to-five-year horizon were identified across: Strategic Sourcing; Facilities and Manufacturing; Logistics and Distribution; Brand, Consumers and People; and Finance and Governance.

Climate Change Resilience Action Plan

Blackmores developed a Climate Change Resilience Action Plan in response to a Group-wide assessment of the short and longer-term risks and opportunities posed by the changing climate, both in Australia and in our global markets:

- The next decade is decisive. Acting now to prepare Blackmores for climate change will pay off through risk reduction in our supply chain, continuing efficiency and developing innovative products for changing nutritional needs.
- Through efficient and responsible management of energy, diversifying further into lower-carbon energy sources and collaborating with suppliers to mitigate risks, we aim to show leadership in our industry in a proactive and measurable response to global warming.
- Maintaining a watching brief on the carbon offset market to ensure future purchases reflect Blackmores' values and respect for natural systems.

Highlights	Mitigation a focus on Net Zero	Adaptation a focus on supply chain sustainability
STRATEGY & PLANNING	<ul style="list-style-type: none"> Developed a Group Energy Policy Further developed a roadmap to guide transition to Net Zero Carbon Emissions by 2030 Annual review and update of the Group Climate Resilience Action plan 	<ul style="list-style-type: none"> Continuing focus on strategic review of suppliers to understand climate resilience Commenced consultation on a Group Biodiversity Policy
OPERATIONS	<ul style="list-style-type: none"> 12 months renewable energy purchasing avoided 3,210 tonnes CO₂-e or 25% of annual electricity-related emissions and 19% of total Group emissions Scoped and commenced installation of emissions reduction initiatives at Warriewood and Braeside Awarded grant funding from NSW DPIE to support the Net Zero Program and document a Group Energy Management System Surveyed staff and commenced planning for FY22 pilot of electric vehicles for the sales fleet while transitioning 86% of fleet to hybrids 	<ul style="list-style-type: none"> 100% (or 174) Tier 1 raw material, packaging, co-packers and contract manufacturers sustainability risk assessed Commenced ingredient level biodiversity risk assessment Continued progress toward Marine Stewardship Council certified marine ingredients from the Eastern Pacific fisheries
LEADERSHIP	<ul style="list-style-type: none"> Selected by NSW DPIE to participate in the Net Zero Emissions Leadership Accelerator Pilot Developed a proposal for Complementary Medicines Australia to release an industry position on climate change with a goal of 100% of members to have an emissions reduction commitment by 2025 	<ul style="list-style-type: none"> Adapted and piloted a financial modelling tool to evaluate potential climate impacts on key ingredients Engaged 118 suppliers from 71 Tier 1 companies (or 41% of our Tier 1s) on modern slavery, climate resilience and biodiversity awareness - Partnering for Adaptation
SYSTEMS & PROCESSES	<ul style="list-style-type: none"> Developed a Group Energy Management System including an Energy Management Plan Quarterly reporting of Group and manufacturing Net Zero targets Identified Group and facility-specific Energy Performance Indicators Monthly reporting of energy consumption per unit of activity at Warriewood and Braeside Manufacturing 	<ul style="list-style-type: none"> Updated and released the Supplier Code of Conduct to better reflect human rights and biodiversity expectations Identified TCFD reporting measures for incorporation in sustainability reporting

Lead the Change



Resilience progress

Blackmores' Financial Sensitivity Model evaluates climate-related risks in its global supply chain.

The publication of *Sustainable Nutrition* in 2019, a Blackmores Institute scientific literature review on the impacts of climate change on natural and nutritional medicine, highlighted the need to consider the impacts on naturally sourced ingredients, including:

- Up to 16% plant species loss
- Loss of insects impacting nutrient cycling in soil and pollination
- Changes occurring in plant phenology
- Impacts on secondary metabolite potency and activity
- Increased risk of extreme weather events, invasive plant species, pests, diseases and flooding
- Toxic effects of UVB radiation and rising CO2 levels
- Impacts on marine food chain
- Potential impacts of increasing soil nutrients
 - Greenhouse gas emissions from fertilisers
 - Higher CO2 and temperature increasing plant yield but decreasing nutrient content

The Group's climate change risk assessment process, updated annually and aligned to accepted climate change 1.5 to 2 degrees and 3 to 4 degrees scenario planning, highlighted prominent emerging material risks through the company's extended supply chains. Climate change impacts, both physical (for example, the effect of storms on facilities and ingredient harvests), transitional (such as evolving carbon regulation and pricing), and liability risks (such as maintenance of a social licence to operate) have been identified as having potential for significant short, medium and longer-term impacts on ingredient costs, availability and revenue.

Impacts such as storm damage to farms, manufacturing and transport infrastructure, leading to short-term supply chain interruptions, require effective evaluation of the likely financial impacts on the profit and loss at the SKU level. Longer term impacts of changing ecological conditions, both terrestrial and marine, will impact, to varying degrees,

both the potency of formulations and the availability and price of more climate-sensitive ingredients, such as wild-sourced herbs and marine oils.

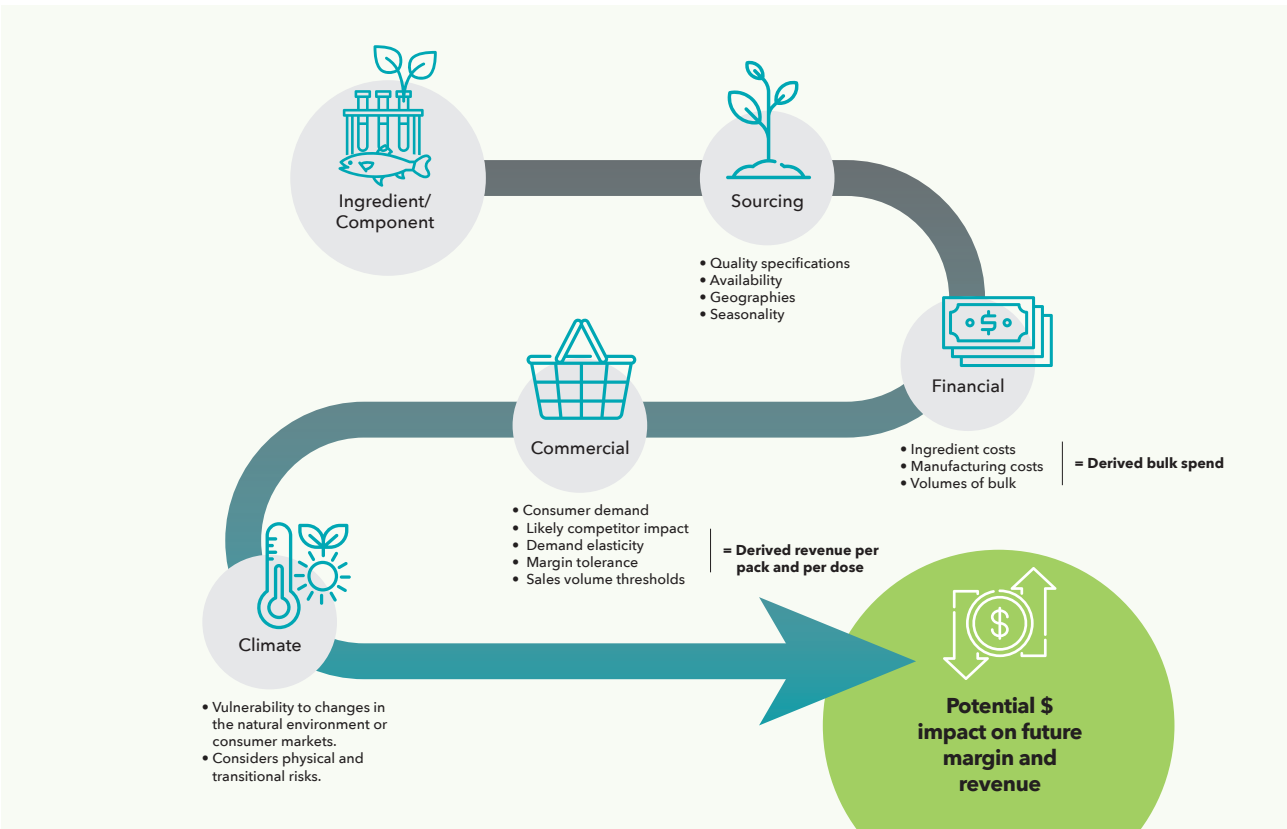
Risk assessments generally do not adequately address or quantify the financial magnitude of the risk or mitigation options, certainly not in the medium to longer term. Consequently, Blackmores commenced earlier this year a project to refine a climate scenario modelling tool to identify potential financial impacts in line with the Task Force on Climate-related Financial Disclosures (TCFD) approach to sensitivity analysis.

Partnering with Adaptive Capability, Blackmores was able to adapt a Financial Impact Assessment Model with application, initially as a pilot, to five key ingredients/materials - Andrographis, fish oil, vitamin C, glycerol and gelatin - which are illustrative of the company's broad supply chain and material categories.

The Financial Impact Assessment model is a simple 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

This first iteration of Blackmores' bespoke model highlighted the potential of the tool to inform procurement decisions with respect to the impacts on ingredient costs and revenue related to climate events and trends in the supply chain. Defining the assumptions around input variables for a given climate risk description was applied to multiple scenarios. Further development of the sensitivity model is planned across a broader range of ingredients and climate impact scenarios with findings used to inform and refine risk mitigation approaches.



Metrics and targets

Blackmores acknowledges the recommendations of the Task Force on Climate-related Financial Disclosures and commits to continued disclosure of emissions, our journey to Net Zero Carbon Emissions and transparent reporting on the materiality of the impact of climate change. The Net Zero Carbon emissions is aligned to senior executive remuneration.

Partnering for Adaptation

Blackmores instigated the Partnering for People initiative in 2019 to focus on cooperative analysis and mitigation of human rights risks to address the prevalence of modern slavery in the company's supply chain.

In response to the emerging risks as a result of the Changing Climate on our natural capital, Blackmores has initiated Partnering for Adaptation, to understand climate resilience and biodiversity impacts on ingredients.

The insights underpinning the program were established in *Sustainable Nutrition*, Blackmores Institute's 2019 scientific literature review on the impact of climate change on natural medicine. This review identified opportunities to act in relation to climate related impacts on the availability, reliability and efficacy of our nature-based ingredients. This established the business driver to take further positive action in identifying the mitigating the current and future impacts of the changing climate.

However, the growing awareness of more substantial potential business continuity risks associated with climate related impacts on Nature's ability to continue to provide quality natural ingredients, both terrestrial and marine, has led the company to expand its diagnostic focus on biodiversity and Climate Change impacts. The resulting Partnering for Adaptation initiative uses information gained in the 2-degree Climate Risk assessments, undertaken annually by the Executive Team since 2018, as well as desktop biodiversity risk evaluation, to identify natural ingredients at risk. Quantifying that risk will require greater diagnosis of the real and potential impacts further down our supply chain where we have limited ability to influence or implement control measures.

Hence our desire to collaborate with our contracted raw material suppliers and manufacturers to help them diagnose and implement change within their spheres of influence. This may include implementing measures to improve the sustainable sourcing of natural ingredients, either wild harvested, cultivated or refined in manufacturing operations. The Partnering for Adaptation initiative commenced during the year with Blackmores run webinars attended by 118 suppliers over 71 companies in the Americas, Asia and Europe. These events enabled Blackmores to offer support to suppliers in the form of risk assessment and information gathering questionnaires as well as raising awareness of the information gaps in what are typically opaque and complex supply chains. Collecting information on what actually happens in the forest, the farm, the fishery or the factory will help to identify the range of potential control measures Blackmores, and our supplies, should focus on. This may include promotion of existing or emerging biodiversity protection and sustainable agricultural standards, codes of practice and verification protocols.

Improve Wellbeing

What we are striving to achieve:

To foster a responsible workforce and a safe and secure workplace, maintaining our licence to operate in our communities and markets, and making a positive contribution to health and wellbeing.

IMPACT



3 GOOD HEALTH AND WELL-BEING



17 PARTNERSHIPS FOR THE GOALS



Our Commitments



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

Support employee mental health and wellbeing in response to the impact of the global pandemic



Make a positive contribution to the communities in which we operate



Increase staff involvement in community initiatives through donations and staff volunteering

See our progress





Safety

- Elevated focus on uplifting safety governance and capability
- Improved systemisation, supported by new data platform
- Increased proactive injury prevention

Blackmores Group has significantly uplifted capability in workplace health and safety with a new function reporting to the Group Chief Governance Officer and overseen by the Risk and Tech Committee of the Board. This reflects the changing risk profile of the business following the 2019 acquisition of the Braeside manufacturing facility.

The implementation of this function has resulted in improved systemisation of safety data reporting and management with a new data management system being trialled within key manufacturing sites.

The data captures incidents, hazards and near-miss events across all sites in Australia and New Zealand and has resulted in a 77% increase in reporting. In addition, the 12% increase in incidents is attributed to the increased reporting and inclusion of near-misses into the data, rather than because overall workplace safety declined.

The increased reporting has enabled trend modelling and more accurate root cause identification. Compared to the prior reporting year, distribution teams have been able to reduce their overall exposure to safety incidents.

Addressing key risks

Physiotherapist and exercise physiologists attend sites to evaluate employees' functional work capacity and assist with ergonomically-appropriate stretching and body movements to maintain work fitness and reduce strains and sprains.

A workplace healthcare provider has been appointed to provide injury triage services so that our employees receive immediate medical assistance from qualified practitioners.

Mental health and employee welfare focus

Further training for Blackmores' Mental Health First Aid attendants has been offered as well as a focus on training new recruits to become qualified in offering mental health first aid.

Continuous support for employees has been extended throughout all lockdowns as well as periods of increased workplace restrictions and social distancing as a response to the COVID-19 pandemic. This included online exercise classes, mediation sessions and an Employee Assistance Program to support employee welfare.



Improve Wellbeing



Blackmores was founded on Maurice Blackmore's ability to improve people's lives through natural health. Nearly 90 years after he first began growing knowledge on natural health management and dispensing high quality nutritional medicines, the company continues to be uniquely positioned to support community health with our products, expertise and a committed team of people.

Community programs

The continued impact of the pandemic resulted in the cancellation of most events during the year, including the 2020 Blackmores Sydney Running Festival and Project Kindness in Malaysia. This limited Blackmores' social impact initiatives.

Outreach activities and product donations were lower than last year, though the Group contributed more than \$880,000 in product and financial donations and staff gave more than 5,300 hours of their time to wellness initiative and volunteering to support communities in need.

We proudly support these organisations and initiatives:

- Auckland City Mission
- Cancer Council's Biggest Morning Tea
- Bilgola Surf Life Saving Club and Bilgola Big Swim
- Black Dog on a Lead
- Blue Dragon Children's Foundation
- Bumi Sehat Foundation, Indonesia
- The Cardiac Children Foundation, Thailand
- CCNB
- Gotcha 4 Life
- Hearts on Purple
- Hands-on-Health Australia
- HBF Run for a Reason
- Mareeba Community Centre
- Pit Stop Community Cafe, Malaysia
- Quest for Life Foundation
- Royal Guide Dogs Australia
- Rotary Australia
- Salvation Army Christmas Appeal
- Sunnyfield Disability Services
- University of Technology Sydney



Blackmores' matched donations

With the intent of nurturing a culture where our team and business have aligned values, employees are encouraged to participate in a charitable scheme whereby 0.5% of their taxable pay is deducted each payday and placed in an interest-bearing trust account. Blackmores matches this amount and twice yearly each participating employee nominates a registered charity to receive the donation.

This year, Blackmores Group employees donated \$181,500 to registered charities of their choice through this scheme.

Staff contributions through matched donations: **\$181,500**

↓ -8%

Product donations: **\$324,673**

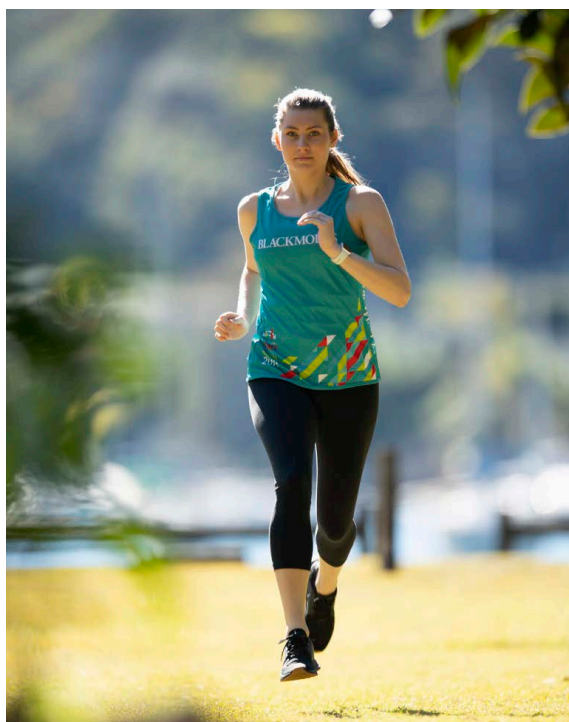
↓ -62%

Financial donations: **\$556,870**

↓ -39%

Volunteer/wellness hours: **5,310**

↑ 5%



Though physically distanced for much of the year, our teams worked to continue to connect to improve wellbeing in the communities in which we operate.

Improve Wellbeing



Blackmores Mercie Whellan Women+Wellbeing Awards

The Blackmores Mercie Whellan Women and Wellbeing Awards celebrate women who have made an outstanding contribution to their local community by improving the mental health and wellbeing of others.

Hosted annually in partnership with CCNB – a not-for-profit, community-based organisation who are trusted advisors in community health, aged care and disability – the annual awards recognise individuals and support registered charities of their choice.

Community organisations like CCNB play an essential role in supporting physical, mental, social and emotional wellbeing, helping to ensure that everyone can live their life to the fullest.

Enriching our understanding of Indigenous culture

Blackmores partnered with Koori Kinnections during National Reconciliation Week to engage in a First Nations cultural immersion. Our native species of flora guide, Charlie, shared traditional uses for many of the native species growing at the Blackmores Campus. Seeing the strong connection between Indigenous medicine and naturopathic ingredients was a timely reminder of our role in preserving the environment both through sustainable practices and by strengthening our understanding.



Charlie from Koori Kinnections shares insights on native plant species used in indigenous medicine.

National Recycling Week

Blackmores launched a social media campaign to share with our consumers the best way to recycle our packaging.

Blackmores Group employees also recognised the week by participating in a virtual crash course on recycling. The course provided greater visibility over the current transformation across Australia's recycling infrastructure and information on problematic waste materials to avoid buying because they're unrecyclable.

Research has found that people who recycle and those who work for companies that recycle and have sustainable practices are happier than those who don't.

Having a highly engaged workforce with a shared commitment to building circular economies is an important foundation for work currently underway to optimise Blackmores' packaging footprint.

Tree planting at Braeside

World Environment Day 2021 recognised the need for ecosystem restoration, a mission well supported by the team at the Blackmores Melbourne manufacturing facility in Braeside, who acknowledged the day by planting new trees indigenous to the local area around the site. The Braeside team's most significant efforts are inside the plant, where the team has mapped an ambitious pathway to reduce carbon emissions and invest in clean energy so we can deliver on our commitment to Net Zero Carbon by 2030 and our vision for a world where people and nature thrive together.



The Braeside team celebrate World Environment Day 2021, recognising the need for ecosystem restoration, by planting trees indigenous to the local area.



Christmas charity hampers 2020 - (pictured left to right) Stephen Robb, General Manager of Employment Services at Sunnyfield; Marcus Blackmore; David Brown, Past President of Rotary Club of Manly; and Alastair Symington, Blackmores CEO.



Forty years of hamper history continued, thanks to Sunnyfield

Our friends at Sunnyfield enabled a long-standing tradition to continue even with COVID restrictions in December 2020.

Started 40 years ago by Marcus Blackmore, Blackmores has partnered with the Rotary Clubs of Manly and Upper Northern Beaches to provide festive food hampers to local families over Christmas.

As a COVID-safe alternative to our Blackmores and Rotary volunteers assembling the hampers themselves, the team from Sunnyfield packed 400 hampers for 17 local charities to distribute to families in need.

Sunnyfield offers commercial packing solutions and employment opportunities for people with intellectual disabilities.

Foodbank

Blackmores donated products with a value of more than \$324,673 to charitable causes during the 2021 Financial Year. One of the most significant recipients is FoodBank. Foodbank is Australia's largest food relief organisation, operating on a scale that makes it crucial to the work of the frontline charities who are feeding vulnerable Australians. Foodbank provides more than 70% of the food rescued for food relief organisations nation-wide. It's an invaluable part of Blackmores' social impact outreach because it provides timely, reliable distribution of products to people in need while helping prevent product wastage.

Quest For Life

Blackmores provides an annual financial grant to the Quest for Life Foundation.

The not-for-profit organisation based in Bundanoon, NSW, provides educational self-help programs and community-based workshops that encourage, educate and empower people to improve their resilience and peace of mind during times of illness, depression, grief and trauma.

Building a Better Life in Thailand

Since 1997 Blackmores has partnered with The Cardiac Children Foundation of Thailand to help save the lives of kids in need with congenital heart disease. Through our FY21 Better Life Project we ran a consumer campaign, raising a 300k baht donation for seven children to have surgery in addition to the 27 children we already helped in past years. During Ramadan, we provided post-fast meals to 70 orphan Muslim children at Bann Alkawthar Foundation in northern Thailand.

Providing product through the pandemic

As the pandemic continued to impact many of our markets, we were unable to continue many of our long-term community initiatives. We shifted focus to providing immunity products like vitamin C to frontline and healthcare workers, and to the underprivileged whose need for nutritional support may have increased.

Product donations worth \$3m RRP were made to Westmead Hospital and Foodbank in Australia; Chiangmai Provincial Public Health Office and Samutsakhon Provincial Public Health Office in Thailand; and Taipei Far Eastern Memorial Hospital, Taipei Medical University Hospital, and Taipei City Hospital in Taiwan.

Healthy furry friends

In FY21, we donated PAW shampoo and conditioner products to animal shelters across NSW, including RSPCA and Riding for Disabled.

Materiality

Understanding our key sustainability issues

Evaluation of material areas of focus is undertaken on a continuous basis with a broad cross section of stakeholders throughout the reporting period.

Key developments over this period include the addition of **biodiversity** as a material subject of investigation. There is a strong reliance of the Group on natural capital and broad acceptance of interconnectedness between natural systems. Therefore, threatened species, habitat loss or impacted natural systems could have consequences for the greater supply chain. Just as the Task Force on Climate-related Financial Disclosures had a profound effect on financial modelling of environmental risks, it is expected that the upcoming Task Force on Nature-related Financial Disclosures will grow understanding of biodiversity impacts.

The emergence of challenging **waste** streams has elevated waste as a material area of focus. Waste is also a key scope 3 greenhouse gas emission to be addressed through the Net Zero by 2030 program.

Packaging impacts remain of strong interest to both Blackmores and its stakeholders. Consultation in the Australian market on the future potential for an extended producer responsibility tax to be imposed on problematic materials has elevated its significance as a material topic.

Our approach to determining material topics of focus

1

Alignment to Blackmores' values, vision and purpose

We are guided by a clear purpose, a meaningful vision and strong values, understanding that you can't have healthy people without a healthy planet.

2

Importance to our stakeholders



3

Potential risk and impact on Blackmores

We consider the factors impacting our operations, value chain and markets.

4

Our opportunity to influence

We focus on areas where we have the ability to influence change and deliver better outcomes for the community.

5

Relevance to United Nations Sustainable Development Goals (UN SDGs)



Our commitment to our stakeholders

Our people

We strive to support an agile, inclusive, purpose-driven workforce, where our employees are safe at work, engaged and invested in our success.

Suppliers

We seek to work with suppliers who have the ability to consistently meet our high quality standards and specifications and who share our values.

We are committed to sustainability and seek to work with suppliers with a mutual commitment to achieving and maintaining improved environmental and social outcomes.

We believe in shared value and mutual benefits to create enduring working relationships with suppliers where we grow our businesses together.

Consumers

We develop, promote, market and sell our products in an honest and responsible way, which inspires people to take control of and invest in their wellbeing. We deliver high quality products that meet our high standards for safety and efficacy, supported by trusted advice. We take responsibility for our packaging.

Retail customers

We strive for fair customer partnerships and to provide quality products that comply with regulations.

Healthcare professionals

We invest in clinical trials, research projects and scholarly activities in partnership with some of the best educational and research institutions across the Asia Pacific.

Shareholders and the investment community

We are committed to transparent reporting of our strategy, our material areas of risk and opportunity and sharing our progress as we grow our business and make a positive impact in the community.

Industry

We partner with our industry colleagues to ensure a strong, vibrant industry with high standards for quality, regulatory compliance and an ethical value chain.

Governments

We respect the governments and regulatory environments in each market we serve, contribute fairly through the taxes we pay and positively impact the broader health system.

Communities

We have a commitment to the communities in which we operate and donate our products, skills and financial resources to support people in need.

The natural environment

We recognise the inherent value in our natural capital and are committed to protecting the resources that provide potent natural medicines.

Seventeen goals set by the United Nations in 2015 to define global sustainable development priorities and aspirations for the planet. Highlighted goals reflect strong alignment to Blackmores' Sustainability Charter.



Our Approach

Materiality Evaluation

Materiality evaluation was undertaken on a continuous basis with a cross section of stakeholders throughout the reporting period.

All of these topics are important to the community and to Blackmores and drive our focus.

Improve Wellbeing	Lead the Change	Tread Lightly	Source Responsibly
Support community wellness	Meaningful progress towards equality and diversity across all areas of our organisation	Take responsibility for the sustainability of our packaging	Assess and address human rights risk and working conditions for people to ensure an ethical supply chain
Ensure employee health and safety	Ensure quality use of medicines and better health outcomes by improving health education	Take climate action by addressing our resource footprint including water, waste and energy	Understand and manage biodiversity impacts to enable nature to thrive for future generations

Sustainability Governance

OUR VALUES (PIRLS)



Annual Sustainability Report
Modern Slavery Statement

OUR STRATEGY & RISK MANAGEMENT

Underpinned by Sustainability Culture
All employees and business partners working together for improved performance

OUR POLICIES, SYSTEMS & PROCESSES

↓ Delegation and oversight
↑ Accountability and reporting

OPERATIONS

Performance Measure	Boundary	FY17	FY18	FY19	FY20	FY21	Assurance
Units of product sold	G	43,644,705	46,409,974	45,194,428	41,287,077	40,736,220	✓
Doses made (Braeside) - normalised doses ¹	AUS	-	-	-	3,163,796	5,307,672	✓

Footnote 1. To compensate for differing capsule and tablet sizes Blackmores uses a 'normalised' size to convert all capsules and tablets to a standard measure when reporting manufactured volume.

GREENHOUSE GAS EMISSIONS

Performance Measure	Boundary	FY17	FY18	FY19	FY20	FY21	Assurance
Total reported GHG emissions (tCO ₂ -e)	AUS	9,032	8,501	8,339	13,684	13,522	✓
Total GHG emissions from manufacturing (tCO ₂ -e)	VIC	-	-	-	7,100	9,919	✓
Gross direct GHG emissions (Scope 1) (tCO ₂ -e ²)	AUS	670	587	576	1,805	2,075	✓
Indirect GHG emissions (Scope 2) (tCO ₂ -e)	AUS	4,896	4,754	4,859	8,929	8,798	✓
Other indirect GHG emissions (Scope 3) tCO ₂ -e ³	AUS	3,466	3,160	2,902	2,950	2,649	✓
Direct GHG emissions (Scope 1) kgsCO ₂ -e/1,000 units of product sold ⁴	AUS	15	13	13	44	51	✓
Direct GHG emissions (Scope 2) kgsCO ₂ -e/1,000 units of product sold ⁴	AUS	112	102	108	216	216	✓
Direct GHG emissions (Scope 3) kgsCO ₂ -e/1,000 units of product sold ⁴	AUS	79	68	64	71	65	✓
Total GHG emissions intensity manufacturing (kgCO ₂ -e/1,000 normalised doses made) ⁵	VIC	-	-	-	2.24 ⁴	1.87	✓
Total GHG emissions from non-manufacturing activity (kgCO ₂ -e/1,000 units of product sold) ⁶	AUS	206	183	185	159	88	✓
Group reported GHG emissions intensity (kgCO ₂ -e/1,000 units of product sold) ⁷	AUS	206	183	185	331	332	✓

Footnote 2. Scope 1 emissions include refrigerant losses, which in FY21 have been determined based on measurements made at Braeside and contractor maintenance records at Warriewood, rather than estimated with reference to average industry losses as per previous years.

Footnote 3. Blackmores' business air travel in Asia is not included due to lack of information.

Footnote 4. FY20 Braeside manufacturing facility data from 25 October 2019 to 30 June 2020.

Footnote 5. To compensate for differing capsule and tablet sizes Blackmores uses a 'normalised' size to convert all capsules and tablets to a standard measure when reporting manufactured volume.

Footnote 6. Excludes GHG emissions from manufacturing.

Footnote 7. Manufacturing and non-manufacturing.

ENERGY - ELECTRICITY AND GAS

Performance Measure	Boundary	FY17	FY18	FY19	FY20	FY21	Assurance
Total consumption (kWh)	AUS	7,988,583	7,634,552	7,977,662	11,267,906	12,769,429	✓
Blackmores' owned and operated facilities (Warriewood campus) (kWh)	NSW	2,127,864	2,056,270	2,109,572	1,774,441	2,711,828	✓
Blackmores' leased facilities (kWh) ⁸	AUS	2,673,591	2,646,304	2,717,581	2,164,548	1,720,812	✓
Manufacturing electricity consumption (kWh)	VIC	-	-	-	5,643,404 ⁹	8,336,789	✓
Manufacturing natural gas consumption (GJ)	VIC	-	-	-	24,508 ⁹	35,065	✓
Manufacturing electricity intensity (kWh/1,000 normalised doses)	VIC	-	-	-	1.78 ⁹	1.57	✓
Total electricity intensity (kWh/1,000 units of product sold)	AUS	183	165	176	273 ⁹	313	✓

Footnote 8. Where data was not complete for smaller sites assumptions were made based on square meterage for each site and Warriewood's kWh intensity.
Footnote 9. Reported for the first time due to Blackmores taking operational control of Braeside manufacturing facility in October 2019.

ENERGY - FUELS

Performance Measure	Boundary	FY17	FY18	FY19	FY20	FY21	Assurance
Fuel consumption from non-renewables by type (L) (Fleet)	AUS	148,798	124,473	124,344	100,521	62,519	✓
Post 2004 diesel (L)	AUS	146,214	98,300	70,840	37,513	4,269	✓
Post 2004 gasoline (L)	AUS	2,584	25,874	52,890	60,669	45,114	✓
Post 2004 ethanol E10 (L)	AUS	-	-	614	2,339	13,136	✓
Fuel consumption from non-renewables by type (L) (Third Party Contractor)	AUS	43,881	51,805	60,054	173,708 ¹⁰	256,794 ¹⁰	✓
Post 2004 diesel (L)	AUS	43,881	51,805	60,054	173,708 ¹⁰	256,794 ¹⁰	✓
Total fuel consumption (L)	AUS	192,679	176,278	184,398	274,229	319,313	✓
Total fuel consumption (L/1,000 units of product sold)	AUS	4.41	3.79	4.08	6.64	7.84	✓

Footnote 10. Includes contractor bulk dose delivery from Braeside manufacturing facility, Melbourne to Warriewood packing facility.

ENERGY RENEWABLES

Performance Measure	Boundary	FY17	FY18	FY19	FY20	FY21	Assurance
Electricity consumption from on-site generation (kWh) ¹¹	NSW	0	51,736	43,091	36,270	35,302	✓
Total renewable energy purchased in new retail power supply contracts ¹²	AUS	-	-	-	865,749	3,215,936	✓
Percentage of renewable electricity purchased compared to total electricity consumed (%)	AUS	0	0.68	0.54	8.00	25.00 ¹³	✓

Footnote 11. Blackmores purchases electricity from its Bungarribee, NSW distribution centre rooftop solar (owned by landlord). Site occupied by Blackmores in FY18.

Footnote 12. In FY21 retail contract included for the first time 50% renewable electricity at Warriewood, and 20% renewable electricity at Bungarribee.

Footnote 13. In FY21 total of renewable electricity generated on-site and purchased through retail supply contract.

WATER AND WASTEWATER

Performance Measure	Boundary	FY17	FY18	FY19	FY20	FY21	Assurance
On-site Group water supply withdrawal from municipal supply (KL)	AUS	41,069	53,775	48,425	71,564 ¹⁴	84,064 ¹⁴	★
Total on-site Group water withdrawal from municipal supply (KL/1,000 units of product sold)	AUS	0.94	1.19	1.07	1.73 ¹⁴	2.06 ¹⁴	★
Total on-site water withdrawal from municipal supply for manufacturing (KL)	VIC	-	-	-	37,670	48,699	★
Total on-site water withdrawal from municipal supply for manufacturing (L/1,000 normalised doses)	VIC	-	-	-	12	9	★
Total water discharge to sewer (KL)	WW	12,792	17,004	15,579	10,765	61,739 ¹⁵	★

Footnote 14 - Includes Braeside manufacturing facility.

Footnote 15 - Includes Warriewood and Braeside facilities.

★ Controlled data self-assessment

RESOURCE RECOVERY

Performance Measure	Boundary	FY17	FY18	FY19	FY20	FY21	Assurance
Total waste generated for disposal (MT) ¹⁶	AUS	808.8	847.66	948.68	1,649.51	1,826.35	✓
Total waste generated for disposal (kg/1,000 units of product sold) ¹⁶	AUS	20	20	21	40	45	✓
Total waste sent to landfill (MT) ¹⁶	AUS	248.69	248.00	275.16	517.00	953.92	✓
Total waste sent to best practice landfill (waste to energy) (MT) ¹⁷	NSW	225.44	188.95	234.50	267.00	295.09	✓
% of landfill waste converted to energy ^{16,17}	AUS	91	76	85	52	31	✓
Residual waste to landfill (MT) ¹⁶	AUS	23.25	59.05	40.66	250.00	658.83	✓
Total waste recovered for recycling (diverted from landfill) by type (MT) ¹⁶	AUS	560.19	599.66	673.51	1,115.07	872.38	✓
Cardboard/paper (MT) ¹⁶	AUS	452.87	489.73	544.03	604.90	386.13	✓
Comingled - plastic and glass (MT) ¹⁶	AUS	14.84	15.46	17.28	21.00	21.19	✓
% of total waste diverted from landfill	AUS	69	71	71	68	48	✓

Footnote 16. Boundaries for FY16 to FY19 inclusion is NSW (Warriewood, Bungarabee and Eastern Creek). Boundary for inclusion in FY20 and FY21 is NSW and VIC.
Footnote 17. Proportion of waste sent to landfill is directed to a waste to energy facility at the landfill.

SUSTAINABLE SUPPLY CHAIN

Performance Measure	Boundary	FY17	FY18	FY19	FY20	FY21	Assurance
Global supply chain GMP quality/sustainability audits completed ¹⁸	G	19	17	14	14	28	★
Total number of Tier 1 direct suppliers ¹⁹	G	-	-	77	210	174	✓
Percentage of Tier 1 direct suppliers that have signed the Supplier Code of Conduct (%)	G	NA	NA	NA	NA	82 ²⁰	★
Number of CSR Site audits undertaken (SMETA format) ²¹	G	NA	NA	3	2	4	✓
Tier 1 Suppliers attending Blackmores' Modern Day Slavery webinar	G	-	-	-	39	72 ²²	✓
Tier 1 Suppliers attending Blackmores' Modern Day Slavery webinar (%)	G	NA	NA	NA	NA	41 ²²	✓
Tier 1 Supplier Modern Day Slavery risk assessments completed ²³	G	-	-	-	52	174	✓
Tier 1 Supplier Modern Day Slavery risk assessments completed (%) ²³	G	NA	NA	NA	NA	100	✓
Workforce information session on BKL ethical supply chain obligations ²⁴	G	NA	NA	NA	NA	455	★
Workforce assigned and completed training modules in ethical supply chain obligations ²⁵	G	NA	NA	NA	NA	345	★

Footnote 18 - 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 COVID-19 pandemic, several remote audits and questionnaires were necessary.

Footnote 19 - Tier 1 direct suppliers are suppliers of goods and services specifically related to our products (e.g. ingredient suppliers, contracted manufacturers or packaging suppliers) that Blackmores pays and where the supply items are used or seen by the end consumer. Tier 1 does not include 'indirect' suppliers whose goods and services relate to the running of the business (e.g. cleaning and waste contractors, energy supply etc).

Footnote 20 - The Blackmores Supplier Code of Conduct includes supplementary documents focused on core material aspects. In FY21, 142 Tier 1 direct suppliers had signed the Blackmores Supplier Code of Conduct.

Footnote 21 - SEDEX Members Ethical Trade Audit (SMETA) is considered a best practice ethical audit methodology and is undertaken by third party trained and qualified professionals. During the reporting period, 2 audits were directly commissioned by Blackmores.

Footnote 22 - In FY21, 72 of our 174 Tier 1 direct suppliers attended the Blackmores' Modern Day Slavery webinar.

Footnote 23 - Modern Day Slavery risk assessments were conducted on Tier 1 direct suppliers in the reporting period. All assessments were conducted using a standardised questionnaire, scored by a cross functional team within the organisation.

Footnote 24 - In FY21, the workforce number relates to employees who attended information sessions.

Footnote 25 - In FY21, the workforce number relates to employees who completed eLearning training modules.

★ Controlled data self-assessment

WORKPLACE DIVERSITY

Performance Measure	Boundary	FY19	FY20	FY21	2025 Target	Assurance
Females on our Board (%)	G	43	20	67	50	✓
Females in Executive Team (%)	G	40	55	55	-	✓
Females in senior executive roles (%)	G	40	52	52	50	✓
Females in other management roles (%)	G	63	64	63	50	✓
Females in non-management roles (%)	G	70	64	61	>50	✓

RESEARCH AND EDUCATION (GLOBAL)

Performance Measure	Boundary	FY17	FY18	FY19	FY20	FY21	Assurance
Total monetary value of financial assistance to research organisations (\$'000s)	G	650	785	1,702	1,673	2,016	★
Total research projects (ea) ²⁶	G	40	74	52	46	41	★
Number of educational touchpoints with external stakeholders (ea)	G	1,215,300	1,540,922	1,946,183	1,953,495	146,787 ²⁶	✓
Number of accredited educational touchpoints with external stakeholders (ea) ²⁷	G	-	-	4,564	13,824	9,668	✓
Professional, customer, consumer advisory touchpoints (ea)	G	NA	NA	NA	NA	50,078	★

Footnote 26 - FY16 - FY17 data is Blackmores Australia only. FY18 - FY21 data is Group. In FY21, the calculation methodology was reset to ensure consistency across the Group.

Footnote 27 - Accredited education touchpoints includes in-store pharmacy training, Blackmores Institute LMS registrations, masterclasses, workshops, podcasts and virtual classrooms.

★ Controlled data self-assessment

OUR PEOPLE

Performance Measure	Boundary	FY17	FY18	FY19	FY20	FY21	Assurance
Total workforce ²⁸	G	917	994	1,023	1,278	1,208	✓
Workforce by gender ²⁸							
Male	G	254	284	307	468	468	✓
Female	G	663	701	715	809	739	✓
Non-binary	G	0	9	1	1	1	✓
Workforce by region ²⁸							
AUS/NZ	G	597	649	653	918	824	✓
Asia (principal locations)	G	320	345	370	360	384	✓
Workforce gender ratio (M:F)	G	28:72	29:71	30:70	37:63	39:61	✓
New employee hires	G	189	191	228	150	190	★
Workforce terminations	G	122	148	154	188	321 ²⁹	★
Total employees under benefits scheme (%) ³⁰	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 ³¹							
Male	AUS	8	6	8	13	9	★
Female	AUS	46	53	52	62	71	★
Non-binary	AUS	0	0	0	0	0	★
Parental leave return to work rate, by gender (%) ³¹							
Male parental leave return to work	AUS	100	100	100	100	100	★
Female parental leave return to work	AUS	100	80	94	97	89	★
Non-binary return to work	AUS	0	0	0	0	0	★

Footnote 28 - Workforce includes all permanent full-time and part-time employees and fixed term employees inclusive of the Executive Team. It does not include casual or other external contractors

Footnote 29 - Terminations increased YoY due primarily to a review of our operating model which reduced the number of roles by approximately 150. The change also includes employees working on the Global Therapeutics brands who departed to join the acquirer, MacPhersons. Voluntary turnover across the organisation has increased slightly, up 2.5%.

Footnote 30 - Our benefits scheme includes Enterprise Agreement (AUS) and comparative benefits for other countries.

Footnote 31 - Paid parental leave (16 weeks) and paid short paternity leave (two weeks) is provided for eligible permanent staff across Australia and New Zealand.

★ Controlled data self-assessment

WORKPLACE HEALTH AND SAFETY

Performance Measure	Boundary	FY17	FY18	FY19	FY20	FY21	Assurance
Total workforce represented in formal joint management/ worker Health and Safety Committee (%)	G	100	100	100	100	100	★
Workforce recordable injury, by type (ea)³²							
Fatalities	AUS	0	0	0	0	0	✓
Injuries with permanent impairment	AUS	0	0	0	0	0	✓
Injuries with long-term impairment	AUS	0	1	3	2	0	✓
Injuries with short-term impairment	AUS	16	12	10	22	24	✓
Workforce recordable injury, by gender (ea)³²							
Male	AUS	4	4	5	13	17	✓
Female	AUS	12	9	8	11	7	✓
Not-binary	AUS	0	0	0	0	0	✓
Workforce recordable injury rate (%) ³³	AUS	1.84	1.40	2.24	3.02	3.37	✓
Community							
Staff Contributions (\$)	AUS	-	-	-	197,644	181,500	✓
Product Donations (\$) ³⁴	G	-	-	-	845,561	324,673	✓
Financial Donations (\$) ³⁵	G	-	-	-	905,592	556,870	✓
Volunteer/Wellness Hours (Hrs) ³⁶	AUS	-	-	-	5,063	5,310	✓

Footnote 32 - Workforce includes all permanent full-time and part-time employees and fixed-term employees inclusive of the Executive Team. It does not include casual or other external contractors.

Footnote 33 - In line with global best practice, the LTIR is based on 200,000 standard work hours. Excludes overtime and contractors. Historically calculated at Group level, from FY19 onwards rate is calculated for Blackmores Group Australia only. FY20-FY21 included Braeside, Vic operations. Workforce recordable injury rate includes medical treatment and lost time incidents. It excludes first aid cases and other non-work-related incidents.

Footnote 34 - Product donations are valued at the cost of the products.

Footnote 35 - Financial Donations include monetary contributions to organisations including registered charities that provide direct community benefit or are a philanthropic cause. Matched donations payment will occur in the first quarter of FY22.

Footnote 36 - In FY20 and FY21 volunteer/wellness hours were limited by COVID-19 public health orders.

★ 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 'Subject Matter Information' disclosed in 2021 the Blackmores Sustainability Report detailed below for the year ended 30 June 2021.

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 2021 ('Reporting Period').

Subject Matter Information and Reporting Criteria

The 'Subject Matter Information' and 'Reporting Criteria' for our limited assurance engagement for the year ended 30 June 2021 is as follows:

Sustainability Performance Indicator ('Subject Matter Information')	Reporting Criteria
Greenhouse Gas Emissions Intensity, p.50	Global Reporting Initiative's Standard ('GRI Standard') 305-4 2016
Total energy consumption (from renewable and non-renewable sources), p.51-52	GRI Standard 302-1 2016
Total Scope 3 emissions limited to employee travel (including flights and accommodation), p.50	GRI Standard 305-3 2016
Total weight of waste generated with breakdown by disposal method (MT and %), p.53	GRI Standard 306-3, 306-4, 306-25 2020
Tier 1 Modern-Day Slavery supplier risk assessments completed during the reporting period (Number and %), p.54	Blackmores' policies and procedures
Tier 1 suppliers that have attended the Blackmores' Modern-Day Slavery webinar during the reporting period (Number and %), p.54	Blackmores' policies and procedures
Number of CSR Site audits undertaken (SMETA format), p.54	Blackmores' policies and procedures
Number of Tier 1 direct suppliers as at 30 June 2021, p.54	Blackmores' policies and procedures
Total number of educational touch points and number of accredited educational touchpoints with external stakeholders during the reporting period, p.55	Blackmores' policies and procedures

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Sustainability Performance Indicator ('Subject Matter Information')	Reporting Criteria
Diversity of governance bodies and workforce, by gender, p.55-56	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, p.57	GRI Standard 403-9 2018
Total \$ donated through Staff contributions, Product donations and Financial donations during the reporting period, p.57	Blackmores' policies and procedures
Total number of Volunteer/Wellness hours completed by Blackmores' employees during the reporting period, p.57	Blackmores' policies and procedures

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:

- ensuring that the 'Subject Matter Information' is prepared in accordance with the 'Reporting Criteria';
- 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';
- 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
- 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

Deloitte.

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 2021;
- 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 2021 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; and
- Agreeing overall data sets for the 'Subject Matter Information' to the final data contained in the 2021 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 2021 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 2021 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



Paul Dobson
Partner
Sydney, 20 September 2021

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 nation-wide labelling program that provides designers and brand owners with the tools to inform responsible packaging design, and helps consumers to understand how to correctly dispose of packaging. Led by the 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 Governance	ESG stands for Environmental, Social and Governance, and refers to the three key factors when measuring the sustainability and ethical impact of an investment in a business or company. ESG is a generic term used in capital markets. Most socially responsible investors evaluate a company's sustainability performance using ESG criteria to screen investments. ESG factors are a subset of non-financial performance indicators which include ethical, sustainable and corporate governance issues such as making sure there are systems in place to ensure accountability and managing the corporation's carbon footprint.
GreenPower	GreenPower is a renewable energy from government accredited sources.
Materiality	A process to assist in identifying and prioritising the sustainability issues that matter most to our business and to our stakeholders.
Modern Day Slavery (MDS)	Modern 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.
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, e.g. glass bottles, plastic tubs and tubes.
Packaging - secondary	Packaging that contains a number of primary packaged units together in a more convenient unit, and used to replenish shelves or to group primary packaged units for purchase, such as cardboard boxes.
Packaging - tertiary	Packaging designed to ensure damage-free or efficient handling and transport of a number of sales or grouped packages of ingredients or products e.g. plastic pallet wrap.

Glossary

Supply Chain Manager (SCM)	An online framework, based on a BSI business product, allowing Blackmores to engage its Tier 1 suppliers to support shared information, performance monitoring and compliance with sustainability expectations.
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 (CO ₂ -e) emissions that come from sources owned or controlled by an organisation. Blackmores' Scope 1 emissions are generated by owned or leased vehicles and the maintenance of equipment containing refrigerants (e.g. HVAC).
Scope 2 Greenhouse emissions	Scope 2 emissions are indirect emissions generated by the electricity consumed and purchased by Blackmores.
Scope 3 Greenhouse emissions	Scope 3 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	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)	17 global goals set by the United Nations in 2015 to define global sustainable development priorities and aspirations for the planet.
Tier 1 Supplier	Suppliers of goods and services that Blackmores pays and can include both direct suppliers (directly related to our products, e.g. 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 onto Blackmores.

Thanks to: NSW Sustainability Advantage, Australian Packaging Covenant Organisation, 2XE, Adaptive Capability and Better Sydney





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