

Blackmores Limited

Blackmores Limited

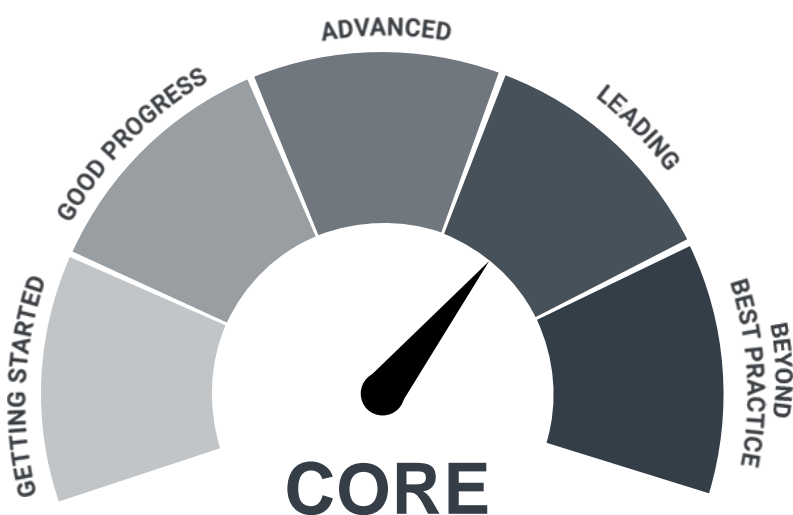
Website
www.blackmores.com.au

Primary Industry Sector
Healthcare and scientific

Packaging Supply Chain Position
Manufacturer

ABN
35 009 713 437

DASHBOARD



SUMMARY

For the 2020 APCO Annual Report, *Blackmores Limited* has achieved Level 4 (Leading) for the core criteria. All seven core criteria were answered and six out of six recommended criteria were answered.

INDICATORS

This Annual Report shows the organisation's performance against the APCO Packaging Sustainability Framework.

CORE: All core criteria.

RECOMMENDED: All answered recommended criteria.

TOTAL: Sum of all core and answered recommended criteria.

LEADERSHIP: All criteria that defines leadership on packaging sustainability.

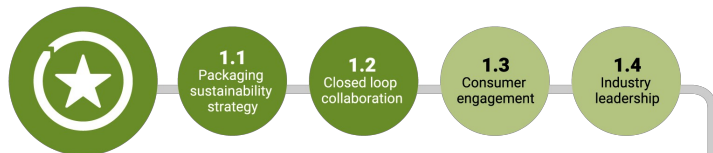
OUTCOMES: All criteria that lead to direct improvement in packaging sustainability.

OPERATIONS: All criteria related to business operations for improving packaging sustainability.

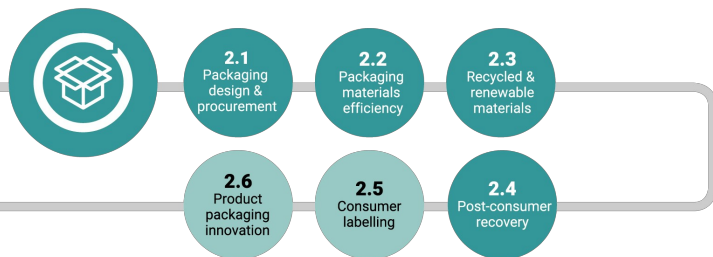
REPORTING FRAMEWORK

OVERVIEW

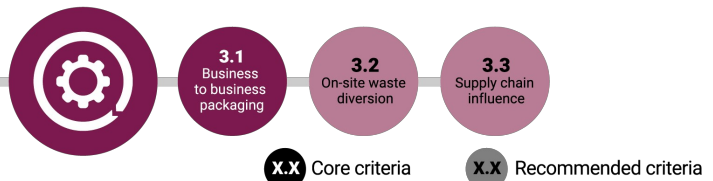
1. LEADERSHIP



2. OUTCOMES



3. OPERATIONS



X.X Core criteria

X.X Recommended criteria

LEVEL DESCRIPTION

LEVEL 0

NOT YET STARTED

The organisation does not have a plan and has not started investigating options for action under the relevant criteria.

LEVEL 1

GETTING STARTED

The organisation is developing a plan or is investigating options for action under that criteria (e.g. agreeing on goals and targets).

LEVEL 2

GOOD PROGRESS

There are documented procedures in place (e.g. to implement the Sustainable Packaging Guidelines) or some progress has been achieved, data tracking shows up to 20% of products have achieved the desired outcome.

LEVEL 3

ADVANCED

The organisation has specific, measurable targets in place, or data tracking shows that >20% of products have achieved the desired outcome.

LEVEL 4

LEADING

The organisation has more rigorous procedures in place, or an ambitious target has been met e.g. >50% of products have achieved the desired outcome.

LEVEL 5

BEYOND BEST PRACTICE

The organisation has more rigorous procedures in place, or an ambitious target has been met e.g. 100% of products have achieved the desired outcome.

ABOUT THE APCO FRAMEWORK

The APCO Packaging Sustainability Framework (the Framework) aims to provide a consistent and transparent framework for assessing and tracking packaging sustainability across organisations. The Framework consists of thirteen independent criteria that belong to three separate categories. These categories are (i) Leadership, (ii) Packaging Outcomes and (iii) Operations. The diagram above shows the different criteria included within each of these three categories.

There are two types of criteria within the Framework:

- **Core criteria** are mandatory and must be answered by all Members when completing the Annual Reporting Tool.
- **Recommended criteria** are not mandatory, but Members are encouraged to complete as many recommended criteria as possible.

Each criteria is divided into five levels of performance ranging from 'getting started' to 'beyond best practice'. The diagram above illustrates the key differences between performance levels. Please see www.packagingcovenant.org.au for more information.

ABOUT APCO

APCO is a co-regulatory, not for profit organisation that partners with government and industry to reduce the harmful impact of packaging on the Australian environment. APCO promotes sustainable design and recycling initiatives, waste to landfill reduction activities and circular economy projects. APCO Annual Reports are a key Membership obligation, providing Member organisations with a transparent method to track their packaging sustainability performance. Annual reporting also supplies APCO with valuable data and information to identify industry trends and advancements.

FREE FORM QUESTIONS

Describe initiatives, processes or practices that you have implemented during your chosen reporting period that have improved packaging sustainability.

Engaging Packaging Suppliers: During 2019 we reset our sustainability program with, in part, a more targeted focus on engaging suppliers on CSR to both reduce our direct impacts and influence beyond our Tier 1 relationships. This included the roll out of our Supplier CSR self-assessments, including one specific to our packaging suppliers. Returned responses are evaluated on a score card system which presents a quantitative score and qualitative evaluation of their strengths and weaknesses. During 2019 we focused effort on engaging all Tier 1's through our online Supplier Compliance Manager system (BSI software) tailored to our supplier relationships. The SCM enables us to formally engage, evaluate and manage CSR issues of mutual relevance (such as their capacity to set, implement, monitor and report on CSR targets including sustainable packaging where relevant). Audits are structured around the SMETA format and whilst these were directed at ingredient suppliers in 2018-19, they will include packaging suppliers in 2020. The secondary packaging Closed Loop Project, described in previous APCO reports, continues to deliver value and we continued investigation during 2019 into diverting from landfill our last remaining significant waste stream, label backing paper, through a new technology opportunity. Whilst these initiatives have been occurring we have continued to engage with our product managers and marketing team to undertake PREP evaluations and increase the number of SKUs with ARL symbols. Through Project Cruise we undertook during over Xmas-NY 2019 177 PREP assessments on existing and new SKUs which will lead to improved consumer awareness and kerbside recycling rates of Blackmores products.

Describe any opportunities or constraints that affected performance within your chosen reporting period.

Blackmores continues to make good progress against sustainability objectives ensuring systems, processes and documentation is in place to embed sustainability into business as usual activities and behaviors. This has highlighted further actions to engage with and manage the opportunities and constraints inherent in our global supply chain network. During the year, a priority was placed on diagnosing and developing capabilities to better manage supply chain risks, especially with ingredient sourcing. The focus was on understanding the risks, identifying mitigation options and commencing engagement with suppliers to raise their awareness of CSR and the role of sustainable packaging. There are several packaging specific actions commenced as described in this report. These include better analysis of the constraints imposed on our glass packaging suppliers in China with respect to recycled content; a desk-top life cycle analysis of our two major primary packaging materials to assist in diagnosing sustainability and operational limitations; rolling out internal training on our SPGs; and engagement within the company on the actual situation related to the recycling of our primary packaging given the changed Australian and global recycling market. This work provides a foundation for future achievement. Information provided through the APCOs activity in 2019 has helped us better understand current recycling limitations and identify potential response options. Our planned participation in APCOs 2020 MRF glass trials will hopefully provide more insight into actions to improve material recovery for higher value use.

CASE STUDIES

Case Study

ARL Assessments: During the year Blackmores commenced a widespread update of many of its product labels to ensure compliance with TGA and other regulatory requirements in ANZ and its Asian markets. The upgrade included the opportunity to further roll out the ARL across a broad range of products including: Cold and Flu; Probiotics; Fish and Omega; Muscle, Bone and Energy; Pregnancy; Stress & Sleep; Daily Health; Heart & Eye; and Superkids.

The new label design has recognized the importance of engaging our consumers on the recyclability of our packaging through the use of the ARL. A majority of the Group's packaging formats are based on glass, HDPE or PP containers and HDPE caps. 177 PREP assessments were undertaken to identify appropriate ARLs for inclusion on SKUs with available label space. All primary packaging containers are eligible for the "Recyclable" ARL with the exception of our blister packs and multi-layer stick packs which account for only 12 of the 177 SKUs. Of the 94% of containers eligible for the Recyclable ARL, 157 or 95% of their closures are also eligible for the Recyclable ARL.

The rollout will continue into 2020 with several million products going onto shelves with the ARL across ANZ.

Case Study

Packaging Sustainability Comparison Matrix:

During 2019 Blackmores Sustainability team undertook a comprehensive evaluation of the environmental, operational and consumer perception comparison of its major primary packaging formats. The focus was on glass, HDPE and PP, as these make up 98% of our primary packaging.

The environmental analysis was supported by a desktop LCA on the whole of life impacts of glass and plastics generally. Whilst Blackmores has a commitment to use packaging that can be recycled, hence ARL eligibility was a key factor, we also want to ensure embodied impacts are understood and included in decisions around current and future packaging solutions. The LCA results indicated the environmental preference for plastics.

Operational factors were also considered including packing and transport logistics, stability (shelf life and moisture), quality, WH&S and TGA compliance requirements.

The analysis was also supported by a customer perception survey in Australia, China and Thailand to ascertain their preferences around glass and plastic packaging. Surprisingly, whilst glass is seen as a premium material supporting quality and safety claims, when asked if they would change their preference to plastics if they knew the reduced environmental impacts, a majority supported plastics.

The findings of this evaluation are being used to inform Blackmores' Group Sustainable Packaging Policy and Sustainable Packaging Strategy, currently being developed. Further detail will be provided in the 2021 report.

CASE STUDIES

Case Study

Bulk Tablet Transfer

Blackmores took operational control of Catalet Australia in October 2019, previously a contract manufacturer for several Blackmores products including hard tablets and soft gel capsules. Manufacturing occurs at the Braeside plant in Melbourne where tablets and capsules are sent to Warriewood for packing into bottles and tubs before distribution to national and global markets.

Efficiency improvements at Braeside since acquisition include the Tablet Transfer Container (TTC) whereby tablets and capsules are bulk filled into a single 1m³ plastic bag and then in to a 1m³ flat-pack plastic crate. Previously tablets and capsules were packed in smaller plastic lined cardboard shippers and pallet wrapped for transport to customers. Upon delivery to Warriewood packing lines a purpose designed tipper machine unloads the TTC at the filling point on the packing line. The TTC is then flat packed and returned (5 to a pallet) to Melbourne for multiple uses.

The initiative has considerable financial benefit but also reduces WH&S risks and eliminates single use plastic bags and cardboard shippers from the process. Since Blackmores took operational control in October 2019, the use of TTCs has eliminated the need for over 21,000 cartons or 7.9 tonnes of cardboard as well as over 21,000 plastic bags. It is anticipated, at current production levels, this equates to annual savings of around 20 tonnes of cardboard and over 50,000 single use plastic bags, eliminating over 20 tonnes of GHG emissions. Production volumes are expected to increase over 2020, further increasing the environmental and financial savings. The TTCs are being evaluated to see if these could be rolled out further to more products and Blackmores' business units.

COMMITMENTS

The Action Plan detailed below, is a public commitment to advancing packaging sustainability outcomes as a Member of APCO. Members are encouraged to have a comprehensive internal plan with the steps they will take to fulfill their commitments.

Criteria 1.1 PACKAGING SUSTAINABILITY STRATEGY (core)

5. Beyond best practice

Your organisation is committed to: Publicly reporting progress towards packaging sustainability.

Criteria 1.2 CLOSED-LOOP COLLABORATION (core)

5. Beyond best practice

Your organisation is committed to: Introducing a documented process to continually identify new opportunities for collaboration or to improve existing initiatives.

Criteria 1.3 CONSUMER ENGAGEMENT (recommended)

3. Advanced

Your organisation is committed to engaging consumers about packaging sustainability by: (1) Including packaging information on your website or other publications. (2) Applying on-pack claims or labels. (3) Designing packaging to reduce the impacts of consumption.

Criteria 1.4 INDUSTRY LEADERSHIP (recommended)

4. Leading

Your organisation is committed to: (1) Investigating collaborative or industry leadership actions to improve packaging sustainability. (2) Being involved in a program or initiative to improve packaging sustainability through collaboration and leadership. (3) Being involved in multiple programs or initiatives to improve packaging sustainability through collaboration and industry leadership. (4) Actively engaging with peers and/or the community to promote packaging sustainability, and sharing sustainability knowledge for non-commercial purposes.

Criteria 2.1 PACKAGING DESIGN & PROCUREMENT (core)

4. Leading

Your organisation is committed to: Reviewing at least 80% of packaging with reference to the Sustainable Packaging Guidelines (SPG) or equivalent.

COMMITMENTS

Criteria 2.2 PACKAGING MATERIALS EFFICIENCY (core)

2. Good progress

Your organisation is committed to: Reducing packaging weight or optimising packaging material efficiency in up to 20% of products.

Criteria 2.3 RECYCLED & RENEWABLE MATERIALS (core)

4. Leading

Your organisation is committed to: Incorporating or optimising recycled and/or renewable content in more than 50% of products.

Criteria 2.4 POST-CONSUMER RECOVERY (core)

4. Leading

Your organisation is committed to: Having more than 50% of primary packaging be recoverable through existing post-consumer recovery systems and achieving the highest potential environmental value.

Criteria 2.5 CONSUMER LABELLING (recommended)

3. Advanced

Your organisation is committed to: Labelling more than 20% of products with disposal or recovery information.

Criteria 2.6 PRODUCT-PACKAGING INNOVATION (recommended)

1. Getting started

Your organisation is committed to: Investigating opportunities to change the design or delivery of at least one product to improve packaging sustainability.

Criteria 3.1 BUSINESS-TO-BUSINESS PACKAGING (core)

1. Getting started

Your organisation is committed to: Developing a plan or investigating opportunities to reduce the amount of single-use business-to-business (B2B) packaging used internally or sent to customers.

COMMITMENTS

Criteria 3.2 ON-SITE WASTE DIVERSION (recommended)

4. Leading

Your organisation is committed to: Investigating opportunities to divert more than 50% of solid waste generated at facilities (factories, warehouses, offices, retail stores etc.) from landfill.

Criteria 3.3 SUPPLY CHAIN INFLUENCE (recommended)

5. Beyond best practice

Your organisation is committed to engaging its supply chain about packaging sustainability by: (1) Communicating goals and guidelines. (2) Providing support to suppliers to improve their understanding of goals and strategies. (3) Collaborating with key suppliers to share knowledge. (4) Having processes to evaluate risks and opportunities for influence. (5) Having business processes to monitor supplier compliance.

SIGN OFF

Raffaele D'Alisa

Director of Communications and Corporate Citizenship
Affairs

Friday, 3 July 2020

DISCLAIMER

The copyright owners of this report are The Australian Packaging Covenant Organisation (APCO) and the University of Technology Sydney (UTS). The data contained within this report is owned exclusively by APCO. This report (including all text, images and attachments) has been prepared for the exclusive use and benefit of the copyright holders and each addressee(s) only. The copyright owners give their consent and grant a limited licence to each addressee(s) for the use of this report, in its entirety, to be reproduced, distributed and communicated to third parties or made public at the discretion of the addressee(s). All other rights are strictly reserved. The addressee(s) is not permitted to reproduce, distribute or communicate separate subsections, images or individual pages of this report. The report can only be reproduced, distributed or communicated in full. The information contained in this report does not constitute investment or business advice and addressee(s) should not rely on the information for such purposes. All addressee(s) should obtain their own independent advice before making any financial decisions based on the information included in this report. 2017-2020 ©.

Suite 1102, Level 11, 55 Clarence Street, Sydney, NSW, 2000 ☎ (02) 8381 3700 ✉ apco@packagingcovenant.org.au