



Transforming natural beauty and wellness for the world

BWX^{leaf}

BWX LIMITED
SUSTAINABILITY
REPORT 2022



SUKIN

Est. 2008 in Australia, carbon offset. *Good for you, your wallet, and the environment too.* AU's #1 Natural Skincare Brand in Pharmacy, Grocery*.



ANDALOU NATURALS

Est. 2010 in California, non-GMO certified. *Natural beauty, precisely.* USA's #1 Skincare Brand in the Natural Channel**.



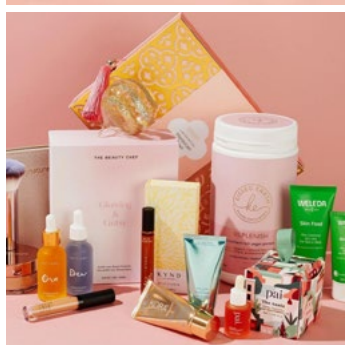
MINERAL FUSION

Est. 2007 in California, EWG-certified. *Making beauty healthy.* USA's #1 Cosmetics Brand in the Natural Channel**.



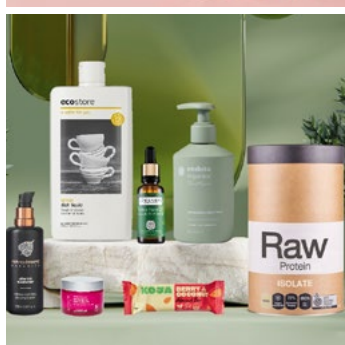
Go-To

Est. 2014 in Australia by Zoë Foster-Blake. *Simple, trusted and effective skincare.*



NOURISHED LIFE

Est. 2011 in Australia, making clean living accessible. *We check every label so you don't have to.*



Flora & Fauna

Est. 2014 in Australia, B-Corp certified. *Home to all things eco, ethical, vegan and cruelty-free.*



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* IRI MarketEdge data MAT to 03/07/2022

** SPINS data MAT to 10/07/2022

We are proud to present our ESG & Sustainability Report for 2022 on behalf of BWX Limited.

To reflect our increasing focus on ESG and sustainability – an extension of our purpose to create natural beauty and wellness for the world – we have chosen to present our report in a standalone format this year while enhancing readability for stakeholders.

As a purpose-driven company, BWX exists to democratise natural beauty with a range of affordable branded products empowering consumers to make more conscious choices about their health, and the health of our planet.

The core of the BWX business is to meet the consumer demand for natural wellness and beauty. To fulfil our mission, we own and operate a business of the design, manufacture and distribution of natural skincare, body care, hair care, cosmetics and other lifestyle products. Every product BWX produces contains natural ingredients that seek to minimise the impact on the environment in production, use and disposal. Our purpose-built manufacturing and operations facility was designed with this in mind – as detailed throughout this report.

In executing our strategy, ensuring that we address material ESG risks is critically important, and instils confidence in our stakeholders that our business model is viable and sustainable, well into the future. To assist us in our strategy, we have a Sustainability Framework that guides our current operating model and supports future decision making. This framework also considers some of the material ESG risks that we face, as well as the opportunities, and is overseen by our dedicated ESG and Sustainability Committee at Board level.

Transparency is vital to drive accountability at Board and management level.

We are focused on enhancing transparency across our supply chain, with the setting of targets around emissions reduction (brands and operations) and packaging recyclability.

In presenting this report and key data points, we have adopted GRI methodology for measuring our progress against peer companies on key metrics. We support the Task Force on Climate-related Financial Disclosure and continue to work towards the actions required to build a sustainable financial system through climate-related disclosures. We intend to present such disclosures in future reports, as well as incorporating the Task Force on Nature-related Financial Disclosure.

In this report, we will outline our key material ESG and sustainability risks, our progress against our ESG metrics and sustainability goals for FY22 and update you on our future focus areas.



Rory Gration

Group Chief Executive Officer
and Managing Director



03 INTRODUCTION CONTINUED

INTRODUCTION

Sustainability Framework & Goals

At BWX we take our responsibility to shareholders seriously in terms of demonstrating effective identification and management of ESG risks. Our ESG and Sustainability goals are continuously evolving based on regular dialogue with stakeholders across our Company, and they are important for guiding our operating model and future strategic decision making.

Our material ESG and sustainability risks and our updated Materiality Matrix are outlined on the following pages.

ENVIRONMENT

PILLAR	Community	Green Production	Recyclability & Circularity	Diversity	Governance
OBJECTIVE	Take accountability to achieve our sustainability plan	Avoid unnecessary harm to the planet	Ensure that our products and packaging leave no trace	Embrace diversity in our workforces and out communities	Identify and address ESG risks to support long-term shareholder value
GOALS	Incorporate ESG in executive remuneration	Measure our carbon footprint	Meet APCO targets and partner with industry for recycling goals	Achieve gender balance of 50% at all levels in FY22	Established an ESG & Sustainability Committee in FY21
		Carbon offset all brands by FY24	Achieve 100% recycled PET and recycled cartons by 2023	Full gender pay equality by FY25	Adopted GRI Reporting Standard in FY21
		Achieve carbon neutrality by 2030	Achieve 50% recycled content by 2025	Contribute to relevant community programs and enter partnerships	Transition to TCFD reporting standard by FY25
			Divert all packaging from landfill by 2025		

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Material ESG and Sustainability Risks

We have a Risk Management Policy which outlines the process by which risks relevant to us are determined and identifies the policies and procedures that we have adopted to mitigate and treat those risks. These key risks, which are Information Technology Risk, Business Continuity Risk, Foreign Exchange and Commodity Price Risk, Compliance and Legislative Risk, and Other Operational Risks, are outlined in our Directors' Report contained in the Appendix 4E released to ASX. In addition to these risks, the BWX Board has identified the following material ESG and sustainability risks:

A. Supply Chain Risks

Ensuring that the BWX supply chain adequately addresses issues of managing natural resources, provides opportunities to reduce the use of limited resources; and permits the recapture of resources or incorporates recycled materials.

Ensuring that the BWX supply chain mitigates the risk of modern slavery.

B. Workforce Risks

Ensuring the safety and wellbeing of the BWX workforce.

Creating a workplace that engenders diversity and participation at all levels of BWX and taking measures to close the gender pay gap

C. Customer and Consumer Risks

Continuing to create products that are relevant to our customers and consumers that meet the requirements for safe, effective and natural products; provide the necessary information to make healthy choices; and ensuring that BWX acts responsibly, ethically and lawfully in providing the product portfolio.

Ensuring that BWX plays a relevant part in supporting the communities in which it operates and provided targeted support to those communities on a sustainable basis.

D. Environmental Risks

Ensuring that BWX can determine the impact of its operations and business on climate change, and implement the relevant steps to reduce and either offset or eliminate its carbon emissions. This includes avoiding products entering landfill (by enhancing recyclability) and minimising waste.

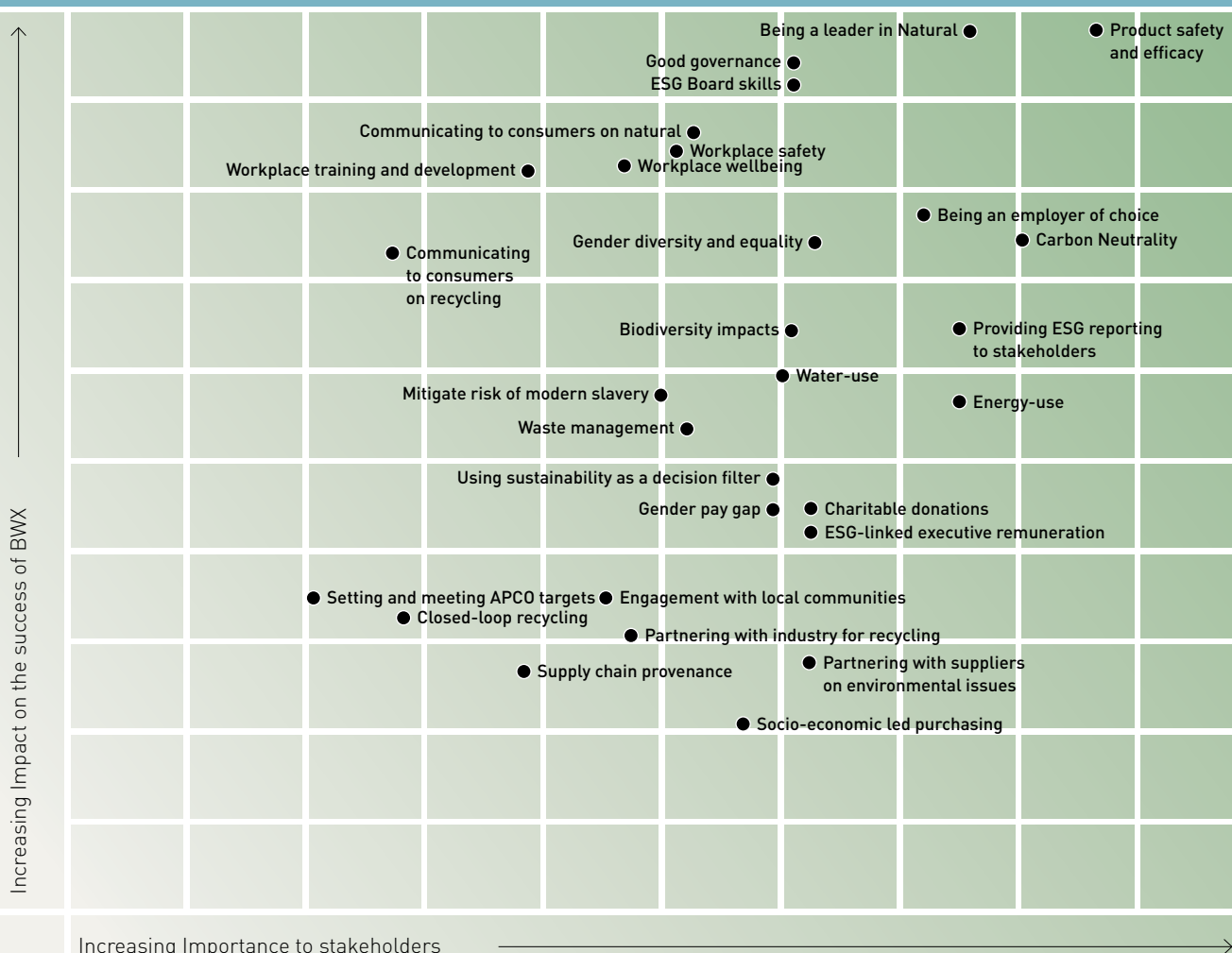
05 INTRODUCTION CONTINUED

Materiality Matrix

BWX annually updates our materiality analysis to ensure that the most important topics to our stakeholders (internal and external) and that have an impact on our businesses, are captured.

In FY22, using our Sustainability Framework and Strategic Pillars as a guide, we updated our materiality assessment to incorporate more direct feedback from institutional investors, employees, ESG consultants, and other internal and external stakeholder sets. The results were increased focus on ESG skills at Board level; the integration of ESG-linked executive remuneration; biodiversity, and science-based climate goals.

The FY22 Materiality Matrix visualises the manner in which the material ESG and sustainability risk topics are prioritised. There are two criteria, firstly, those risks which may impact on the success of BWX (increasing in importance based on its height on the y axis), and those risks which are material to our stakeholders (increasing in importance based on its height on the x axis).





07 ENVIRONMENT



Environmental Goals & Initiatives

Understanding and reducing the impact of BWX’s activities on the natural environment when operating its business is of key importance to BWX and its goal of natural beauty for the world. In order of increasing importance to stakeholders, BWX identifies carbon neutrality, energy-use, water-use and waste management as key material risks to the ongoing success of our business. To assess, manage and monitor our environment impact, this year BWX conducted a greenhouse gas (GHG) inventory exercise for the Australian and US operations with a baseline of FY21 and then again for FY22, which included calculating our water footprint and tracking our waste in our packaging materials. This provides a picture of the environmental footprint of our entire business and supports BWX in setting its environmental targets, highlight opportunities for improvement, and improve our positive impact. In reviewing the potential environmental impacts of our business activities, BWX considers that it does not present any material risk to local flora and fauna or domestic water supplies resulting from our production and transport activities.

Goal	FY22 Initiatives
Measure the carbon footprint and offset carbon emissions for all brands owned by BWX by the end of FY24	<ul style="list-style-type: none"> Measured the GHG footprint of BWX Lower emission, highly automated and efficient production facility with specific benefits tabled on p.10 Continue with various packaging initiatives completed supporting recyclability targets
Implement the necessary changes to production and packaging to reduce carbon emissions and ensure that BWX operations and its entire brand portfolio is carbon neutral by 2030	
Implement packaging changes as tabled under Waste & Packaging section	

OUTCOMES FOR GHG INVENTORY & FOOTPRINT IN FY22

Greenhouse Gas Inventory

As part of its journey towards net zero carbon emissions by 2030, BWX undertook an exercise in FY22 to measure all of its greenhouse gas emissions for Scope 1, Scope 2 and Scope 3 across global facilities and brands owned or controlled in FY21. The brands included in the assessment were Sukin, Andalou Naturals, Mineral Fusion and Nourished Life. The facilities included in the assessment were BWX’s manufacturing facility in Dandenong South and its office and warehouse in the USA. The UK and Shanghai offices of the Company are not considered material, nor the USPA brand.

Having measured the greenhouse gas emissions of BWX for FY21, BWX then used the same methodology to measure the greenhouse gas emissions of BWX for FY22 but also included the new manufacturing facility in Clayton. In the FY22 total presented in this report, BWX has included the greenhouse gas emissions for Flora & Fauna (which it acquired on 1 July 2022) and the portion of the greenhouse gas emissions for Go-To (which it acquired on 30 September 2022) owned by BWX and for the portion of the year calculated according to the methodologies adopted by these businesses. Flora & Fauna’s greenhouse gas emissions are limited to the operation of its warehouse and the deliveries of its goods to customers. For further details of the boundaries set by Flora and Fauna, please refer to www.floraandfauna.com.au/proudly-carbon-offset.

Go-To is certified as carbon neutral by the Carbon Reduction Institute as a “No CO2 Business” meaning that it offsets the carbon emissions in the financial year and has started its journey reduce waste from packaging. For further details of the program set by Go-To Skincare, please refer to www.gotoskincare.com/blogs/doin-our-bit/sustainability.

Our greenhouse gas footprint

The following table summarises the total carbon emission footprint for BWX in FY21 by splitting them out between the brands.



SINCE 2008
SUKIN HAS BEEN
**100% CARBON
OFFSET**

Our greenhouse gas footprint

The following table summarises the total carbon emission footprint for BWX in FY21 by splitting them out between the brands.

Brand	FY21 total emissions [tCO2] ¹
Sukin	10,351.37
Andalou Naturals	6,360.53
Mineral Fusion	892.83
Nourished Life	5,136.30

1. Scope 1: direct; Scope 2: indirect energy use per primary source; Scope 3: other indirect emissions

The table below summarises the carbon emissions for BWX in FY22 by brand

Brand	FY22 total emissions [tCO2] ¹
Sukin	24,771.95
Andalou Naturals	4,925.10
Mineral Fusion	1,560.32
Nourished Life	5,345.47
Flora & Fauna ²	49

1. Scope 1: direct; Scope 2: indirect energy use per primary source; Scope 3: other indirect emissions

2. Flora & Fauna's scope is limited to warehouse operations and deliveries.

A note to explain the large increase in Sukin emissions in FY22 vs FY21. Prior modelling was conducted to establish a baseline emissions number, with annual increases applied to this baseline over time. In FY22, BWX updated the process for emissions calculations across the business in line with our increasing operational scale and enhanced ESG initiatives. As such, the rebased Sukin emissions for FY22 are considered to be a more accurate depiction.

Refer to the appendix for further transparency on BWX's total Scope 1, Scope 2, and Scope 3 for FY21 and FY22.

09 ENVIRONMENT CONTINUED



Purchase of Certified Emission Reduction Units

In 2021, BWX purchased 21,332 Certified Emission Reduction Units (carbon credits) in respect of the estimated amount of greenhouse gas emissions in FY21 with the advice of its partner, Biodiverse Carbon Conservation and retired in the Australian National Registry of Emissions Units. The carbon credits were acquired from Huaneng Fuxin Phase III Wind Farm Project, a project to install and operate 67 wind turbines in the Liaoning Province of southern China.

In 2022, BWX will continue to carbon offset the Sukin brand by purchasing additional carbon credits and rolling over existing carbon credits purchased in 2021.

BWX will continue to measure and monitor its greenhouse gas emissions ahead of its goal to have all of its brands carbon offset by FY24.

Our Operations

Both FY21 and FY22 greenhouse gas emissions took into account manufacturing at BWX's former manufacturing facility based in Dandenong South. Production of Sukin and Andalou Naturals commenced at BWX's new facility in late FY22 and a portion of the FY22 greenhouse gas emissions took into account those operations as well as the capital purchases required to establish the facility. In FY23, the only manufacturing facility operated by BWX will be the new facility and we anticipate improvements in the intensity of carbon emissions in future.

Having now measured our baseline greenhouse gas emissions for FY21 and FY22, we will review how we improve our processes and operations to reduce our level of greenhouse gas emissions on an annual basis as part of our journey to carbon neutral operations globally by 2030. Contributing to this goal is our new manufacturing facility and its significant potential for more operational efficiencies, our ability to improve packaging as well as strategies to eliminate waste – as outlined next.

Refer to tables in appendix on p.23 for detail on the company's global energy consumption.

New Manufacturing Facility

In the second half of FY22, we completed the construction of our new, lower emissions manufacturing facility in Clayton, Victoria.

The new facility was built to a five-star Green Star rating. To meet this rating, the design of the facility had to incorporate a number of sustainable features focussing on environmental protection, reducing carbon emissions during construction, being energy and water efficient, incorporating wellness features and enabling practices to reduce operational waste.

There are only a small number of manufacturing facilities in Australia which have been certified to a five-star Green Star rating and we are proud of our commitment to have achieved this rating at our new facility, which was built with locally-sourced materials where possible. Some examples of the sustainability features which BWX incorporated into its facility are outlined on the following page.

BWX transitioned manufacturing of Sukin products and also commenced manufacturing select Andalou Naturals products at the new facility during this period. During FY22, BWX continued to operate from our former manufacturing facility at Dandenong South and this site ceased operations with effect on 30 June 2022.



Anticipated benefits of the Clayton Facility supporting BWX's environmental sustainability goals

Waste reduction

- 10% reduction in FY23 based on current waste volume
- 50% reduction overall once fully operational
- Full waste management program in place to reduce general waste; recycle packaging, soft plastics, cardboard, e-waste, food, and chemicals; and recover wood and metal

Product formulation and repackaging

- Insourcing preform bottles and blow moulding provides ability to control colour, weight and rPET component of bottles to improve environmental footprint
- Eliminating usage of shrink wrap to pallets only
- Better precision and standardisation
- Reducing water consumption through automated & improved cleaning and quality practices

Renewable energy

- Green Star rating for whole site
- Carbon emissions strategy in place
- Targeting energy reduction of 20%
- 160kw solar panel system installed to assist with offsetting electricity, in addition to natural lighting, LED, and sensors
- Electric vehicle charging stations and end-of-trip facilities to encourage alternate commuting
- Water harvesting <20%, recycling, and monitoring usage

Automation

- Increased efficiency in fulfilment of e-commerce orders with a smaller operating footprint

Centralisation

- Reduced storage requirements across the business and the centralisation of manufacturing & operations on a single site means more efficient energy consumption

11 ENVIRONMENT CONTINUED

Further improvements to water efficiency are expected from FY23 and beyond within our new Clayton facility, where BWX will monitor water usage and wastewater. Recycled rainwater that is redirected to showers & toilets utilised by employees.



This image and image right:
BWX employees celebrated Earth Day by collecting waste from Baker Beach, San Francisco



Waste & Packaging Goals

FY22 Initiatives

100% recycled content in PET, bottles, cartons, and shippers by 2023

50% average recycled content across all packaging by 2025

100% recyclable / reusable / refillable / compostable packaging by 2025

All products to have disposal / recovery information included

Engage with industry partners to create closed-loop initiatives

4 new Sukin SKUs now manufactured with PCR plastic; paper labels have replaced plastic on glass jars improving recyclability

All Sukin polypropylene tube lids and caps transitioned away from carbon black

Andalou Naturals product lids now recyclable polypropylene after removing aluminium

Go-To's entire product portfolio incorporates a level of PCR across all plastic packaging; launched first refillable packaging in June 2022

BWX involved in industry trial now underway investigating amber PET viability

Refreshed brand plans across the portfolio to factor this into label formats

Sukin & TerraCycle partnership rolled out February 2022

WATER AND WASTE

Water

The efficient and sustainable management of water resources is important to us at BWX, and the careful use of natural resources is central to BWX's values and our business operations. Our Operations department has oversight of water-related issues and works to ensure that we meet best practice standards.

In FY22, BWX recorded 15.5 megalitres of water withdrawal, versus 9.16 megalitres in FY21. Please refer to the appendix for comparisons with prior years.

During FY22, we continued to adopt a more water efficient high-pressure washing system at our Dandenong manufacturing facility. Further improvements to water efficiency are expected from FY23 and beyond within our new Clayton facility, where BWX will monitor water usage and wastewater. Recycled rainwater that is redirected to showers & toilets utilised by employees.

The water footprint in our US operations represents a very small percentage of our overall water use and is considered immaterial (less than 5%).

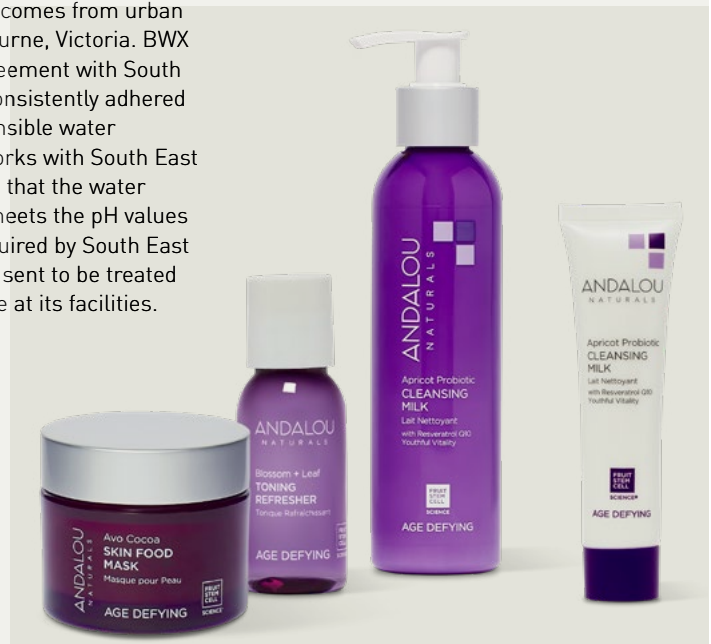
The majority of BWX's water consumption derives from on-site activities including manufacturing of our products, washing equipment and machinery and employee utilisation. We use UV systems to treat our water and ensure it is high quality for our products.

The majority of water used for BWX's Australian operations comes from urban water supply in Melbourne, Victoria. BWX has a trade waste agreement with South East Water which is consistently adhered so as to ensure responsible water management. BWX works with South East Water to make certain that the water leaving our facilities meets the pH values and temperatures required by South East Water, before being sent to be treated for recycling and reuse at its facilities.

Waste & Packaging

Responsibly managing waste and packaging is a priority for BWX in our endeavours to minimise environmental impact. Our central packaging goal is that no packaging will be sent to landfill by 2025, a commitment overseen by our ESG and Sustainability Committee and delivered by our R&D department.

The table above demonstrates our progress towards packaging goals.



13 ENVIRONMENT CONTINUED



BWX has ambitions to eliminate virgin plastic from its packaging across the brand portfolio. In FY22, Sukin started its journey towards eliminating virgin plastic and closing the loop with new and improved bottles made from post-consumer recycled (PCR) plastic for select products. For those relevant products, the bottles are manufactured from used, recycled, and repurposed plastic that is collected from consumers and then reprocessed to make new packaging. The new bottles are also being trialled in lighter in weight to help improve the overall environmental footprint. The new Sukin PCR bottles were on shelf in Australian retailers from May 2022, with more strategies to improve Sukin's Global Packaging Footprint underway.

Through the Sukin TerraCycle Recycling Program, we are now able to state and promote that all Sukin products and packaging may be recycled anywhere in Australia. TerraCycle is the world's most innovative waste management company, specialising in typically non-recyclable waste.

Also supporting the recyclability initiatives for Sukin products is the completion of our transition away from carbon black pigment in all tube lids. In addition, new products for Sukin in glass jar format have transitioned to paper labels (from plastic) to since calendar year 2021.

All Andalou cartons, bottles, jars, and tubes are widely recyclable and 100% BPA-free. During FY22 Andalou Naturals removed aluminium traces from jar lids and replaced this with fully recyclable polypropylene, which is now being trialled on new product ranges such as the Sensitive 1000 Roses.

All remaining Sukin and Andalou SKUs will adopt these packaging upgrades as part of the reformulation process underway in the Clayton Facility.

Future focus areas:

- Internal trial to investigate amber coloured PET bottles in collaboration with other manufacturing companies to determine viability and closed-loop recyclability
- Investigating lighter weight preforms and whether this will improve overall footprint
- Ongoing upgrades to labelling will consider washable adhesive
- Andalou investigating changeover to PET from PET-G and targeting 50-70% post-consumer recycled levels in plastic tubes.





Through the Sukin TerraCycle Recycling Program, we are now able to state and promote that all Sukin products and packaging may be recycled anywhere in Australia. TerraCycle is the world's most innovative waste management company, specialising in typically non-recyclable waste.

The Australian Packaging Covenant Report

BWX is a member of The Australian Packaging Covenant (APCO) with the adoption of measurable goals to reduce consumer packaging materials; improve the recycled content of our packaging materials; and reduce and recover waste in our supply chain for our Australian product portfolio.

Currently, 32 of our 42 product categories have recyclable packaging. We are working to improve this number along with increasing renewable and compostable packaging materials.

For 2022 BWX achieved a Good Progress score overall (Level 2). Against the Packaging Sustainability Framework criteria, BWX achieved the top score for Governance & Strategy, and an advanced score for Recycled Content and Problematic Materials.

We recognise our overall score has declined from our prior year score (Level 4). However, the new Clayton facility is designed to manufacture recycled content in primary packaging (rPET bottles) which will improve our impact from 2022 and beyond.

Our APCO Action Plan (from March 2022 to March 2023) included measures to review existing packaging to improve recyclability, reusability or recoverability; to improve on-pack labelling for disposal or recovery; and to improve waste recovery. In connection with our APCO Action Plan, we declared the materials used in packaging from March 2021 to March 2022 for our Australian product portfolio in the appendix from page 23.

APCO Action Plan overview:

- Procurement teams reviewing packaging materials for sustainability
- Recycled content in 90% of PET bottles
- Incorporate Australian Recycling Logo
- Leverage new Clayton site technology to better manage waste (cardboard, PET, glass, polypropylene etc)



15 SOCIAL

Social Goals & Initiatives

Fostering a diverse, equitable and inclusive workplace is critical to the Company's long-term success. BWX strives to make a positive contribution to health and wellbeing, both within our business and within our local communities.

The key focus areas are employees, customers, community and supply chain with the following goals.

Goal

Gender balance of 50% at all levels in FY22

Full gender pay equality by FY25

Ensure that we address safety and wellbeing amongst our employees

Continue to contribute to relevant community programs and partnerships

FY22 Initiatives

- Target met with 70% women representation globally
- FY22 pay gap measured
- Long Term Injury Frequency Rate (LTIFR) result of 0.0
- Ongoing, long-standing philanthropic partnerships
- BWX Foundation initiative

OUTCOMES FOR EMPLOYEES, CUSTOMERS AND CONSUMERS IN FY22

EMPLOYEES

The safety and wellbeing of our employees is critical. BWX employs over 200 full-time equivalent employees worldwide, currently spread across four sites in three countries. The newly constructed BWX Headquarters based in Clayton, Victoria was designed with comfort, safety, accessibility and innovation front of mind. The facility features:

Health & Wellness

- Ergonomic sit-to-stand desks
- Fitness centre with end-of-trip facilities
- Controlled climate, air quality and natural lighting
- Dedicated quiet spaces for mental wellbeing support

Diversity & Inclusion

- Breastfeeding facilities
- Accessibility features
- Gender neutral facilities
- Treatment rooms for product education
- Dedicated collaboration spaces

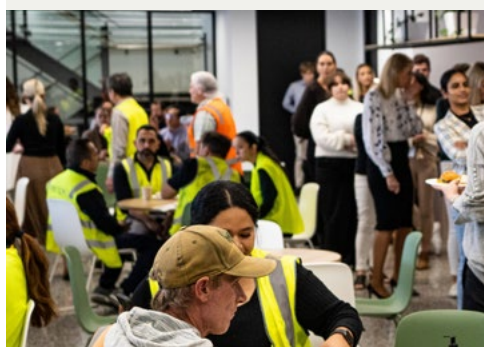
Gender Diversity Outcomes & Pay Equality

In FY22, we met our target to ensure gender balance of 50% at all levels, with 70% of the BWX workforce comprising women. Please see the appendix for other outcomes in FY22.

With the majority of our customers and workforce being women, it is critical that we work towards having strong representation of women at senior levels of our business, and improve the gender pay gap.

In FY22, we measured our gender pay gap. For employees based in the US, it has improved from 24% to 11%, with the average gender pay gap determined by the US Department of Labour to be 17.7%.

For employees based in Australia, it has deteriorated from 24% to 27%. It also exceeds the average gender pay gap determined by the Australian Workplace Gender Equality Agency of 22.8%. We acknowledge this is not acceptable.





In FY21, BWX had implemented a range of measures to improve the gender pay gap which is outlined in our 2021 Annual Report. Having experienced a deterioration in FY22 for Australia, we are reviewing these measures for efficacy. BWX will implement changes designed to help attract and retain women employees at all levels, by way of improvements to our career development opportunities, parental leave policy; recruitment process; flexible and hybrid working arrangements and remuneration strategy. This will assist in reducing the gap and supports BWX in moving towards our aspirational goal of reaching full gender pay equality across the organisation in future.

Occupational Health and Safety

All our people are entitled to and responsible for contributing to a safe and healthy work environment, including one that supports mental wellbeing, and BWX continues our commitment of conducting our business operations in a safe and productive manner with 'BeXtra Safe' launched FY21.

During FY22 BWX was well below the target for Long Term Injury Frequency Rate (LTIFR) target of 2.7, with a result of 0.0 achieved. This also beat the previous year's rate of 3.0 and is well above the LTIFR Industry benchmark of 5.3 (Class 1852 Cosmetic and Toiletry Preparation Manufacturing). Please refer to the appendix for more BWX safety data results.

The Clayton site, which has been certified to ISO 45001:2018 OHS Management System Standard (audited by SAI Global in June 2022), will enable a significant improvement to overall safety controls, as outlined here:

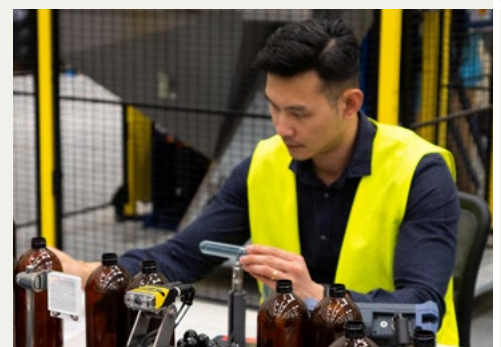
- Supply Chain: mobile plant safety upgrades and segregation from pedestrians; improved traffic management flow and a state-of-the-art safety loading docks system
- eCommerce: well-improved ergonomics for our pick packers; elimination of pushing trolleys and Mobile plant
- Production: equipment designed to cat 3 safety standard; eliminated RSI risk in production; reduced manual handling
- Compounding: reduced slip hazards and reduction in manual handling risks

Our Group Safety Policy was reviewed in April 2022 and available via our website.

Workforce Learning and Development

As part of the construction of the new Clayton facility, a significant amount of technical training was required to equip our employees with the skills required to use updated machinery and equipment. BWX engaged a technical writer for 6 months during FY22 to assist with the development of training content that is being deployed on an ongoing basis across our operations and manufacturing teams. BWX also utilised the expertise of several technicians from our equipment manufacturers to educate employees on the new equipment.

During FY22, BWX also provided office-based staff with a variety of development opportunities, including but not limited to: professional coaching, Lunch and Learns, self-paced online learnings, technical training, product and compliance training.



17 SOCIAL CONTINUED

Customers and Consumers

Our customers and consumers are critical stakeholders that drive our business success and BWX regularly engages with customers for feedback via surveys or timely responses to commentary on social media channels.

BWX's brand portfolio offers consumers the opportunity to use personal care products that do not rely on synthetic chemicals or animal testing, are ethically sourced, vegan, and committed to the use of safe, natural and efficacious ingredients.

Sukin is cruelty free and vegan



Andalou Naturals is cruelty free and non-GMO certified, with its formulations 98% nature derived and 100% gluten-free



Mineral Fusion is cruelty free & certified by the Environmental Working Group (EWG) – with 130 EWG-certified products – a non-profit, non-partisan organisation dedicated to protecting human health and the environment while promoting safe and effective products for all



It is BWX's responsibility to also equip the customer and consumer with adequate information and to act responsibly, ethically and lawfully during all facets of production, development, distribution and marketing of said product portfolio. Since FY21, a Global Regulatory Affairs capability has been in place at BWX, consolidating resources into a Group function that provides a consistent framework and coordination for our approach to public policy and regulation.

BWX adheres to the following minimum standards for customer labelling & marketing:

- The sourcing of direct product components is known
- All substances are reviewed to ensure they are not hazardous to the environment
- The country of origin is reviewed
- All formulations are assessed for safety prior to sale
- All suppliers are required to sign the Supplier Code of Conduct and BWX Code of Conduct (publicly available via our Investor Centre)
- All suppliers complete a pre-approval and self-assessment as part of the supplier approval program
- Refer to 'Packaging Improvements' section for further information

During FY22, there were zero incidents of non-compliance with regulations and/or voluntary codes concerning product or service information and labelling; or in relation to marketing communications (advertising, promotion, sponsorship).

Ingredient Policy

Amongst the elements of BWX's ingredient policy are the following:

- Sourced from nature or naturally derived where possible (with reference to ISO 16128 or internal standards)
- No animal testing / cruelty-free
- Non-GMO
- Roundtable on Sustainable Palm Oil (RSPO) certified or RPSO Mass Balance
- Ingredients are verified, when possible, through an external body to effectively support claims
- When there is not a natural equivalent, or the safety of consumers or the performance of the product may be compromised with a natural ingredient, we select natural substitute ingredients. These are "green processed" or "green chemistry" ingredients and are less harmful to the environment
- Education (internally and externally) around our ingredient selection to communicate to retailers and consumers
- Greywater safe and biodegradable which minimises harm on waterways and the environment





Additionally, BWX ensures no product involvement across all BWX brands in:

- Alcoholic beverages
- Oil sands
- Arctic drilling
- Genetically modified plants & seeds
- Pesticides
- Adult entertainment
- Gambling
- Tobacco
- Controversial weapons
- Thermal coal

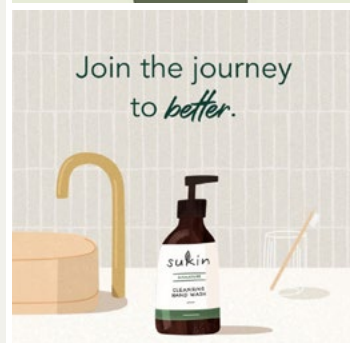
SUPPLY CHAIN

BWX is aware of the risks that climate change may bring to its supply chain. These include more frequent occurrence of extreme weather events disrupting global logistics operations or the potential threat to biodiversity which may threaten some of the raw materials that BWX uses to manufacture its natural products. As BWX progress towards reporting to the TCFD standard, we expect to make more detailed estimations of these kinds of risks in future reporting years.

Modern Slavery

The risk that there is modern slavery in our supply chain is one of our key supply chain risks. We published our Modern Slavery Report for FY21 in December 2021 which is reviewed and approved by the BWX Board. In this report, we outlined our risks of modern slavery through reliance on third-party contract manufacturers for finished branded products, raw materials and components; the purchase of finished goods for re-sale in our Digital business; and reliance on third-party suppliers of services.

BWX uses a range of risk mitigation strategies including requiring all suppliers of finished branded products, raw materials and components to either sign the BWX Supplier Code of Conduct (Code) or demonstrate that it has a code with substantially similar provisions to the Code. By December 2021, 99% of all raw material and component suppliers and co-manufacturers had either signed up to the Code or supplied an equivalent code. For suppliers of finished goods for re-sale in our Digital business, both platforms Nourished Life and Flora & Fauna have a supplier assessment and onboarding program. BWX has also adopted a Supplier Risk Assessment Model to allow it to make more detailed investigations into suppliers with a higher risk profile.



19 SOCIAL CONTINUED

BWX

Total FY22 Donations
AUD\$155K, USD\$71K

sukin®
AUSTRALIAN • NATURAL

AUD\$154,646, USD\$11,312



ANDALOU
NATURALS

USD\$50K



MINERAL
FUSION

USD\$10K



Daniela Ancira, recipient of the Andalouminary Scholarship in 2021. Daniela is the co-founder and CEO of La Cana, a social enterprise that aims to create fair employment and provide skills training for women

COMMUNITY

Existing Programs & Partnerships in FY22

The BWX Group, and BWX brands, are proudly purpose-led, underpinned by long-standing philanthropic partnerships that align with our values - whether this be reducing our impact on the planet, or supporting women's equality and opportunity.

During FY22 the BWX Group donated monetary and product donations to charity partners listed above. Our brands made donations within their local communities by way of products, a percentage of sales profits, or vouchers to charity organisations including Impact for Women; Greenfleet; 1% For The Planet; Down Syndrome Australia; and the Breast Cancer Foundation.

Longer-standing philanthropic partnerships are outlined here, followed by detail on the BWX Foundation initiative which commenced during FY22.

Vital Voices

- Invests in women leaders who are solving the world's greatest challenges – from gender-biased violence, to the climate crisis, and economic inequities
- Andalou Naturals has a long-standing partnership with Vital Voices since 2014, contributing over \$700,000 during this time, which has led to the formation of the Andalouminary Scholarship (since 2020) and annual event sponsorships
- 2021 Vital Voices Grow Fellow – Daniela Ancira (Pictured left)
- During FY22 Andalou used Women's History Month to support Vital Voices.



Since FY20 BWX has had a volunteer leave policy in place which grants two days paid leave per calendar year for employees to undertake volunteer, charity or community work. During FY22, our Petaluma-based team cleared 20 bags of rubbish from beaches in San Francisco.

Dress for Success

A global non-profit with a mission to empower women to achieve economic independence by providing a network of support, professional attire and the development tools to help women thrive in work and in life.

Mineral Fusion has a long-standing partnership with Dress for Success since 2020.

During FY22 the Your Hour, Her Power campaign saw Mineral Fusion donate an hour of pay on behalf of our employees which contributed USD \$10,153 of the target amount.

Greening Australia

Sukin has supported Greening Australia since 2018, with a focus on Green Australia's Reef Aid program which helps improve water quality on the Reef by rebuilding eroding land and restoring vital coastal wetlands.

During FY22, Reef Aid and Sukin collaborated on a product range (handwash & bodywash SKUs) sold exclusively in Coles, with every purchase helping support regeneration of the Great Barrier Reef. A total of \$14,645.50 was donated during FY22.

Volunteer Leave

Since FY20 BWX has had a volunteer leave policy in place which grants two days paid leave per calendar year for employees to undertake volunteer, charity or community work. During FY22, our Petaluma-based team cleared 20 bags of rubbish from beaches in San Francisco.

BWX Foundation Initiative

BWX continues to expand our brands globally, and during FY22, we commenced a project to refine and evolve our philanthropic positioning. The central goal of the BWX Foundation is to continue with brand-led community wellbeing initiatives, but also to evolve beyond local towards global partnerships that are connected to our vision of helping people to make more conscious choices about their health and the health of the planet. The focus into FY23 is to enact the framework and ensure it achieves the cross-sectional objectives for core stakeholders – employees, brands, and beneficiaries – and remains adaptive to the Group's profitability levels.

21 GOVERNANCE

Our Commitment

The BWX Board and Management are committed to maintaining the highest standards of corporate governance to support the delivery of long-term sustainable performance and value creation for all stakeholders.

BWX's ESG and Sustainability Committee was created in April 2021 with a purpose to guide the Board in identifying, assessing and actively addressing material ESG and sustainability risks and opportunities.



Board & Management Approach

The Board is responsible for the oversight of material business risks. It does so in consultation with the Risk Management Policy which assists the Board to identify, manage and report the risks and opportunities of BWX. For risks and opportunities relating to sustainability, the Board is supported by the Sustainability Framework.

The Audit & Risk Committee, People & Culture Committee and the ESG & Sustainability Committee all assist the Board with its task of identify material business risks and opportunities and assist with the oversight of potential ESG and sustainability impacts to BWX operations.

Having identified the material business risks and opportunities and the potential ESG and sustainability impacts, the management team is then responsible for developing plans to mitigate these risks and impacts and report them back to the relevant Committees and Board coordinated by the Company Secretary. For example, regular reporting on the management of topics such as safety, sourcing, and sustainability initiatives are made to the relevant Committees and Board. The Board, in consultation with the Committees, sets key performance indicators to management or other targets to ensure that these risk and opportunities are adequately addressed.

BWX's Constitution and all Board Charters are located in the Investor Centre of our website, alongside our 15 mandatory Code of Conduct statements covering supply chain, diversity, risk management, safety, and many more.



Governance Framework

BOARD OF DIRECTORS

Oversight and guidance for the sustainability strategy

PEOPLE & CULTURE COMMITTEE

Employee wellbeing, diversity and inclusion

ESG & SUSTAINABILITY COMMITTEE

ESG, sustainability, social licence and community giving

AUDIT & RISK COMMITTEE

Material business risks, including modern slavery, climate change. Safety

EXECUTIVE TEAM

Leadership, alignment and approval of strategy and initiatives

FUNCTIONAL TEAMS

Delivery of goals, partnerships, training, guidelines, workshops and initiatives

WORKING GROUPS

Lead and develop sustainability initiatives

SUSTAINABILITY CULTURE

All our people work together to achieve our goals

B Corporation Application

In FY21, BWX made an application to be a B Corporation which underwent verification in 2022. BWX determined that in comparison to other goals, such as carbon offsetting or changes to packaging, becoming a B Corporation was not as important a goal and has made the decision to cease its application in FY22. As such, B Corporation certification is no longer a goal.

Transparent Reporting Standards

BWX used international frameworks - Global Reporting Initiative; United Nations Sustainable Development Goals - to determine the materiality of our ESG risks in a transparent manner. We have included an index of GRI Standards: core appended to this report. BWX also proactively engages with shareholder associations, proxy advisors, and associated ESG rating agencies, and we participate in voluntary ESG disclosure programs including ISS QualityScore, ESG score, Governance Score; S&P Corporate Sustainability Assessment Questionnaire; and MSCI ESG Rating.

Future Focus

BWX continually evaluates the material areas of focus with a broad cross section of stakeholders, as outlined earlier in this report (refer: Materiality Matrix). BWX is committed to continual engagement with stakeholders on the material and immaterial ESG and Sustainability risks and opportunities impacting our business operations, and our pathways to achieving our stated goals.

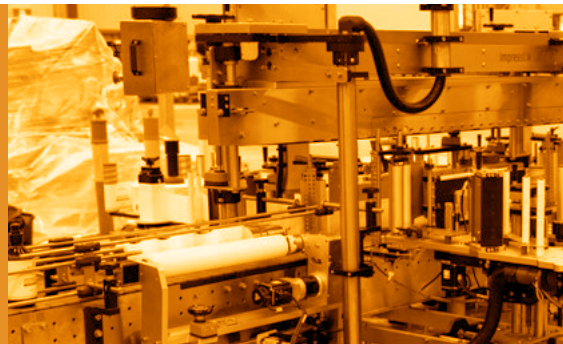
In continuing to assess our Company approach in the realm of ESG, we will be transparent in disclosing the potential impacts of climate change and biodiversity – guided by the Task Force on Climate-related Financial Disclosures – and, in future with further resources available: the Task Force on Nature Related Financial Disclosure. This extended biodiversity focus means fully understanding the current and future impacts of our supply chain on nature's ecosystem.



23 APPENDIX

Data

The appendix includes relevant data sets as referenced earlier on in this Sustainability Report, followed by the Global Reporting Initiative Index.



Gross Global Energy Consumption (tCO2e)

	FY21	FY22
Scope 1		
Diesel	13.41	17.94
Natural Gas	22.24	15.77
Scope 2		
Electricity	824.67	953.53
Scope 3		
Total	22,055.11	35,499.05
Total Emissions	22,915.43	36,486.20

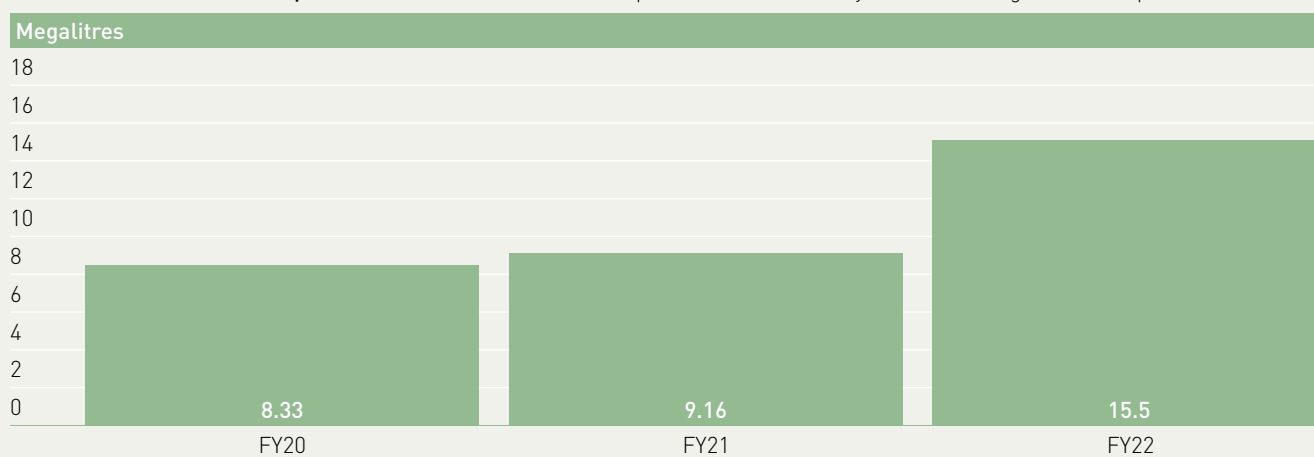
Scope 1 Direct emissions

Scope 2 Indirect energy use per primary source

Scope 3 Other indirect emissions consisting of business travel, purchased goods & services, capital goods, upstream & downstream transportation, waste generated in operations, fuel & energy related.

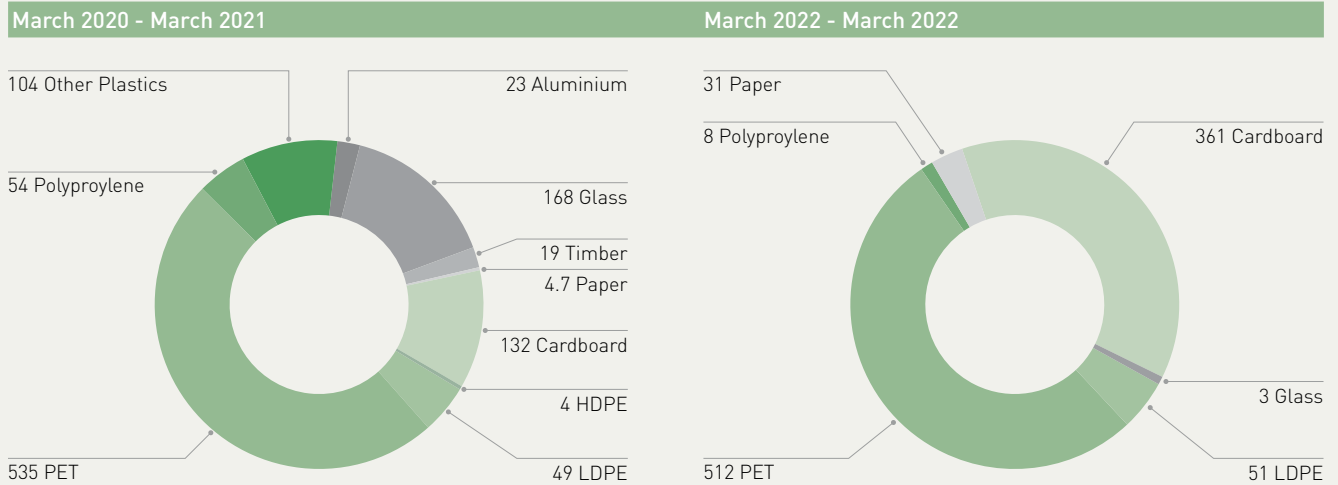
Prior GHG modelling is outdated. Since the last Sustainability Report was issued, BWX has undertaken an exercise to measure all GHG emissions for scope 1, 2 and 3 across global facilities and brands owned or controlled in FY21 and FY22. This change is in line with our increasing operational scale and enhanced ESG initiatives. As such, the rebased emissions calculations set out above are an accurate reflection.

Gross Global Water Consumption FY22 includes water consumption measured at Clayton, Dandenong, and USA operations.

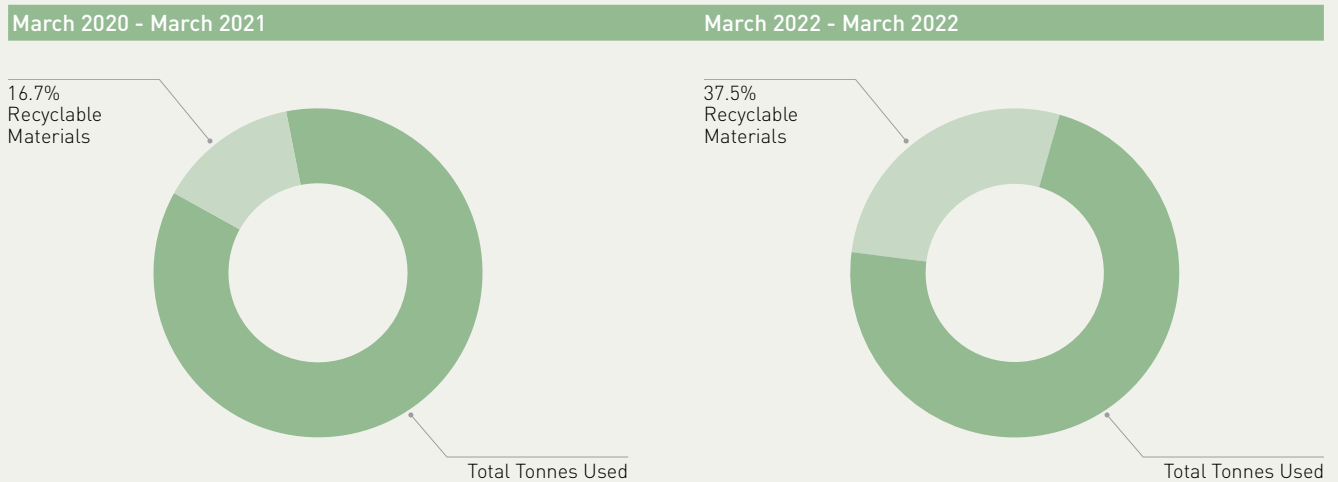




Australian Product Portfolio Packaging Material (tonnes)



Recyclable Materials used in Australian Product Portfolio (tonnes)



- Packaging data accuracy will improve further within the new Clayton facility which will record packaging waste per product line, level of recyclability, and measure product waste to landfill
- As an evolving business, BWX is always improving tracking and reporting against metrics in line with SKU deletions, packaging changes, and manufacturing efficiencies

25 APPENDIX

Workforce Diversity

Workplace gender diversity is endorsed and overseen by the Board. Consistent with the recommendations of the ASX Corporate Governance Council, the Board has set annual measurable gender diversity targets and BWX reports its progress against these targets, as set out in the table.

	Financial Year	Target %	% of women	Number of women	Number of men
Board of Directors	FY22	≥40% female	25%	1	3
	FY21	≥40% female	40%	2	3
	FY20	≥40% female	40%	2	3
Senior Executives and Senior Management	FY22	≥50% female	56%	31	24
	FY21	≥40% female	51%	32	31
	FY20	≥40% female	58%	36	26
Total Employees	FY22	≥50% female	70%	216	91
	FY21	≥40% female	68%	203	95
	FY20	≥40% female	69%	215	95

BWX's diversity targets for Financial Year 2023 remain the same as FY22, as outlined in above table.

FY22 gender distribution by ANZ Standard Classification of Occupations (ANZSCO)

	Women Headcount	Men Headcount	Women %
Finance - AU	10	7	59%
Finance - US	2	4	33%
Flora & Fauna	12	2	86%
P&C - AU	7	1	88%
R&D/NPD - AU	3	3	50%
Sales - AU	6	10	38%
Sales - US	14	3	82%
Marketing - AU	12	3	80%
Marketing - US	9	2	82%
Ops Admin - AU	5	6	45%
Procurement - AU	2	1	67%
Purchasing - US	3	1	75%
Supply Chain - AU	11	12	48%
Supply Chain - US	35	8	81%
Manufacturing	30	14	68%

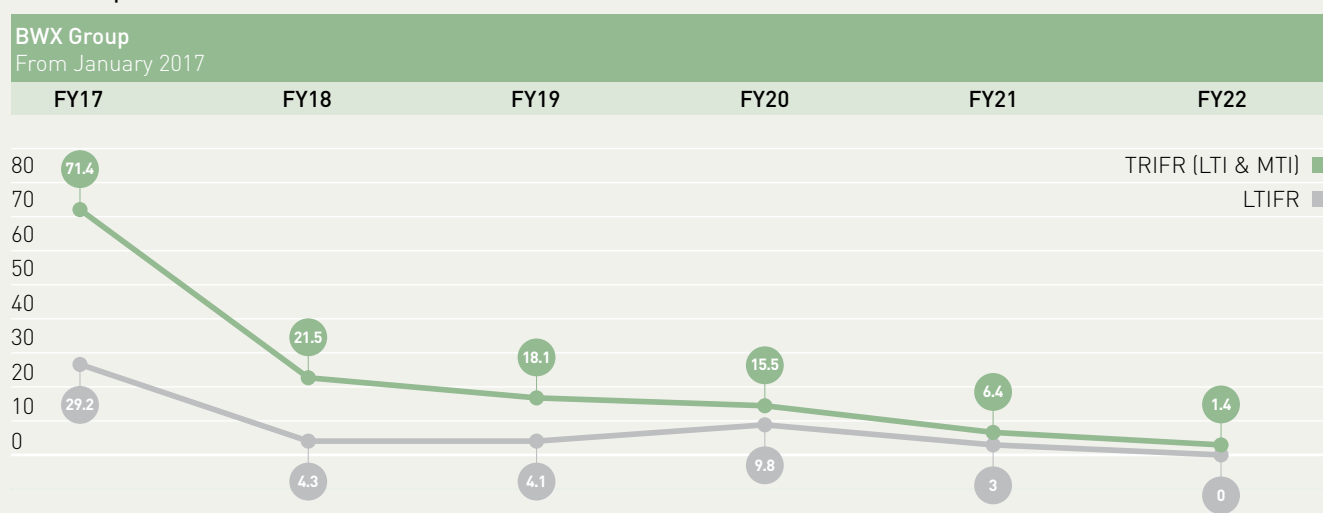
FY22 Parental Leave (Global)

FY22	Global Numbers	Approx % of Total Workforce
Primary Carer Leave Taken	16	4%
Secondary Carer Leave Taken	5	1%

FY21 Safety Statistics

Region		Total Incidents	Near Misses	First Aid Injuries	Medical Treatment Injuries	Lost Time Injuries	Rolling LTIFR
Australia	FY22	97	84	12	1	0	0
	FY21	89	73	14	0	2	4.4
	FY20	66	29	17	1	2	5.8
USA	FY22	2	1	0	1	0	0
	FY21	14	11	2	1	0	0
	FY20	8	1	0	2	3	23.4
UK	FY22	0	0	0	0	0	0
	FY21	0	0	0	0	0	0
	FY20	0	0	0	0	0	0

BWX Group LTIFR & TRIFR (Last 5 Years)



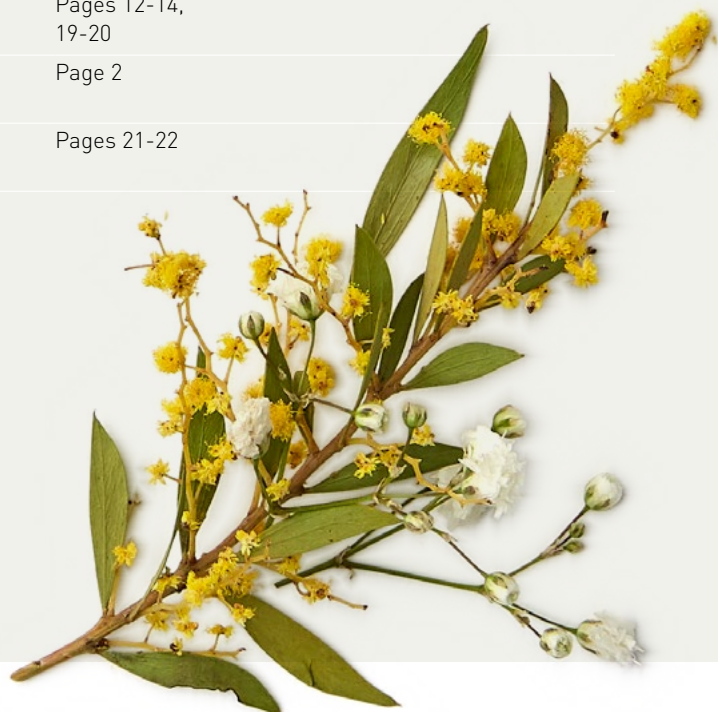
- BWX was 100% below the target on the LTIFR for the group with a result of 0.0 vs the target of 2.7
- Lost Time Injury severity rate for BWX Group, went from 337.57 to 66.2 (80% reduction in 12 months)
- Group MTIFR + LTIFR down to 1.4 down from 5.0 (72% reduction in 12 months)

27 APPENDIX CONTINUED

GRI Index

The index below outlines the extent to which BWV has met referenced GRI Standards for Environmental and General Disclosures throughout this report.

GRI Standard	GRI Number	Disclosure	Alignment	Page Number/s and/or URLs	Comments
GENERAL DISCLOSURES					
GRI 102: General Disclosures 2016	102-1	Name of the organization	Yes	Page 1	
	102-2	Activities, brands, products and services	Yes	Page 1-2	Refer to separate BWV Annual Report 2022 for more information
	102-3	Location of headquarters	Yes	Page 9	
	102-4	Location of operations	Yes	Page 9	
	102-7	Scale of the organization	Yes	Pages 9, 25-26	
	102-8	Information on employees and other workers	Partially	Pages 15-16, 25-26	
	102-9	Supply chain	Partially	Page 18	
	102-10	Significant changes to the organization and its supply chain	Partially	Pages 7-10	
	102-11	Precautionary Principle or approach	Yes	Page 7	BWV considers the Precautionary Principle when developing its ESG initiatives and strives to implement goals, targets and initiatives into its operations that are in the best interest of our customers, the communities we serve, and the environment.
	102-13	Membership of associations	Yes	Pages 12-14, 19-20	
	102-14	Statement from senior decision-maker	Yes	Page 2	
	102-18	Governance structure	Yes	Pages 21-22	



GRI Index

CONTINUED

GRI Standard	GRI Number	Disclosure	Alignment	Page Number/s and/or URLs	Comments
GENERAL DISCLOSURES CONTINUED					
GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	Yes	Pages 4-5	
	102-43	Approach to stakeholder engagement	Yes	Pages 4-5	
	102-44	Key topics and concerns raised	Yes	Page 5	
	102-46	Defining report content and topic Boundaries	Partially	Pages 3-5	
	102-47	List of material topics	Yes	Page 5	
	102-48	Restatements of information	Partially	Pages 23-26	
	102-49	Changes in reporting	Yes	Page 2	
	102-50	Reporting period	Yes	Page 2	
	102-51	Date of most recent report	Yes	Page 2	
	102-52	Reporting cycle	Yes	Page 2	
	102-54	Claims of reporting in accordance with the GRI Standards	Yes	Pages 2, 27-30	BWX notes the revised Universal Standards are in effect for reporting from 1 January 2023
	102-55	GRI content index	Yes	Pages 27-30	
	102-56	External assurance	No		Auditor assurance for Appendix 4E only

29 APPENDIX CONTINUED

GRI Index CONTINUED

GRI Standard	GRI Number	Disclosure	Alignment	Page Number/s and/or URLs	Comments
ENERGY AND GREENHOUSE GAS MANAGEMENT					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Partially	Pages 7-10	
	103-2	The management approach and its components	Partially	Pages 7-10	
	103-3	Evaluation of the management approach	Partially	Pages 7-10	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Yes	Pages 7-8, 23	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Yes	Pages 7-8, 23	
	305-2	Energy indirect (Scope 2) GHG emissions	Yes	Pages 7-8, 23	
	305-3	Other indirect (Scope 3) GHG emissions	Partially	Pages 7-8, 23	
WATER MANAGEMENT					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Partially	Pages 12, 23	
	103-2	The management approach and its components	Partially	Pages 12, 23	
	103-3	Evaluation of the management approach	Not met		
GRI 303: Water and Effluents 2016	303-1	Interactions with water as a shared resource	Partially	Page 12	
	303-2	Management of water discharge-related impacts	Not met		
	303-3	Water withdrawal	Partially	Page 12	

GRI Index

CONTINUED

GRI Standard	GRI Number	Disclosure	Alignment	Page Number/s and/or URLs	Comments
PACKAGING AND MATERIALS					
GRI 103: Management Approach 2016	103-1	Management of water discharge-related impacts	Not met		
	103-2	The management approach and its components	Partially	Pages 12-14, 24	
	103-3	Evaluation of the management approach	Partially	Pages 12-14, 24	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Yes	Page 24	
SAFETY					
GRI 103: Management Approach 2016	403-1	Occupational health and safety management system	Partially	Page 16	
	403-9	Work-related injuries	Partially	Page 26	
DIVERSITY					
GRI 103: Management Approach 2016	405-1	Diversity of governance bodies and employees	Partially	Pages 15-16, 25	
	405-2	Ratio of basic salary and remuneration of women to men	Partially	Pages 15-16	

