



Sustainability²⁰¹⁸

Local actions · Global impact



Right Solutions · Right Partner
alsglobal.com



About this report

This report covers all ALS Limited operations worldwide, for the year 1 April 2017 to 31 March 2018. Since our first report was published in 2017 there have been no material changes to the report topics and boundaries.

Where this report contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events and future financial prospects, these statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. Forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements, and the outcomes are not all within ALS control. Statements about past performance are not necessarily indicative of future performance.

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CEO's report

Managing Director's message



I am pleased to present ALS's second sustainability report, my first report as CEO. Reflecting on our performance over the past year, we have made substantial head way with our sustainability program, as evidenced by the many targets we have met on our scorecard.

I would like to report that our safety culture is strong within our businesses. "Safety as a Priority" is one of our core values that was put into action by all our employees, across all our operations, regardless of the geographies where we work. During 2018 we achieved historical low injury rates.

First and foremost, I would like to report that our safety culture is strong within our businesses. "Safety as a Priority" is one of our core values that was put into action by our employees across all our operations, regardless of the geographies where we work. During 2018 we achieved historical low injury rates. Our Total Recordable Injury Frequency Rate (TRIFR) was 2.7 and our Lost Time Injury Frequency Rate (LTIFR) was 1.0, both the lowest rates since commencing the measurement of these safety indicators in 1999. More importantly, we experienced a reduction in the number of High Potential Incidents (HiPo), from 3 HiPo in 2017 to only 1 HiPo in 2018, and no Significant Lost Time Injuries were recorded across any of our businesses.

Only 12 months since the publication of our first Sustainability Report, a number of business streams have already successfully completed projects that will have ongoing benefits and support us in achieving our sustainability goals. These projects include the installation of LED lighting and power correction factor equipment, the completion of a feasibility study into the use of solar energy, the commissioning of solvent recovery plants, recycling programs for glass and

plastic sample bottles and oils samples, and the selection of more fuel-efficient motor vehicles as the preferred vehicle of choice for our fleet. Although these projects in isolation have modest savings attached to them, when each of our 300+ site locations share these initiatives and adopt similar strategies then collectively the global impact is significant.

These actions reflect our new campaign adopted for Sustainability in 2018:
Local actions • Global impact



During 2018 we successfully completed the roll-out of GlobALSay, our first global employee engagement survey. It was extremely pleasing to see that the three highest scoring topics in the survey that employees believed we do well were Quality of Service, Health and Safety, and Collaboration and Culture. The ranking that our employees scored us in these areas gives us confidence that our workforce is aligned with our commitment and approach to these principles. We have seen our workforce grow by 9% compared with the previous year, another 1,100 employees. We recognise that it is a

constant challenge to create a culture where our employees are motivated and are living our core values. These values must remain cast in stone and be at the heart of everything we do.

In the year ahead, I am confident we will achieve the ambitious targets we have set ourselves. These targets are outlined on page 11 of the report in our Sustainability Scorecard. Our focus will remain on the issues that are most material for our business, where we have identified opportunities under our strategic plan, and in the areas in which we have the expertise to make a meaningful impact.

For the first time some of our targets adopt a multi-year approach to allow our businesses to implement long term programs. This is especially the case under the Environment section. We will focus on a 3-year target for energy consumption (a 5% reduction in kW Hours and CO₂ equivalents) and will implement waste initiatives across all business streams.

We will continue our Life Saving Rules program and roll out new safety leadership training to drive our safety statistics down.

We will improve our governance through increased training and awareness and focus on the community through our commitment to provide science scholarships and offer work experience programs with young students.

Although 2018 was a challenging year, ALS performed in line with forecast financial guidance. I have no doubt that this excellent result was due to our commitment to strong corporate governance and the successful execution of our strategy. We will continue to operate with honesty and integrity, foster a safe work culture, and strengthen our relationships with our stakeholders to build a resilient business. In 2019, ALS will continue to grow organically and remain acquisitive in our core business streams to support our strategy of growing our market share as a leading global testing company.

I appreciate your interest in our approach to sustainability. Please take some time to share with us your comments on this report via our online survey, available on our website: alsglobal.com/sustainability.

Focus areas

Materiality

Each year ALS conducts a materiality assessment in accordance with Global Reporting Initiative (GRI) principles. This process makes sure our activities and programs remain focused on the issues, risks and opportunities that will most impact ALS and our stakeholders.



This year the assessment process included the following:

- Review of global trends and the UN Sustainable Development Goals.
- Review of our overall corporate strategy.
- Review of our material business risk register.
- Review of the GRI Sustainability Reporting Standards.
- Feedback from stakeholders such as shareholders, employees, and community groups.
- Feedback from Group Executive Management on the issues impacting specific business streams (including issues that impact the wider industry sector).
- Input from the ALS Sustainability Committee and the Board.

Information gathered from these sources was collated, reviewed and assessed to determine where priority areas lie for both ALS and key stakeholders. These priority areas were grouped into four key segments.

By identifying and responding to material sustainability issues, we are able to successfully deliver on ALS's strategic Plan to maximise value for our shareholders.

People



Health & safety

Safety as a priority

Diversity & equality

Respecting differences

Training & development

Investing in talent development

Human rights

Worker's rights upheld

Environment



Operational Environmental Performance

Management of adverse environmental emissions

Energy management

The pursuit of energy efficiency

Waste reduction

Reduce, reuse, recycle

Water conservation

Managing a scarce resource

Climate Change

Estimating CO₂ emissions and its economic impact

Society



Economic Contributions

Paying our fair share of tax

Local investment

Investing in the local community

Employment creation

Creating jobs in the local community

Governance



Financial performance

Maximise return for shareholders

Anti-bribery & corruption

Zero tolerance for bribery and corruption

Honesty & integrity

An ALS core value

Regulatory compliance

Systems to maintain legal compliance

How we do things

ALS is a global leader in the provision of analytical laboratory and technical services. Today, the Company processes more than 20 million samples per annum and is one of the largest technical services groups in the world with more than 13,000 staff. Our global head office is in Brisbane, Australia. We operate from over 300 locations in 50 plus countries throughout Asia, North America, Australia, South America, Europe and Africa and have demonstrated strong business performance for over 40 years.

We have structured our business streams to meet the business needs of our clients, drive our focus on operational efficiencies, sustainability, and continually improve customer's experience.

Our Corporate systems, programs and policies support our diverse operations to manage their risks and obligations.

Services

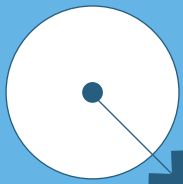
- Asset integrity and reliability
- Coal quality
- Commodity trade and inspection
- Consumer products
- Environmental testing
- Food safety and quality
- Geochemistry
- Industrial hygiene
- Laboratory design and build
- Metallurgy
- Oil and Gas
- Oil, fuel & coolant analysis
- Pharmaceutical

Industries

- Aerospace & defence
- Agriculture
- Civil Infrastructure
- Commodity trading
- Construction
- Consumer products
- Environment, health and safety
- Food
- Marine
- Mining & exploration
- Oil & Gas
- Petrochemicals
- Pharmaceutical
- Power generation
- Pulp & paper
- Smelting & refining
- Transportation
- Water

We have built our reputation around technical innovation, quality, a deep understanding of the industry, and by being a true technical services partner to many companies across a broad spectrum of end markets covering most geographies.





ALS core values
 The foundation of ALS's success
 - simple, essential and incorporated
 into our daily operations.



Corporate policies

- Health & Safety Policy - Environmental Policy
 - Compliance Policy - Code of Conduct
 - Risk Management Policy
- ALS's corporate policies to guide our decisions for a positive and safe working environment.

Corporate programs

- HSE Foundation Standard
 - Compliance portal - Life saving rules
 - Risk Management Framework
 - Group sustainability strategic plan
- Corporate tools and programs to help ALS businesses manage their compliance and risk obligations.

Local management procedures and practices

- Act locally, think globally
 Procedures and practices to embed corporate programs at a local level that take into account regional legislation requirements.

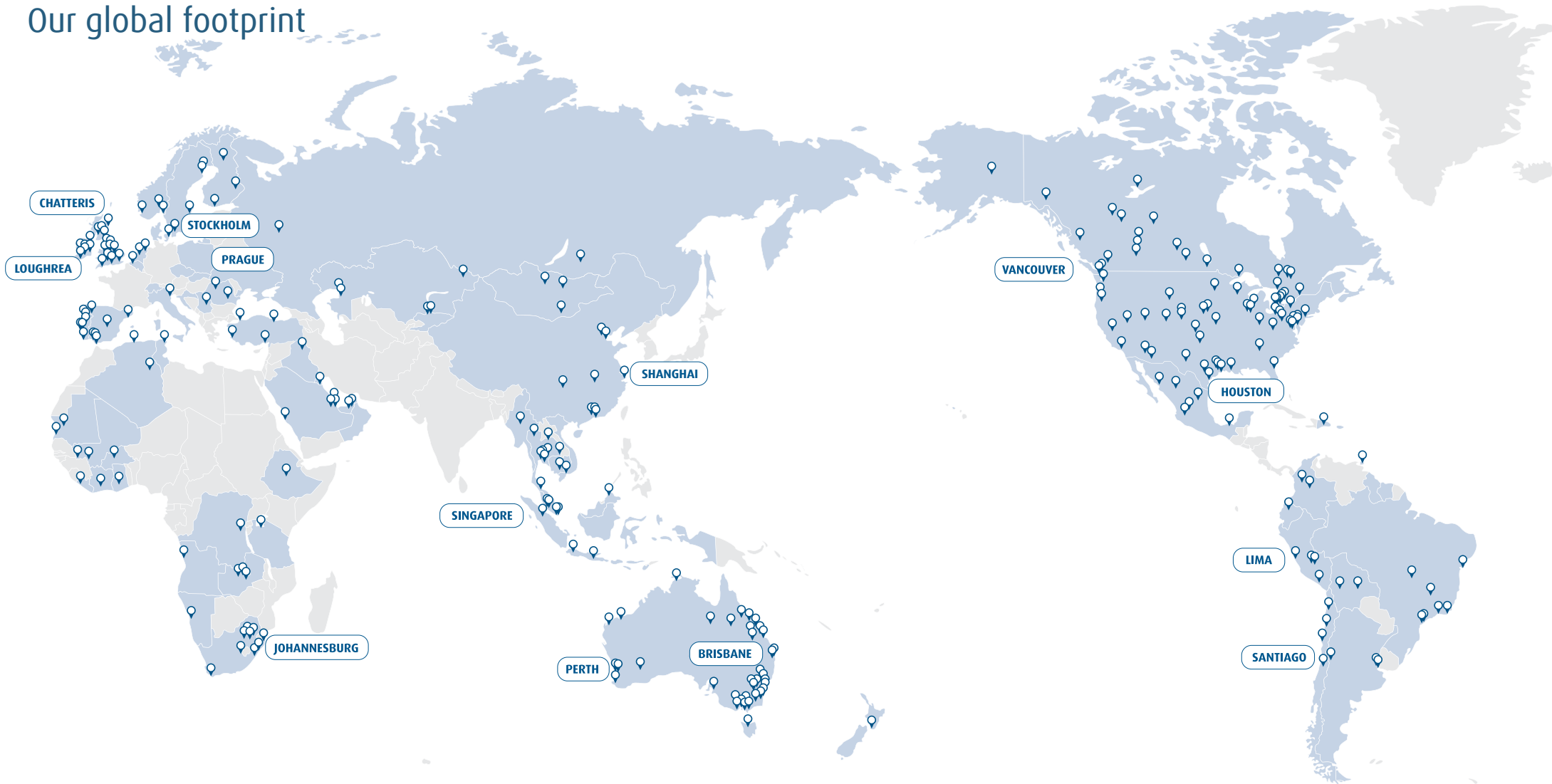


Our core values

- Safety as a priority -
- Honesty and integrity -
- Exceeding client expectations -
- Belief in our ability -
- Hard work and continuous improvement -
- Doing it better -
- Celebrating success -

We are a global scale company, yet remain agile through the local application of expertise, procedures and practices. The consistent daily application of our Core Values guides the provision of efficient, competitive, and environmentally and socially sustainable services at each of our operations.

Our global footprint



50+
Countries

300+
Locations

40+
Years of strong
business performance

13,000+
Staff worldwide

20+ million
Processed samples per year

\$1.4+ billion
Global revenue

Life Sciences

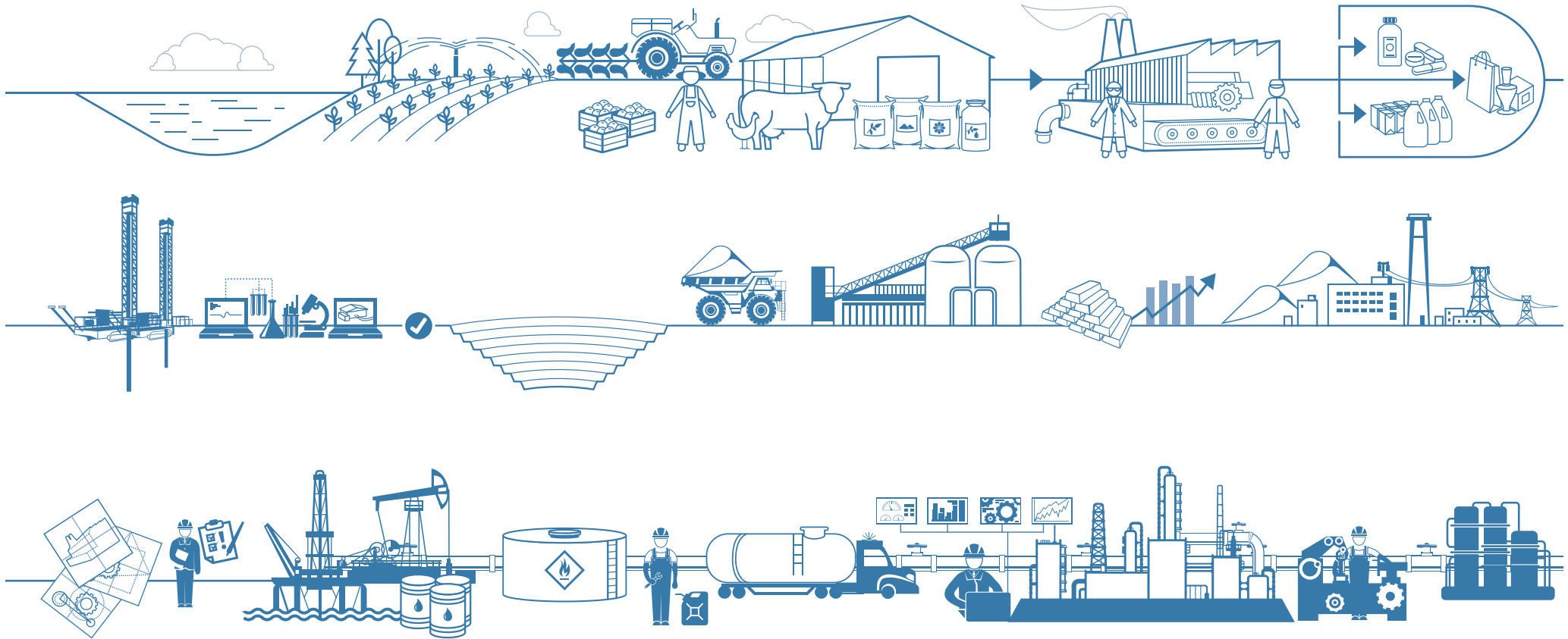
Life Sciences is comprised of four primary analytical testing areas: Environmental, Food and Pharmaceutical, Electronics, and Consumer Products. It is a leader in global, comprehensive analytical testing services demonstrating expertise in microbiological, physical and chemical testing services.

Commodities

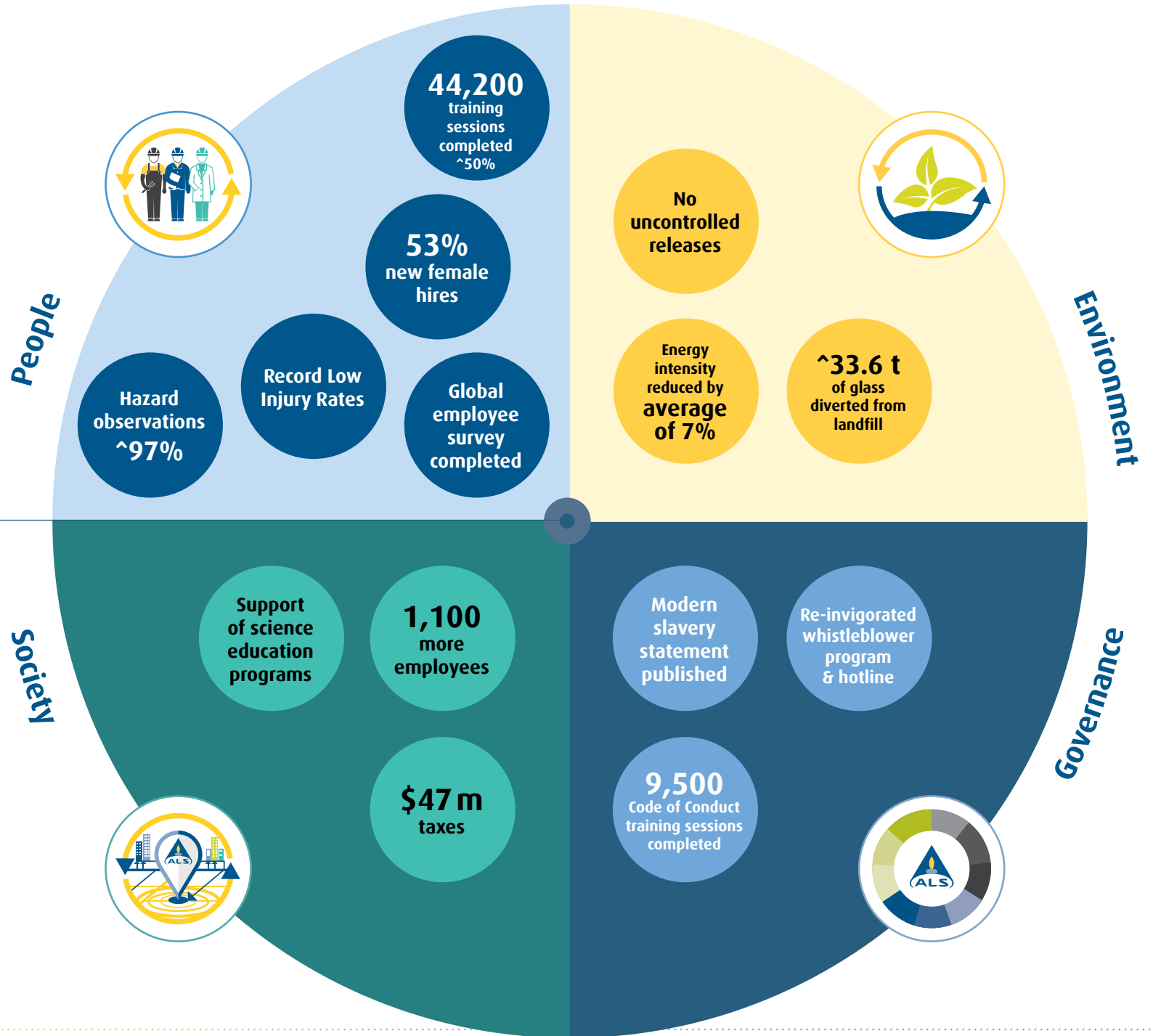
Commodities is the leading full-service provider of testing services for the global mining industry in four key service areas: Geochemistry, Metallurgy, Inspection and Coal Quality, covering the entire resource life-cycle from exploration through to rehabilitation.

Industrial

Industrial is a leading provider of diagnostic testing and engineering solutions for the energy, resources, transportation and infrastructure sectors. It is comprised of two complementary business streams: Asset Care and Tribology.



Our achievements this year



Our scorecard

We are committed to leveraging outcome based metrics to continually improve our sustainability performance. Our technical expertise that provides our clients quality information to support data based decisions, is utilised to develop of our metrics, targets, and internal reporting systems.

Regardless of how large our organization has grown, we pride ourselves on maintaining a culture which thrives on open and transparent reporting and disclosure. Our 'real' metrics provide meaningful information we use to improve our systems and future performance.

* Per million hours worked.

** This year Lima Environmental Laboratory has received complaints regarding noise and smell. Their local area zoning has changed and there is an active project to relocate the laboratory.

2018 target	Results	2019 target
People		
No fatalities.	✓ 0 fatalities.	No fatalities.
LTIFR* < 1.02	✓ LTIFR=1.00	LTIFR < 0.95
TRIFR* < 3.60	✓ TRIFR=2.70	TRIFR < 2.57
PPI Scorecard of 90% or greater.	✓ 99%	PPI Scorecard of ≥90%
100% of compulsory compliance training sessions completed.	✓ 100% achieved.	100% of compulsory compliance training sessions completed.
Total female employee new hires Professional roles > 50%.	✓ 60%	Total female employee new hires > 50%
Human Rights – Develop a modern slavery statement and publish on ALS website.	✓ Completed.	Complete Modern Slavery key supplier assessments.
Environment		
No environmental complaints of negative air, noise, or land impact from surrounding neighbours.	✗ 2 Noise complaints reported. **	No unresolved complaints of negative air, noise, or land impact from surrounding neighbours.
Nil Environmental prosecutions.	✓ 0 fines / penalties / prosecutions.	Nil Environmental prosecutions.
No reportable environmental spills or uncontrolled releases.	✓ No reported spills or uncontrolled releases.	No reportable spill or uncontrolled releases.
Two new reduction strategies or waste recycling initiatives per business stream.	✓ Total 22 initiatives. Key initiatives reported on page 22.	Complete yearly business stream waste reduction initiatives.
5% reduction in average motor vehicle fuel consumption (L/100km).	✗ 1% Increase.	Develop a global fleet register that outlines consumption of fuel per country.
5% Reduction in Main Hub Lab Energy Intensity vs 2017:	✓ % Change in intensity.	> 5% reduction on energy intensity over 3 years.
Industrial kWh/M hrs.	✓ -5%	Reduce energy intensity in each business stream by > 5% by 2021.
Commodities kWh/M hrs or kWh/M samples	✓ -9%	
Life Sciences kWh/M hrs.	✓ -8%	
Society		
Continued donations to charities that match ALS values.	✓ On budget for Corporate Donations Program.	Establishment of "ALS Cares" (Workplace Giving Program).
Taxes – Develop taxes paid statement outlining income tax paid across all ALS entities	✓ Stated in page 24 of this report.	Publish taxes paid statement outlining income tax paid across all ALS entities.
Governance		
Release revised Whistleblower program.	✓ New "Integrity + Compliance Helpline" released.	Complete annual review of all whistleblowers' complaints.
Roll out revised Cyber Security Program.	✓ Audit completed on ALS Cyber Security Program.	Roll out of new Cyber Security Awareness Training.
Complete review of Risk Appetite and Tolerance Statement	✓ New risk management policies adopted.	Form Executive Risk Management committee.

People



We are a diversified global team distributed across markets, geographies, and disciplines. We recognise that our employees are the core of our Company and that employee wellbeing is vital to our success as a business. We recognise that our businesses, technology, and people will continue to change. To enable our vision of long term sustainable growth in a changing environment we will continue to develop skilful, insightful leadership abilities and behaviours in our people. We also strive to develop the abilities of our technical experts who energise our culture of innovation.

Health and safety

“Safety as a Priority” continues as one of our core values that we reinforce every day across ALS. To enable our people to go home in the same condition they came to work, our HSE Foundation Standard defines the minimum standards and rules applicable to all businesses.

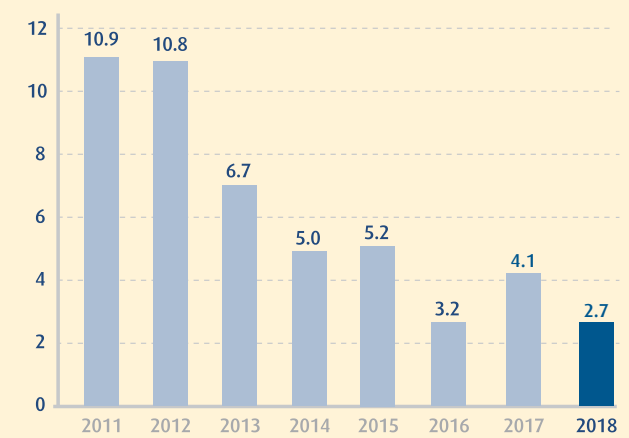
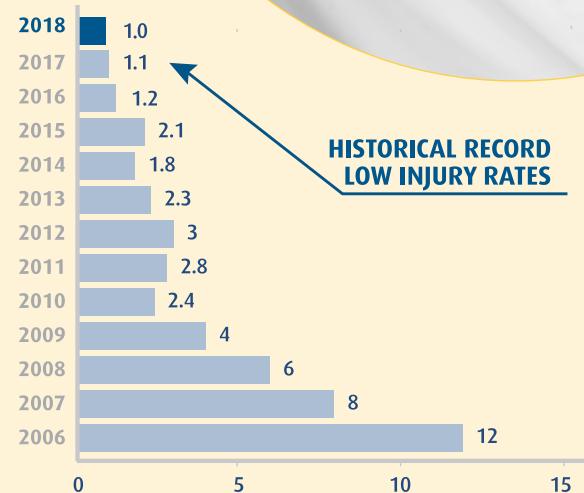
The HSE Foundation Standard also sets the platform for continual improvement in our Health, Safety and Environment systems through the application of consistent goals. In 2018 we implemented our refreshed HSE Foundation Standard with an increased focus on Leadership Responsibility and Commitment as well as the practical implementation of the HSE Foundation Standard components in all laboratories.

The field application of our sustainability slogan, “Local actions – Global impact”, is critical to our management of safety. Our people work in offices, maintenance workshops, client industrial sites, and a range of laboratory categories, each with specific hazards. Local ALS employees implement our minimum standards

to address specific risks in their business. We actively monitor, benchmark and audit our safety management systems to ensure our standards are appropriately applied, and shared learnings are communicated across our network. ALS is a member of the National Safety Council of Australia Foundation.

This year we restructured our HSE teams and created new positions of HSE Lead Manager for each of our business streams. We also realigned the reporting relationships of our regional HSE teams to further embed them in the operational hierarchy of our businesses. This change has improved our ability to identify and implement local improvement initiatives.

Our HSE audit program is designed to ensure our facilities meet our minimum standards and facilitate benchmarking and learning between business streams. During 2018 we updated our safety systems audit tool to reflect the revised HSE Foundation Standard, increase the focus on our Life Saving Rules and improve the ability to compare facilities across business streams and regions.







* Per million hours worked.

Our safety performance

Our Operational Managers' safety performance is tracked by the Positive Performance Indicator (PPI) Scorecard. The scorecard monitors managers' direct participation, involvement, awareness, and support of safety related activities. The scorecard highlights our focus on practical implementation of safety systems at a local level, and our commitment to the ongoing reduction of employee injuries at every location.

During our business planning cycle, we reviewed the implementation and performance of our safety programs, and collaboratively developed programs, metrics and targets for 2018.

PPI results

Metric	PPI metric description	Target score	Actual score	PPI total available	PPI achieved
Safety	 Total Recordable Injury Frequency Rate (TRIFR)*	3.6	2.70	5	5
	Significant Lost Time Injury Frequency Rate (SLITFR)*	0.13	0.04	5	5
	Lost Time Injury Frequency Rate (LTIFR)*	1.02	1.00	5	5
	No. of LTI incidents where >7 days are lost	22	7	5	5
	Government fine or Penalty imposed for HSE related breach**	22	5	5	5
Leadership	 Number of Presentations of a Safety topic to Staff	4	4	6.25	6.25
	Manager participation in site safety inspections	2	2	6.25	6.25
	Manager involvement in the review and closeout of HSE non-conformance, incident investigation, or risk assessment	2	2	6.25	6.25
	Hazard Observations Reports submitted	1,875	4,604	6.25	6.25
Program	 Close out of incident reports	90%	94.85%	6.25	6.25
	Close out of Annual Compliance sign off Corrective Actions	100%	96.15%	6.25	6.01
	Confirmation of First Aiders on site	100%	92.47%	6.25	5.78
	100% compliance with loss control measures	100%	100%	6.25	6.25
Training	 New employee induction completed and entered	90%	97.68%	8.33	8.33
	Manager completion of compliance training	100%	100%	8.33	8.32
	Employee completion of mandatory training	100%	100%	8.33	8.32
Total				99.25	

The PPI scorecard for 2018 targeted the performance of four focus areas:



Incident reporting

We continued our commitment to employee safety by targeting injury frequency targets lower than our record low 2017 lost time injury rate. We also improved the alignment of targets to local outcomes.

In addition to reducing our injury frequency rate target, this year we also introduced a new target (LTI>7 days) to assist in reducing the number of longer term injuries.



Leadership & culture

This year we added incident investigation and risk assessment to the leadership section of The Scorecard to recognise the importance of leader visibility and ownership in these areas.



Program compliance

We continued our metrics which demonstrate that our safety management system controls are in place and effective at a local level.



Training

Our managers ensure that their team, as well as personal key safety training, is undertaken and refreshed.

* Per million hours worked.

** Penalties received in 2018:
 US\$2800 Alaska (infringement related to PPE)
 US\$1400 Arizona (infringement related to engineering controls for event prior to 2017/18)
 US\$7850 Chile (infringement related to PPE and engineering controls for event prior to 2017/18)
 US\$390 Chile (infringement related to PPE, engineering controls and psychosocial policy for event prior to 2017/18)

Mobile technology

We have a multi-lingual and multi-generational workforce and are conscious that our systems must support all employees. As a global testing company with state of the art equipment, we leverage new technology and search for innovative improvements in all aspects of our business.

We are further developing our mobile technology platform to transfer paper based administration and safety systems to digital. This will improve efficiency, governance and traceability. In 2018 we successfully released a series of mobile device Apps including Life Saving Rules, Workplace Risk Assessments and Site and Vehicle inspections.

Our attention to user experience and desire for simplification in the design phase resulted in enthusiastic adoption of the Apps from both our active and passive mobile technology consumers.

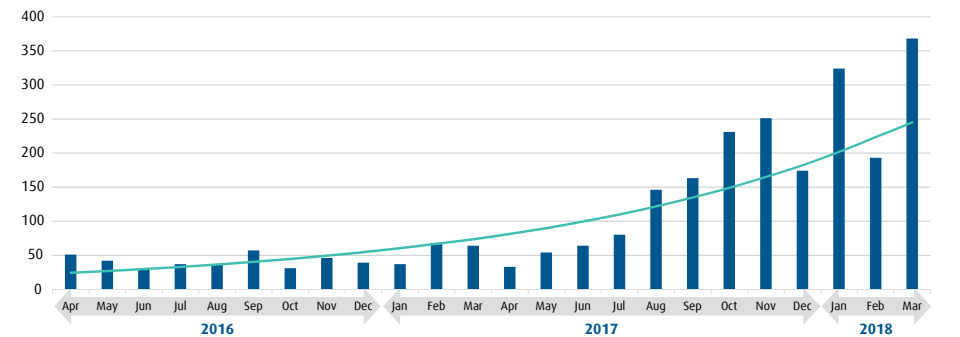


Local safety integration program

In early 2017 we forecast an increase in the number samples through our Geochemistry sample preparation facilities. During our planning for this we recognized that new employees, particularly in sample preparation, are at higher risk of workplace injuries. To mitigate this, we developed an integration program which incorporated improvements to the recruitment process, induction program and first month work program for new employees. We also conducted a critical review of our manual handling processes and implemented improvements. The improvement resulted in more open safety conversations with all employees. Through the program we tripled our proactive reporting of hazards and reduced our injury frequency rate.



**Number of Reported Hazard Observations
April 2016 – March 2018**



Diversity & equality

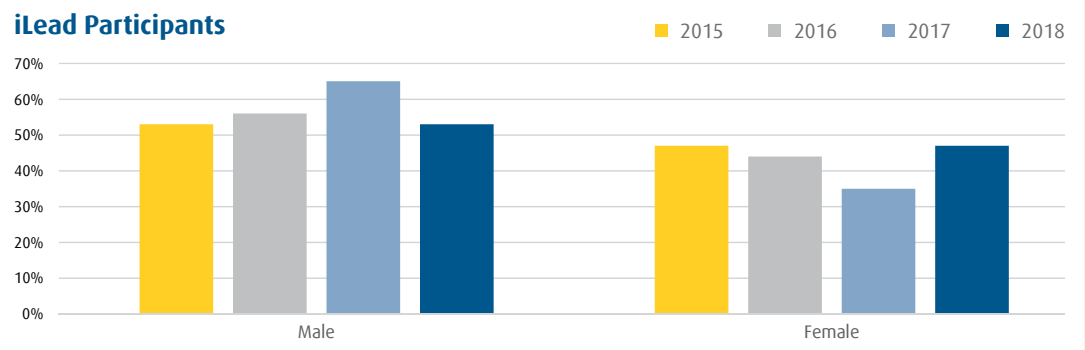
As outlined in our Diversity Policy, ALS has committed to deliver improved performance in diversity against measurable objectives. The Company's Diversity Policy is based on the following key principles, reflective of the ASX guidelines on diversity:

1. Treat others with respect, value differences and maintain privacy.
2. Value diversity and it will bring opportunities to enhance our businesses.
3. Women and minority cultural groups will not be disadvantaged in gaining employment, career advancement and training nor will they be impeded from accessing the benefits and privileges that other persons in the Company enjoy.
4. Transparency will be exercised in recruitment, promotion and internal staffing decisions from Board level to entry level.
5. All leaders will work toward gender balance and a diverse workforce.
6. Workforce composition statistics will be reviewed annually to determine if there are any areas that warrant an increased focus on diversity.
7. Public reporting of progress against the Company's diversity objectives.

In line with this, ALS gender statistics are monitored annually and this information feeds into the next years projects in this space. Our key diversity indicators for 2018 include:

- As at 1 March 2018, the ALS global workforce was made up of 14,078 employees of which 45% (6,307) are female, this compared to 44% in 2017.
- Globally, in Executive Management roles, females represent 33%, an increase from 31% in 2017, with director level females remaining at 14%.
- Female participation has increased in all qualified and management role levels, including Executives, Managers and Professionals.
- The rate of new hires of females into professional roles has increased again this year. In 2018, 60% of professional hires were female, an increase from 53% in 2017. This is reflected in an increased population of female professionals to 54% up from 51% in 2017.
- In iLEAD, our principal training program for management development, females made up 47% of the participation. This represents an increase from 43% in 2017.

The workforce participation rates and learning tables are a snapshot as at 1 March 2018, while professional recruitment data covers the period 1 April 2017 to 29 February 2018 (11 months).



Note: The statistics reflect the sale of the Oil and Gas entities (comprising of approximately 500 employees) which was male dominated.

Gender balance strategy

The Board reaffirms its strong support for gender equality initiatives. Our strategy is to:

- increase the recruitment of female graduate level new employees;
- provide support for their development and career progression;
- provide a supportive environment for women at ALS.

Ongoing programs of work in the diversity space that are included in this report are within recruitment, leadership development and remuneration equity areas, and each are underpinned by comprehensive Company's policies.

Our policy of retaining talent obtained through acquisitions will continue, and together with low executive turnover, this has and will continue to constrain our ability to change the gender balance of our leaders in a short time frame.

In recognition of this, we give priority to the recruitment of female professionals and, support them with our comprehensive learning and development program. This along with executive level stewardship and a supportive environment, prepares our female employees for transitions to roles with higher responsibility. These practices have gained traction with an increase in talented female professionals moving into management as can be seen from the journey in the adjacent diagram.

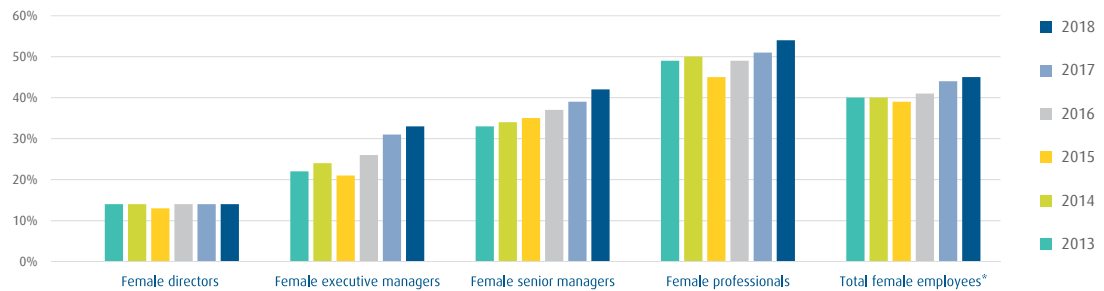
52%
Female new
manager
hires

45%
Female
workforce

Workforce gender statistics

ALS performance over the 2017-18FY is illustrated below:

Female participation by category



Our recruitment goal is to reach a female participation rate of more than 50% overall in the appointment of females into professional roles. This year our target was achieved.

New hires – professional category	2018	2016	2016	2015	2014
Total Male %	40%	47%	56%	47%	42%
Total Female %	60%	53%	44%	53%	58%

Pay equity

Our goal is to continue annual factual verification of remuneration equity for male and female peers across all global jurisdictions. During the year a detailed review was undertaken of all the STI Plan participants globally. Those businesses that identified differences in pay equity are implementing an action plan in the coming year.



Local diversity award

In 2017 ALS purchased Leochimica SRL in Zoppola, Italy. ALS welcomed the enthusiastic team with their well aligned culture, underpinned by professionalism, quality of service and qualified consulting for clients. This year Leochimica SRL was recognised as a leading Italian company, committed to promoting female talent and gender equality as a strategic lever for competitive enterprises. Leochimica SRL was selected among over 600 Italian companies, ranking among the top thirty in Triveneto and among the first two coming from their region, Friuli Venezia Giulia.

The Marisa Bellisario Foundation, in collaboration with the Intesa Sanpaolo Group, established the “Women Value Company 2017 – Intesa Sanpaolo” prize as a recognition reserved for small and medium-sized enterprises that stand out in the field of gender equality, implementing concrete and innovative policies and strategies, to guarantee equal opportunities and career recognition to men and women.



Training

ALS recognises that to be successful in the long term we must continue to cultivate a culture of high performance. To achieve this, we provide learning and development which is focused on group and individual needs. ALS encourages employees to develop their skills and knowledge, broaden their experience and be empowered to be the best they can be while working at ALS. We work hard to identify high performing individuals and invest in their future, seeking development opportunities that increase their potential for success. This supports one of our core HR policies, promoting from within.

Our leadership programs enable our people to perform at their best now, and to prepare them for future challenges. Our global approach ensures organisational consistency and equal opportunity for all people across our network. ALS’s diverse working environments with laboratories located around the globe mean variety and opportunities for career advancement, both internationally and nationally, are within reach.

ALS Leadership Enablement And Development Program – iLEAD, is designed to provide our supervisors and managers with the skills they

need to professionally and confidently operate in the ALS environment. The program is based on action learning principles, because it is not just what you know that counts, but what you do with that knowledge. It is available to all employees globally.

Our learning management system, ALStar, is used to deliver and manage electronic courses and assessment to our geographically dispersed and culturally diverse workforce. Courses are available globally on a range of technical and non-technical subjects.

Development of local talent

ALS has a bottom up approach to talent, preferring to develop and promote from within. We focus on attracting, selecting and supporting the development and retention of the best people in all areas of our business. Our peak executive leadership development program, the EPC, was launched 10 years ago. In early 2018 we launched an invigorated new version to all global regions. Reflecting our commitment to diversity and equality, all our business streams and regions are represented in the EPC alumni.

Milder Mascaraqui commenced work with ALS as an AAS Analyst in Arequipa city in 1997. Milder then moved to Lima city, and in 1998 was promoted to the Analytical laboratory manager. Since then, Milder progressed through several leadership roles as Peru Operations Manager and Latin America North Operations Manager, and graduated from our executive development program in 2012. Milder is now South and Central America Operations Manager sited in Lima, responsible for all the Labs in South America and Central America related to the Geochemistry operations.



Milder at the geochemistry lab in Lima.

Engagement

Fostering the elements of workplace culture and programs that consistently attract, motivate, and retain employees is a holistic process. Consistent with our core value of Continuous Improvement, this year we invited all employees to participate in an employee survey that gave them the opportunity to tell us what we are doing well, what inspires them to do their best at work, and what ALS could do differently. We released the survey in 19 local languages to ensure maximum participation from our diverse and distributed global workforce.

The survey results formed a part of our global employee engagement initiatives. Local teams also reviewed the survey results and developed action plans to address areas identified for improvement. Our local managers also used the presentation results to provide feedback to personnel as an opportunity for open conversation with workgroups.

Local feedback – Susan on GlobALSay survey

“It is my responsibility to help ALS attract, develop, motivate and retain high quality staff to support our current needs and future growth. I am proud of the way my team and our managers have conducted our first truly global employee survey “GlobALSay 2018”. The survey was designed to be accessible to all our staff at all levels and whose voices are important to us. The survey has provided us with a valuable insight into how we are working together, and is now shaping our annual, global HR project plans.”

Susan Putters Global Head of HR.

The three highest scoring topics in the survey were:

- Quality of service,
- Health and safety,
- Collaboration and culture.

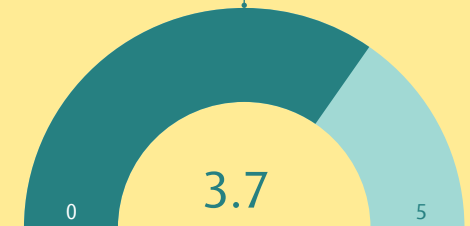
The ranking that our employees scored us in these areas gives us confidence that our workforce’s values and expectations on these topics are aligned with our commitment and approach to safety and wellbeing.

Employees have shared their voice to help shape the future of ALS, and after assessing their feedback we intend to focus global improvement efforts in the following 3 categories over the next 12 months:

- Recognition
- Training and development
- Career progression.



Employees scored ALS positively with an average engagement score of 3.7 out of 5.



Our core value:
Doing it better

Human rights

We are committed to ensuring an organisational culture which demonstrates respecting human rights, guided by the international human rights principles encompassed in the International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and by the principles of the United Nations Global Compact.

We are committed to providing all workers a safe work environment where everyone is treated with dignity and respect, and work to ensure fair labour practices are adopted in all our operations. We ensure there is effective communication and consultation with employees through the application of Goal 9 of our HSE Foundation Standard – Communication and Consultation. This requires that employees are consulted and encouraged to participate in the development, implementation and review of HSE requirements. Our site based consultation processes are tailored to the size, operations, and culture of the facility.

The ALS Code of Conduct affirms our zero tolerance for behaviours and actions that do not respect human rights. See our *"Honesty and Integrity"* section on page 30 for further details.

Modern Slavery Statement

Our Modern Slavery Statement was formally endorsed by our Board and published on our website in 2018.

This year we commenced desk top reviews of the human rights policies and practices of our largest consumables suppliers. In 2019 we will be reviewing our key suppliers in more detail to ensure they meet the principles outlined in our Modern Slavery Statement.



Environment

We are committed to striving for environmental sustainability throughout our operations, and to the continual improvement of our environmental performance. Our HSE Foundation Standard requires the ongoing review, management, and reporting of environmental impacts across all businesses and is aligned with ISO14001. Where there is a business need we gain third party accreditation for our management systems. Our goal for 2019 is for our Corporate system to achieved third party accreditation.

Operational environmental performance

We require our facilities to implement programs that ensure our emissions and waste streams are minimised, and are within the legislated requirements. We install dust prevention systems where there is potential to generate emissions from our sample preparation equipment, fume cupboards, when handling hazardous chemicals, and liquid trade waste treatment plants prior to discharging liquid waste to local council sewage systems. We program the monitoring, maintenance, and testing of the control equipment to ensure their reliable, effective operation.

Our monthly and annual management review programs require our local managers to verify and validate that controls are in place and operating effectively. The programs also ensure that any environmental non-conformances are reported and resolved. Our HSE audit process includes the validation and verification of these environmental controls, with any non-compliance reported to the independent corporate compliance team.

There were no reports of environmental harm, significant spills, regulatory fines or judgements related to the environment in the past year.

Energy management & climate change

We continue to pursue reductions in energy consumption across all our businesses. The International Energy Agency estimates that building efficiency improvements of 10-20% are available from appliances, equipment and lighting that are commercially available (Energy Efficiency 2017).

Each of our key hub laboratories committed to reduce energy intensity by 5% during 2018. Our Scorecard on page 11 demonstrates 5% or greater reduction in energy intensity across each division, and our electricity consumption table on page 21 shows the kWh consumed by each business stream. To assist in the identification of energy saving initiatives we continued our internal energy audit program. This year we also commissioned energy audits by external providers on two key facilities. The specific actions for those facilities were shared across our business streams. The external audits reinforced the importance of our ongoing energy awareness campaign which this year had two significant components: optimising building HVAC timer settings, and ensuring laboratory equipment is only turned on when needed. The external audits also recommended the conversion of standard fluorescent lighting to LED, which is being progressed in both audited facilities. In addition, We are continuing lighting upgrades of our other locations through routine maintenance schedules and capital investment.



Electricity



Case study - Fume cupboard

Fume cupboards have a sash which can be closed when access is not needed. The difference in energy consumption of a variable speed fume cupboard when the sash is open compared to shut is approximately 190,000 kWh per year. At one of our laboratories an employee noticed that the sashes were not consistently closed. The laboratory developed "Shut the sash" campaign which reduced the proportion of fume cupboards with open sashes by 50% during the initial month of the campaign. This reduction was equivalent to 151 t CO₂ emissions per year on one site. The learnings and resources from this local initiative was shared across the group.



Case study - LED lighting

Energy efficient lighting in the spotlight.

The Life Sciences laboratory in Scoresby Melbourne, conducted a review to upgrade its existing fluorescent tube lights to new LED lighting to help save on energy bills. The laboratory replaced approximately 75% of its lights to LED's in the water and main administration areas (the remaining lights were unable to be changed over due to technology constraints). This project is estimated to reduce our power consumption by 140,000 kWh per year.



Solar power

We recognise the need for a low carbon economy. In addition to our focus on reducing energy consumption by improved equipment technology and operational discipline, we are investigating alternative energy sources to reduce our carbon footprint. During 2018 we approved 99 kW solar power system for our Brisbane environmental services laboratory. This is forecast to produce 10% of the site's energy needs and reduce CO₂ emissions by 128 t per year.

Electricity Consumption

Scope 2 Emissions
Electricity – Market based
CO₂ factors

* These business streams experienced an increase in sample flows which resulted in an increase in kWh consumed. However, overall energy intensity has decreased by 5% or more as outlined by our Scorecard on page 11.

** During 2018 a significant portion of the Oil and Gas business was divested.

Business stream	2016/17	2017/18 (kWh) Apr-Dec	2017/18 (t CO ₂ e)
Asset Care	1,718,872	1,700,101	1,239
Coal	8,154,590	7,866,474	6,937
Commodity Inspection*	5,009,002	5,917,749	4,320
Geochemistry*	34,381,709	41,750,719	25,110
Life Sciences Americas*	26,463,091	27,093,126	10,708
Life Sciences APAC	17,482,686	17,382,944	13,604
Life Sciences EMEA*	15,440,969	18,861,531	10,423
Metallurgy	4,432,976	4,388,092	3,383
Oil and Gas**	5,369,406	273,803	129
Tribology*	2,169,624	2,239,527	1,219
TOTAL	120,622,925	127,474,066	77,072

Transport fuel

We continue to search for energy intensity reductions in all our business streams and activities. The energy saving focus area for our off-site personnel is the reduction of emissions from our vehicle fleet. National Pollutant Inventory data indicates that in Australia, motor vehicles remain a major cause of air pollution in urban areas.

This year we have decreased the average fuel consumption of our light vehicle fleet, on a like for like basis ((ADR)81/02 Fuel consumption labelling for light vehicles). However as our vehicle needs have evolved, the average vehicle specification has changed. By selecting a more fuel efficient option in our most common vehicle class we have restricted the impact of our changing requirements to a 1% increase in average fuel economy. For further details refer to the adjacent "Good news story – Fuel".

Our strategy to meet our targeted reduction in fuel consumption includes vehicle selection and maintenance and behavioural change, supported by feedback of fuel consumption data to vehicle drivers and fleet owners.

Year	2018	2017	2016	2015	2015
Number of fleet vehicles	507	508	534	446	534
Litres fuel purchased	1,294,419	1,285,256	1,131,127	1,032,182	1,170,885
km's travelled	12,833,482	12,891,747	12,505,903	-	-
L/100 km	10.09	9.97	9.04	-	-

Fuel consumption – Australian fleet.

Good news story – Fuel

"Our light vehicle fleet is the largest contributor to Asset Care's CO₂ emissions. Our fleet team identified an alternative vehicle which would enable a material reduction in fuel consumption and CO₂ emissions while maintaining the required safety and functionality for our employees. This vehicle now makes up one third of the ALS Australian fleet. In 2018 this change has saved an estimated 52,600 l of diesel and reduced CO₂ emissions by 38.7 t."

*Mushfiq Raman,
General Manager, Asset Care.*



Local story – Electric car

As a part of our goals to reduce our impact on the environment, this year ALS Life Sciences Norway purchased ALS's first electric car. The environmental benefits of electric vehicles in Norway are increased because 99% of the electric power generated originates from renewable hydropower.

The car is used for sample pickup and delivery services and has a theoretical range of up to 400 km when fully charged. With local weather and road conditions the real driving distance is reduced to 250 to 350 km. Thomas, our local driver, quickly overcame the range anxiety which many experience when switching from fossil fuelled to an electric vehicle. He has learned to rely on the car's indication of the remaining range on the battery and to appreciate the comfortable and silent driving environment of electric cars.



Waste reduction

There is significant variation in the markets and regulatory conditions relating to waste management and recycling across our business streams. Environmental Management, Goal 11 of our HSE Foundation Standard, requires us to ensure our environmental aspects and impacts are monitored and controlled to reduce waste generation where possible. However, it is local operational personnel who maintain these systems and identify relevant local improvement solutions.

In addition to our ongoing management of identified waste streams, this year each of our business streams targeted the identification of two new waste reduction strategies or waste recycling initiatives. Where possible we targeted reduction of waste at the top of the hierarchy. We identified 22 new initiatives through the year, with over 80% focused on preventing, reducing or recycling the waste streams, and the balance ensuring that waste streams were appropriately segregated and disposed.

Local waste reduction – Hawarden

The Hawarden Environmental laboratory reviewed the solid waste streams from its operations and identified an opportunity to divert a large amount of glass waste from landfill to recycling. The reason it was going to landfill was because it was considered contaminated with samples/hazardous substances. While this is true for some glassware there was a large amount that wasn't, but the standard approach was to treat it all the same and not segregate. We introduced a separate waste stream, "Uncontaminated glass" and purchased sufficient bins in the right areas to collect this waste.

Previously the glass waste skip would be emptied once every 9 months and would weigh approximately 6.5 t. Any glass not sent to recycling would be disposed of as contaminated soil waste.

Now, we will be recycling 33.6 t of glass a year compared to 8.6 t previously, diverting approximately 25 t of extra glass from landfill. The glass is processed by a company that cleans, grades, shreds and provides other industries with this raw material. The recycled glass is also estimated to save 10.5 t of CO₂ emissions per year.



Local waste reduction – Brisbane

The Brisbane Life Sciences laboratories identified that the disposal of plastic sample bottles required frequent site pick-ups by the waste removal provider. The teams work-shopped strategies to reduce this waste stream. Due to potential contamination, reuse or recycling of these bottles is not viable, but, by compacting the waste, it is possible to reduce frequency of waste removal and, as a result laboratories' environmental footprint. They designed a crusher system to reduce the total volume of the waste bottles. This change is expected to reduce the number of truck movements dedicated to this waste stream from twenty per month to two per month.

Sample miniaturisation Americas

This year the American Life Sciences team progressed a sample miniaturisation project which reduced the size of sample bottles. The innovative project resulted in reduced waste materials, lower use of chemical reagents, and reduced the energy consumption required for the transport and cold storage of samples. The projects also had a positive influence on safety by reducing the manual handling risks to ALS and client employees.



Water conservation

We recognise that water scarcity affects every continent and can be due to local supply or infrastructure limitations, as well as physical shortages. More than 2 billion people globally are living in countries with excess water stress. With facilities on six continents, we are conscious of that our actions have the potential to impact local people.

We have several laboratories in regions of high water stress, as defined by the World Resources Institute. This year we reviewed these facilities/laboratories and identified that our Antofagasta facility is located within a high water stress area. We introduced a process for the facility to develop and implement a water efficiency management plan to minimise the laboratory's impact on the local water source. The water management plan includes an annual review and feedback process.

Chatteris laboratory reduces their water use

The introduction of waterless urinals at Chatteris UK will reduce water usage by 940,000 litres per annum, equivalent to a reduction of 0.67 t of CO₂ emissions. Combined with the water authority waste handling costs, this provide Chatteris with an annual saving of over £2.7 k.



Society



ALS has operations in over 50 different countries. Being a global citizen, it is important we build mutually beneficial partnerships with broader society. Our most significant contributions to the local economy are from employment, procurement, and the payment of local taxes. In addition, ALS encourages the establishment of locally based programs to support the communities where our employees live and work, focusing on giving to non-profit organizations in the areas of science and education, community development, arts and culture, and environment and conservation.

Many community-based projects were completed throughout the year. These ranged from corporate donations and direct sponsorships, to fund raising and volunteering for a wide spectrum of charities and causes including appeals for natural disasters, neighbourhood clean-up campaigns, children's charities, community health services, cancer research and others.

A selection of these is presented on page 27.

Economic contributions



Governments

We pay all relevant taxes in amounts determined by the legislation of the relevant national, regional and local governments. During the 2017/18 reporting period, ALS contributed \$47m in corporate income taxes.



Local investments

We use local suppliers whenever we can to reduce our costs and to support our host communities where we operate our facilities. During 2017/18, over \$520m was spent with suppliers, the majority of this spent within the local communities in which we operate.



Shareholders

The Company will return to shareholders a final, partly-franked (40%) dividend for 2018 of 9 cents per share with the total dividend for the year being 17 cents (\$84.4 million) – up from 13.5 cents (\$68.0 million) paid in 2017.



Wages

During the 2017/18 reporting period, ALS contributed over \$712m in salaries and wages. As at 31 March 2018, ALS employed 14,078 employees.

Donations

ALS fosters a culture of giving. In August 2017, the southeast region of Texas was devastated by Hurricane Harvey. Historical flooding occurred throughout the Greater Houston area and other parts of Texas. ALS teamed up with The Center Houston, a non-profit organization that empowers and helps individuals with intellectual and developmental disabilities. Their facility suffered extreme loss in the flood. The ALS team hosted a lunch for everyone at The Center and presented a \$100,000 donation toward their recovery.

The partnership continued between ALS and "The Center" throughout the year with ALS employees volunteering their time to help out at the facility.

From the 2017 floods spawned the idea of setting up "ALS Cares", a formal charity committee within the ALS Group. During 2018, a committee will be formed to develop a coordinated in-house workplace giving program. It is proposed that donations made by staff members will be dollar-matched by ALS, up to a capped amount that is refreshed each year. Every 12 months, staff will be able to nominate and select the causes for which they care most via a staff survey.

This will help ensure that workplace giving continues to be a positive part of ALS's culture.



Employment creation

A key contribution to socio-economic development is employment. As at 31 March 2018, ALS employed 14 078 direct employees, with 1,100 new employees joining the group during the year. We invest significantly in the development of a local workforce, with local residents being the beneficiary through the job opportunities we provide. During the 2017/18 reporting period, ALS paid over \$712m in salaries and wages. We operate from over 300 locations in more than 50 countries. Many of our locations are in regional areas which traditionally have higher levels of unemployment. We are proud to be a local employer in these regions and work hard to employ personnel and managers from the local community. A good example of this is with our laboratory in Ulaanbaatar, Mongolia. Close to 100 staff are employed at Ulaanbaatar to support our Geochemistry and Coal testing operations.





Science & education

As a leading global testing services firm, ALS recognises the role science and education has in the development of our community and societies. ALS has formed strategic partnerships with Universities and Colleges in the many countries where we operate to undertake activities ranging from joint research and development projects, through to offering internships and work experience, and student awards and prizes. We regularly open our doors to our larger showcase facilities to allow visits from primary and secondary school students to see how laboratories operate. A number of our managers also volunteer their time to attend local schools to talk to students about the importance of science and the many career opportunities that exist in the field of chemistry. Here are some examples of support ALS provides locally:

- **ALS Chatteris, UK** are involved with local secondary schools, colleges, universities and a local council associated organisation "The Skills Service" specialising in linking businesses and education. The team participated in careers days, mock interviews, science days and a number of visits from potential employees.
- **ALS Rotherham and Mirfield, UK** participate in site open days with school groups.
- **ALS Bor, Serbia** has high school students visiting for site tours as part of pupil's applied science practical work.
- **ALS Izmir, Turkey** provides internship opportunities for college students during the summer period.
- **ALS Madrid, Spain** have agreements with universities and schools on receiving interns from those institutions i.e. students looking for professional experience before finishing their degree.
- **ALS Sudbury and Vancouver, Canada** provide support for University Co-Op student placements at their laboratories.
- **ALS Pardubice, Praha and Česká Lípa, Czech Republic** provide support for high school placements and University placements including diploma thesis projects.
- **ALS Limited Brisbane, Australia** sponsors two annual philanthropic gifts: "The ALS Prize for Geochemistry" (est. in 2014) presented by Associate Dean (Academic), Faculty of Science to a student of University of Queensland with the highest grade in either EARTH3205 or EARTH4222; and "The ALS Limited Prize" (est. in 1984 as recognition of the distinguished service of Sir Lionel McCray as CEO and Chairman over 48 years) presented to a student of UQ Business school with highest GPA for "Master of Business Administration" or "Master of Commerce" courses.



ALS Kalgoorlie, Australia. Lab Manager Peter Neville and Logistics Officer, Renae Fissioli with local students. ALS attend the local primary school, O'Connor Primary, to discuss science.



ALS Hydrographics team assists our clients in Papua New Guinea to install a river monitoring station. The project include formal training in water industry operations through an auspice arrangement between ALS and TAFE Queensland Institute.



Nelson Diaz from **ALS Loughrea, Ireland** with students from the local Saint Bridgids school. ALS sponsors the students in their Formula one racing program known as AutoVince.



Charity

Each year, **ALS Burnaby, Canada** runs “United Way” fundraising. During a week long campaign with various staff events, ALS raises money and awareness for this community based charity. The team has been participating in this annual campaign for the last **19 years and overall raised over \$130,000**. The 2017/18 year will mark their 20th year of participation.

Other sites that get involved in similar programs include:

- **ALS Perth, Australia** participated in the annual HBF Run for a Reason event (either a 4km/12km 21.5km walk or run) where employees raise funds for their nominated charity.
- **ALS Nouakchott, Mauritania** presents a school kit and mosquito nets to local students. ALS sponsors a local association called “ASSOCIATION ENTRAIDE ET SOLIDARITE” assisting disadvantaged kids in the local community.
- **ALS Reno, USA** partners with the Make a Wish Foundation to assist in granting the wishes of children that have been diagnosed with life-threatening medical conditions.
- **ALS Yellowknife, Canada** participate in the Canadian Cancer Society’s “Relay for Life!” – a community event with which family, friends and co-workers get together to raise funds for cancer research and treatment!
- **ALS Vancouver, Canada** organises and sponsors fundraising activities with the “United Way Campaign” to solicit financial contributions from ALS in order to support

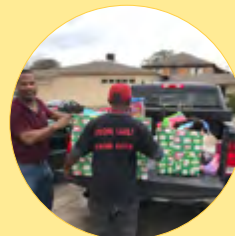
local communities. The campaign ran for two weeks and proceeds went towards United Way Lower Mainland. In 2017/18 ALS raised over \$15,000!

- **ALS Thunder Bay, Canada** participated in Neighbourhood Clean-Up campaigns (for the past three years running).

- **ALS Waterloo, Canada** collected non-perishable food items for THE FOOD BANK OF WATERLOO REGION >100 lbs as a result of Thanksgiving food drive campaign.

- **ALS Houston, USA** employees participated in the Toys for Tots campaign and donated new toys for the kids.

- **ALS Sao Paulo, Bahia, Minas Gerais and Macae, Brazil** bring awareness to global fight against breast cancer. October is the month chosen by the World Health Organisation to celebrate the fight against breast cancer worldwide. ALS employees in Brazil carried out a campaign in all its laboratories for the second consecutive year to raise awareness of this struggle.



Governance



We are committed to sound corporate governance to ensure our long-term sustainability and growth. Our governance framework guides and supports our business operations and activities, provides clear guidance on how authority is exercised, promotes transparency and accountability, and is fundamental to our ability to deliver on our strategy. Our framework enables us to manage potential threats, and to identify opportunities to enhance our sustainability. It defines and provides guidance on the standards of the behaviour and business ethics we expect from those who work for, or with us.

We comply with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition) and regularly review our governance framework to reflect best practice, stakeholder expectations and regulatory requirements.

Our corporate governance framework includes:

- A skilled, experienced and diverse Board of seven (7) directors who, excepting the Managing Director, are independent of management influence. The Board operates under a formal charter and reviews its performance annually.
- Established sub-committees of the Board to assist the Board in discharging its responsibilities. These sub-committees include:
 - a Sustainability Committee comprised of three (3) independent non-executive directors. The committee operates under a formal charter approved by the Board and assists the Board in the effective discharge of its responsibilities in relation to sustainability matters.

- an Audit and Risk Committee comprised of three (3) independent non-executive directors. Operating under a formal charter approved by the Board, the committee approves the Company's risk management policy and framework designed to facilitate and support a sound system of risk management and internal compliance and control.
 - a People Committee that assists the Board with the oversight and development of the Company's people management strategy, including determining appropriate remuneration strategies, talent development, and succession practices to ensure ongoing business sustainability.
- Regular review of our material business risks and how they are managed.
 - A Code of Conduct and policy framework, supported by appropriate training programs, and operational procedures and processes.
 - Scorecards linked to sustainability metrics related to material issues, with achievement of targets linked to remuneration.

In line with our commitment to ensure our long-term sustainability and growth, during the year, we:

- Employed a full-time Group Sustainability Manager to drive our sustainability program.
- Revised our Code of Conduct to include new sections to express our position, expected behaviours and responsibilities on sustainability and human rights.
- Reviewed and revised our Corporate Authority Limit Procedure, which defines limits of authority and approval by the Corporate group.

More information about our governance framework can be found in our 2018 Corporate Governance Statement located on the Company's website alsglobal.com.

Financial performance

We are committed to creating sustained economic performance for our partners and shareholders through the execution of our strategic plan and effective fiscal management, while meeting our corporate social responsibilities. In 2019, ALS's objectives are to continue to grow organically and remain acquisitive in our core business segments to support our strategy of growing our market share as a leading global testing company.

We performed in line with forecast financial guidance. Our operations generated revenue of \$1,446.9m and our underlying net profit after tax (NPAT) was \$142.2m. Our underlying earnings per share was 28.4 cents and the dividend paid per share was 17.0 cents. A full copy of our audited financial statement can be found on Company's website alsglobal.com.

The Managing Director and Chief Financial Officer stated in writing to the Board each reporting period that the Company's financial reports presented a true and fair view, in all material respects, of the Company's financial condition and operational results and were in accordance with relevant accounting standards. These statements were based on a formal sign-off framework established throughout the Company and reviewed by the Audit and Risk Committee as part of the six-monthly finance reporting process.

In conjunction with this certification, the Managing Director and Chief Financial Officer stated in writing to the Board each reporting period that:

- the statement was founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.
- the Company's risk management and internal compliance and control system was operating efficiently and effectively in all material respects.

We aim to keep shareholders informed of the Company's performance and all major developments in an ongoing manner. Information is communicated to shareholders through the Company's annual report, full year and half-year investor presentations, and other correspondence regarding matters impacting on shareholders as required. All material documents that are released publicly are made available on Company's website alsglobal.com



Honesty and Integrity – “An ALS Core Value”

Our Code of Conduct (our Code) expresses the Company’s core values through setting out principles and behavioural standards designed to guide everyone who works for, or on behalf of, us to make the right choices and use good judgment in any situation.

Our Code clearly sets out our core values and our commitment to conducting our business ethically, honestly and fairly. We promote the seamless integration of our core value of “Honesty and Integrity” into every decision we make and everything we do. We recognise that upholding our core value of “Honesty and Integrity” assists in safeguarding our reputation as a successful global company.

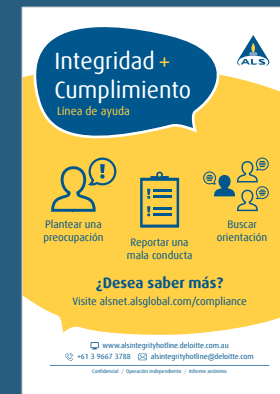
We provide our employees with the means to know, live and uphold our core value of “Honesty and Integrity”, and our other six core values, each and every day. In addition to our Code, our mandatory ALS Global Induction and Code of Conduct courses introduce our employees to our core values. Employees are required to undertake these courses within 7 days of first joining the Company, with the Code course to be retaken every 2 years thereafter. Since our 2017 Sustainability Report, we have launched a revised Code course. Given the diversity of our workforce, we have also expanded the available languages in which this course can be undertaken. Course completions are monitored, managed and reported, with records of course completions electronically maintained.

Code of Conduct training can now be undertaken in Turkish, Russian, Danish, Czech, English, Chinese, Polish, Spanish, and Portuguese languages.

During the past year, in line with our core value of “Doing it Better”, we reviewed our Whistleblower Program against industry best practice, applicable international standards and relevant regulatory guidance. We revised our Whistleblower Policy to reinforce our commitment to developing a culture where employees, or those who work for or on our behalf, are encouraged and supported to report suspected misconduct, safely and without fear of any form of retaliation. We’ve also provided employees additional information on the process followed in responding to allegations of suspected misconduct.

We rebranded our independent third party provided “ALS Integrity Hotline” to the “ALS Integrity + Compliance Helpline” to expand the purpose of this service beyond reporting suspected misconduct. The helpline now provides employees with an additional avenue by which to seek guidance on topics covered by our Code or Company policy. In rebranding we sought to alter any negative perception as to the use and operation of a ‘hotline’ and to reduce any fear or stigma attaching to the use of this service.

Our Chief Risk Officer monitors disclosures, investigations, recommendations and, where appropriate, implementation of actions. Annually, the Audit and Risk Committee, receive a report summarising matters raised via the helpline.



Whistleblower helpline

“The rebranding of our whistleblower hotline to the ALS Integrity + Compliance Helpline provided the opportunity to discuss and reinforce our core value of Honesty and Integrity, and provided employees with the reassurance that the Company encourages a culture of speaking-up and to seek guidance when in doubt.”



Mickey Yu
Vice President,
Consumer Products
Hong Kong

Anti-Bribery & Anti-Corruption – “Zero tolerance for bribery and corruption”

We recognise that bribery and corruption present significant risks to the sustainability of any business and that we are not immune to those risks. We have a strict zero tolerance approach to bribery and corruption in all forms, whether direct or indirect through third parties, and are committed to compliance with all Australian and international anti-bribery and anti-corruption laws. We strictly prohibit the making of facilitation payments, irrespective of their legality. Our Code and our Anti-bribery and Anti-Corruption Policy make this clear.

As part of our continuous improvement efforts we reviewed our anti-bribery and anti-corruption program. As a consequence, we developed a comprehensive set of guidelines to inform our employees as to the minimum standards to be adhered to so as to ensure that we are diligent in our efforts to prevent, detect and manage bribery and corruption risks within our business. The Guidelines for the Prevention of Bribery and Corruption, which replaced our anti-bribery and anti-corruption manual, include Information and guidance on:

- gifts and entertainment;
- facilitation payments;
- political contributions, charitable donations and sponsorships;
- undertaking risk assessments;
- engaging third parties;
- maintaining proper books and records;
- communication and training; and
- reporting suspected instances of bribery and corruption.

We seek to only form business relationships with third parties who share our commitment to conducting business with integrity, ethically and in compliance with the law. Our anti-bribery and anti-corruption program is designed to guide and educate our employees to ensure our core value of Honesty and Integrity is always maintained, even at the risk of losing business opportunities. We facilitate the reporting of suspected instances of bribery and corruption through the provision of our independently provided, confidential and anonymous ALS Integrity + Compliance Helpline.

An additional 780 completions of our online anti-bribery and anti-corruption training course, targeted at managers and supervisors, were recorded. All employees continue to receive training as to our policy on anti-bribery and anti-corruption policies as part of our Code of Conduct online course.

Our compliance and risk team undertake forensic data analytics to identify common fraud, bribery or corruption indicators.

The Audit and Risk Committee and the Board receive information on the design and implementation of the framework to prevent, detect and manage bribery and corruption risk within our business.

Regulatory compliance

Our compliance and risk team is responsible for designing, monitoring and reporting on our systems to maintain our regulatory compliance. Our compliance program aims to ensure we identify, understand and meet our regulatory obligations, and regularly assess our performance in doing so.

Specific policies and programs to address our compliance with regulatory obligations relating to health and safety, workers compensation, environmental protection, anti-competitive behaviour, industrial and employee relations, financial management and taxation, information and data security, privacy, intellectual property, corporate management, and the ASX listing rules are required to be adopted by each of our business streams.

Our compliance portal located on our group intranet supports us in meeting our regulatory obligations. Targeted online and in-person training to reinforce regulatory compliance, and to raise awareness and understanding of regulatory obligations, is an integral element of our compliance program. We develop targeted training where required, and monitor, manage and report training completion rates.

The requirement for relevant managers to confirm their awareness and understanding of our compliance obligations each year by completion of a sign off declaration, continues to support our regulatory compliance. External regulatory compliance metrics, such as the number fines or prosecutions, reinforce a culture of compliance and are incorporated into PPI scorecards.

During the year, we increased our collective knowledge of our regulatory obligations and undertook a number of specific regulatory compliance related initiatives, including:

- enhancing our trade and economic sanctions compliance program;
- re-designing our guidance on addressing bribery and corruption risks;
- launching a cybersecurity awareness online training course;
- delivering targeted training on data breach notification legislation; and
- rebranding our whistleblower hotline.

3-5 year statistics

Financial Year	2013/14	2014/15	2015/16	2016/17	2017/18
People					
No. of Staff Employed	12,206	11,769	11,568	13,942	14,078
No. of training sessions completed	55,289	35,988	28,839	34,721	44,034
% of compulsory compliance training sessions completed	99%	100%	100%	100%	100%
Gender diversity (total female professional roles)	50%	45%	49%	51%	54%
No of instances of non-compliance with discrimination policy	-	-	-	-	0
Safety					
PPI Scorecard	99.35%	86.08	93.41%	90.00%	99.25%
Fatalities	0	0	0	0	0
LTIFR*	1.79	2.14	1.23	1.07	1.00
TRIFR*	4.80	5.15	3.06	4.08	2.70
Hours worked	22,934,082	22,921,906	21,908,179	20,904,846	25,150,122
Environment					
No. of government fines or penalties imposed for environmental related incidents	1	1	4	1	0
No. of uncontrolled releases	0	0	0	0	0
Kilowatts hours consumed	-	-	-	120,622,925	127,474,066
Society					
Spend with local suppliers	-	-	-	\$650m	\$520m
Dividend return to shareholders	\$152.0m	\$84.5m	\$60.8m	\$68.0m	\$84.4m
Governance					
Taxes paid	\$85.7m	\$56.3m	\$39m	\$41m	\$47m
Wages	-	-	-	\$600m	\$712m

* Per million hours worked.

Financial highlights

Revenue up

14.7% to \$1,446.9 million

Underlying net profit[^] up

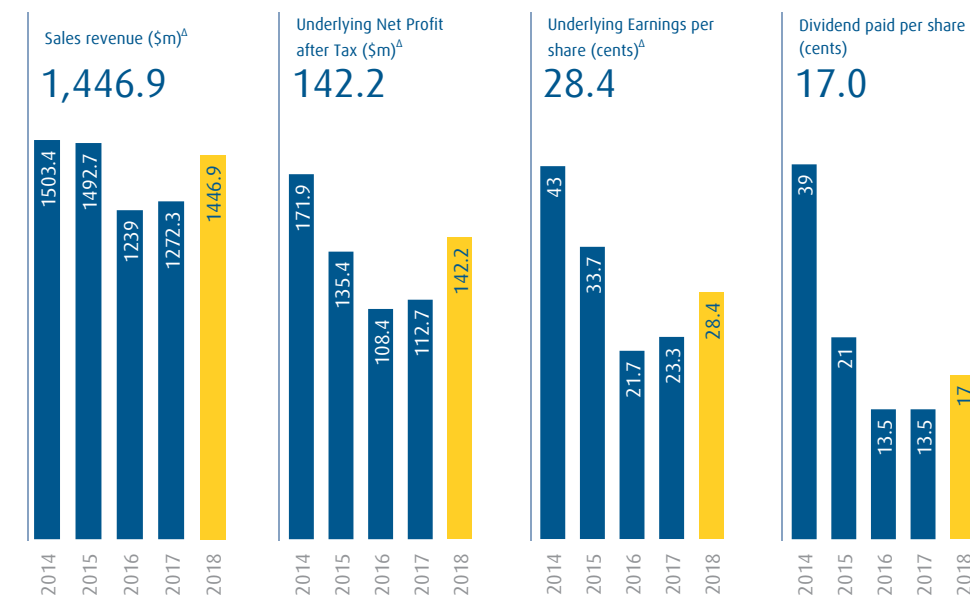
21.1% to \$142.2 million

Underlying Earnings[^] per share

21.9% to 28.4 cents

Total dividend for the year

25.9% to 17.0 cents per share



[^] Underlying net profit is a non-IFRS disclosure and has been presented to assist in the assessment of the relevant performance of the Group from year to year.

^Δ 2016 figures restated for discontinued Oil & Gas operations.

Year at a glance

(from Continuing Operations excluding those Oil & Gas operations which are "held for sale")

31 March	2018	2017 ^Δ
Revenue (\$m)	1,446.9	1,261.5
Underlying EBITDA* (\$m)	289.3	257.6
Underlying EBIT* (\$m)	221.3	192.4
Underlying NPAT [^] (\$m)	142.2	117.4
Underlying earnings per share (cents)	28.4	23.3
Statutory NPAT (\$m)	51.8	81.6
Statutory earnings per share (attributable to members) (cents)	10.3	16.2
Dividends per share (cents)	17.0	13.5
Gearing ratio (net debt/(net debt + total equity) (%))	31.0	29.0

[^] NPAT = Net profit after tax
Underlying net profit is a non-IFRS disclosure and has been presented to assist in the assessment of the relevant performance of the Group from year to year.

* EBITDA = EBIT plus depreciation and amortisation. EBIT = Earnings before interest and tax. The terms EBITDA and EBIT are non-IFRS disclosures. The calculations of EBITDA and EBIT are unaudited.

^Δ restated for discontinued Oil & Gas operations.

Revenue

Total revenue from continuing operations for the consolidated Group was \$1446.9 million for 2018, a 14.7% increase on the \$1,261.5 million recorded in 2017.

The revenue generated by each Business segment was as follows:

Business Segment	2018 (\$m)	2017 (\$m)	% Change
Life Sciences	734.1	641.6	+14.4
Commodities	518.9	427.2	+21.5
Industrial	193.9	192.7	+0.6

Underlying Net Profit

Underlying net profit after tax from continuing operations, attributable to equity holders of the Company, was \$142.2 million for a 21.1% increase on the \$117.4 million underlying net profit achieved in 2017.

The underlying profit contribution from ordinary activities, before interest, tax and corporate overheads for each Business segment was as follows:

Business Segment	2018 (\$m)	2017 (\$m)	% Change
Life Sciences	102.1	99.8	+2.3
Commodities	123.5	86.1	+43.5
Industrial	26.2	26.5	-1.1

Communication

We communicate with our stakeholders through our page on Company's website - alsglobal.com/sustainability, which includes an online feedback submission form, - as well as through corporate publications, media releases, Sustainability Report, Annual General Meeting, and Annual Report.

We require our business streams to have active stakeholder engagement plans relevant to their markets and geographies.

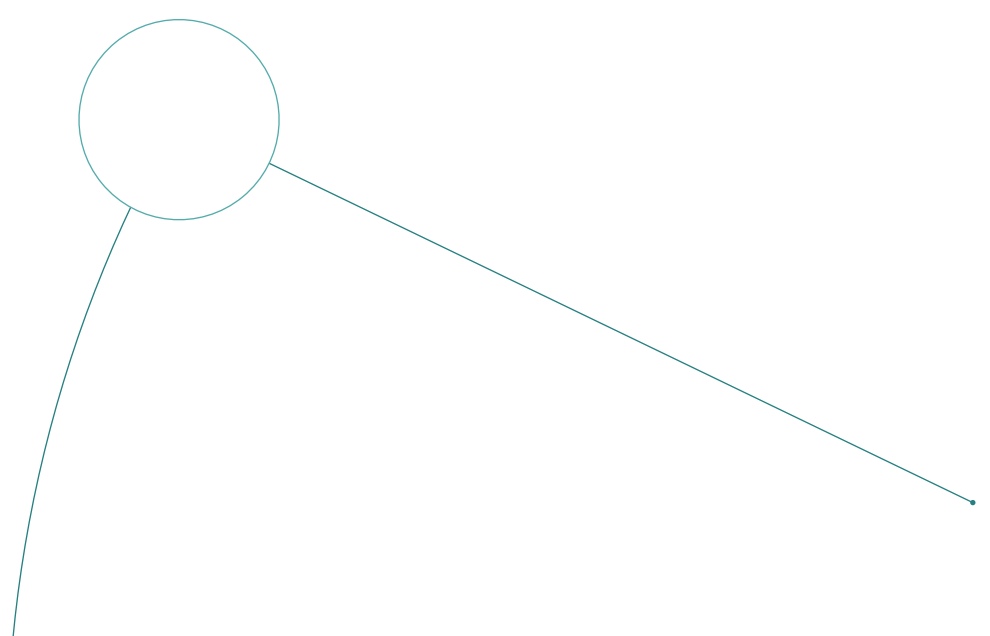
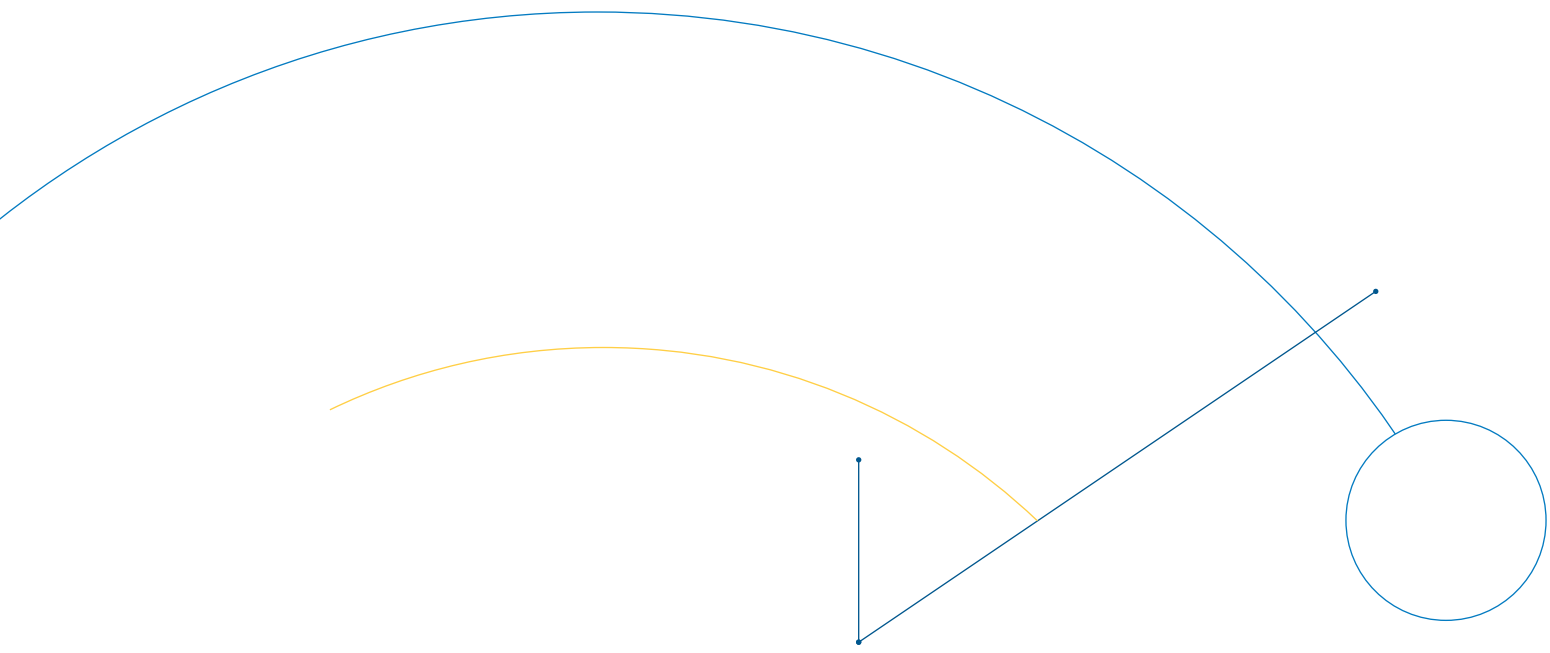
Our key stakeholders include: employees, contractors, governments, regulators, suppliers, customers, labour unions, and shareholders.

As a global employer we communicate to our personnel through our newsletter GlobALScene which is available in ten languages. We also utilise our internal email, Intranet news feeds, and site meetings.

If you have any questions on this report you can email us at sustainability@alsglobal.com. We also welcome feedback on this report which can be given through an online survey which is available on our website.

Glossary

\$	- Australian dollars	HSE	- Health, Safety and Environment
ALS	- Australian Laboratory Services	HSEMS	- Health, Safety and Environment Management System
ASX	- Australian Stock Exchange	JSEA	- Job Safety and Environment Analysis
CMP	- Crisis Management Plan	km	- Kilometres
CO ₂	- Carbon dioxide	kWh	- Kilowatt per hour
CO ₂ e	- Carbon dioxide greenhouse gas equivalent	l	- Litres
EAP	- Employee Assistance Program	LTI	- Lost Time Injury
EBITDA	- Earnings Before Interest, Tax, Depreciation, Amortisation	LTIFR	- Lost Time Injury Frequency Rate (per million hours worked)
EPA	- Environmental Protection Authority	MTI	- Medical Treatment Injury
ERP	- Emergency Response Plans	PPI	- Positive Performance Scorecard for HSE.
FY	- Financial Year	STI plan	- Short Term Incentive remuneration plan for ALS management
GHG	- Greenhouse Gas	t	- Tonnes
GRI	- Global Reporting Initiative	TIC	- Testing Inspection and Certification
HR	- Human Resources	TRIFR	- Total Recordable Injury Frequency Rate (per million hours worked)



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