



H&H Group

20

SUSTAINABILITY REPORT

23

Health and Happiness (H&H) International Holdings Limited

健合(H&H)國際控股有限公司 *(Incorporated in the Cayman Islands with limited liability)*

(於開曼群島註冊成立之有限公司) (Stock Code 股份代號: 1112)

ABOUT THIS REPORT

This Sustainability Report (the “Sustainability Report” or the “Report”) has been prepared by Health and Happiness (H&H) International Holdings Limited (the “Company”, together with its subsidiaries, the “Group”, “H&H” or “H&H Group”), an entity incorporated in the Cayman Islands with limited liability.

The Group is globally headquartered in Hong Kong SAR and has a second head office in London. It has been listed on the Hong Kong Stock Exchange (HKEx) since 2010.

Reporting period and content

This Report provides a comprehensive overview of H&H Group’s vision, strategic approach, and performance aligned with the sustainability issues that are material to our business and relevant to our stakeholders, as identified through our materiality assessment.

The content and data presented in this Report is for the 2023 calendar year, from 1 January 2023 to 31 December 2023, in line with the Group’s reporting period for its financial reporting. The Report covers H&H’s global operations, including our brands, and associated manufacturing, warehouse and distribution facilities and corporate offices. The Report also covers H&H operational entities included in the Group’s financial reporting and excludes minority interests.

Details on the operational entities, financial performance and corporate governance of the Group can be found in our 2023 Annual Report (which includes the Corporate Governance Report), that was released concurrently with this Report on 11 April 2024.

Reporting frequency and access to the Report

We have reported annually on the sustainability performance of the Group since 2016. This is the eighth Group-wide edition.

To access this 2023 Sustainability Report and our previous Sustainability Reports, please [click here](#).

A Chinese translation of this Report (and previous years’ Sustainability Reports) is also available on our website. In case of discrepancies between the Chinese translation and the English version of this Report, the English version shall prevail.

Reporting principles and external standards

H&H Group has reported in accordance with the Global Reporting Initiative (GRI) Standards and Appendix C2: Environmental, Social and Governance Reporting Guide of the Main Board Listing Rules of the HKEx (the “HKEx ESG Reporting Guide”) for the reporting period.

Please refer to our Disclosure Index detailed in Appendix 5 for a complete listing of GRI disclosures included in this Report. The GRI has not verified the contents of this Report, nor does it take a position on the reliability of information reported herein. For further information about the GRI, please visit www.globalreporting.org.

In addition, this Report references the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Please refer to our TCFD Recommendations Disclosures Index in Appendix 6 for more details.

External assurance

The Group sought external professional advice on materiality assessment, stakeholder engagement and, to some extent, Report content and format.

We seek external limited assurance on our sustainability reporting to help ensure the quality of information contained within this Report.

CECEP (HK) Advisory Company Limited was appointed to perform independent limited assurance engagement on this

Report in accordance with the AA1000 Assurance Standard (v3) (the “Assurance Statement”). The Assurance Statement, included in Appendix 7, describes the scope and basis of the limited assurance engagement. The assurance process has allowed us to strengthen our confidence in, while continually improving, our reporting processes. We trust that this external assurance provides additional credibility and confidence to our disclosures.

Get in touch

We are happy to speak with you about the content of this Report and how sustainability is integral to H&H’s business growth. Please reach out to:

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MESSAGE FROM OUR CHAIRMAN



At H&H, we are driven by a profound belief in the transformative power of health and happiness.

As we present our Sustainability Report and reflect on our 25-year legacy, we reaffirm our commitment to sustainability goals and the creation of shared value with all our stakeholders.

We firmly believe that sustainability is not just a short-term strategy but an enduring principle that shapes our long-term vision. It is integral to our business strategy. This year, achieving the B Corp certification in China, Australia and New Zealand, North America, France, and the United Kingdom is a testament to our ongoing commitment to generate positive impacts that transcend financial returns as we strive towards a sustainable future. The progress we have made since presenting our ambitious B Corp commitment to our external stakeholders in 2020 demonstrates our long-term commitment and highlights the remarkable journey we have undertaken to date.

Sustainability governance lies at the heart of our operations, and the Board of Directors bears ultimate responsibility and oversight for the Group's sustainability issues. We remain dedicated to effective governance, ensuring that sustainability is fully integrated into our decision-making processes.

In 2023, we implemented significant updates to our sustainability governance, including the introduction of a new governance model – our CEO office/Rotating CEO model – which

strengthens our ability to address emerging challenges and support sustainability. Our ESG Committee, established in 2022, has proven to be the cornerstone of our sustainability strategy and the management of our impacts. Furthermore, we provided specialised training to our Board members on climate risks and opportunities, equipping them with the necessary knowledge to navigate the evolving sustainability landscape.

The Board's involvement in the process to evaluate, prioritise, and manage the Group's material sustainability-related issues underscores our commitment to comprehensive sustainability reporting. The Board is also presented regular progress reports on the Group's sustainability strategic key performance indicators (KPIs) and metrics. This enables us to assess the effectiveness of our strategies and make informed decisions to drive continuous improvement.

On behalf of the Board, I would like to express our deepest gratitude to all our stakeholders for their invaluable contributions and unwavering support in advancing our sustainability goals. We understand that our journey towards sustainability is only possible through collaboration and engagement with our diverse stakeholders. Together, we have achieved significant milestones, and we are grateful for the trust and partnership that underpins our collective success.

Looking ahead, we are committed to continuously dedicating our efforts to achieve our sustainability targets. In 2024 and beyond, we will strive to deliver further meaningful progress. We understand that the challenges we face are complex and ever-evolving, but we are resolute in our pursuit of a sustainable future. Just as we have been disruptive over the past 25 years, we will continue to embrace innovation and be unafraid to be pioneers, even in our sustainability journey. With the unfailing support of our stakeholders, we are confident that we can make a lasting positive impact on the world.

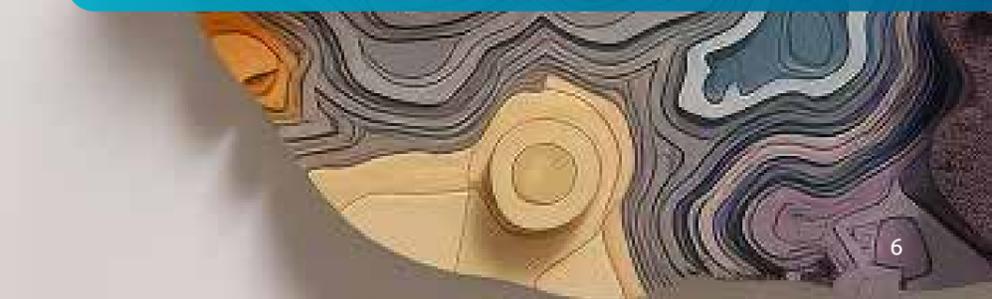
Once again, thank you for your continued trust and collaboration.

FEI LUO
Chairman



H&H stands for Health and Happiness.

It's in our name.
It's in our every day.
It's in everything we do.



MESSAGE FROM OUR CEO



I am delighted to present our Sustainability Report as the current CEO of H&H. As a company, we recognise that our efforts must encompass the wellbeing of our people, pets, and the planet to truly make a positive impact. Our four core impact areas – Advancing the Story of Good Health, Reducing our Footprint on the Planet, Honouring Human Rights and Fairness, and Supporting Good Governance – and our strategic pillars of People, Planet and Product, translate our sustainability strategy and encompass our material topics. These areas align with our core values and Group strategy, guiding our actions and decisions.

In 2023, our sustainability efforts received significant recognition, further reinforcing our commitment to pushing the boundaries. We are proud that our businesses in China, Australia and New Zealand, North America, France, and the United Kingdom successfully obtained the B Corp certification. This achievement stands as a testament to our commitment to incorporating social and environmental considerations into our core business operations. Furthermore, we achieved notable upgrades in our ESG performance ratings on two prominent platforms: our Hang Seng/HKQAA rating increased from A to A+; and our MSCI rating elevated from A to AA. These upgrades demonstrate our firm dedication to delivering sustainable value.

Innovation for lifelong health: supporting the whole family every step of the way

Supporting the health and wellness of the whole family remains a top priority for us and drives our innovation framework. In 2023, our dedication to research and development (R&D) and innovation continued to drive cutting-edge solutions across our three business segments that enhance the health and wellbeing of our consumers.

By staying at the forefront of scientific advancements, we strive to develop groundbreaking products that address the evolving needs of individuals and families (including pets) across all stages of life. Our focus on our H&H wellbeing pillars of Nutrition, Movement, and Mind ensures that our portfolio remains structurally anchored in health trends, delivering optimal health impact for our consumers. We are, and will remain, particularly committed to promoting healthy longevity and meeting the nutritional needs of children through our range of paediatric nutritional supplements.

By prioritising the unique health needs of individuals across different age groups, we have made it our mission to provide comprehensive support for the wellbeing journey of the entire family. In 2023, we proudly introduced Inostime in France, a game-changing infant milk formula (IMF) series enriched with Lactopontin (LPN), a crucial component of breast-milk. Capitalising on our strengths in organic and goat milk IMF, and with the backing of Biostime's strong brand equity, this innovative new series is the first to launch in the market. Furthermore, we unveiled Swisse L-Ergothioneine HA

Collagen + tablets, an innovative beauty from within product that revolutionises anti-ageing skincare. Infused with L-Ergothioneine, a renowned anti-ageing ingredient in the skincare industry and supported by rigorous scientific studies, this product sets a new benchmark in anti-inflammatory ageing defence. Its introduction not only reaffirms our commitment to the beauty from within market, but also establishes a new standard for promoting youthful and radiant skin. In 2023, we extended our dedication to promoting longevity and vitality beyond humans by launching the Healthy Aging NAD+ Precursor supplement for dogs. This supplement is specifically formulated to enhance metabolic health and facilitate cellular energy repair, while also supporting the regeneration of NAD+ levels. By addressing the unique needs of our dogs, we aim to contribute to their overall wellbeing and ensure they lead healthy and fulfilling lives.

Aligning with global goals: emissions targets and sustainable packaging efforts

Taking decisive action on climate change is crucial. In 2023, we proactively engaged with the Science Based Targets initiative (SBTi), which successfully validated our greenhouse gas (GHG) emissions reduction targets. This validation affirms our resolute commitment to aligning with global efforts in mitigating the impacts of climate change. By continuously refining our business practices, we are actively taking tangible actions to reduce our carbon footprint and contribute to the low carbon economy. We are proud to announce that our emissions related to freight (one of our SBTi targets) have been reduced by 37% compared to 2022. Moreover, our two in-house factories in China have been certified carbon neutral

Supporting the health and wellness of the whole family remains a top priority for us and drives our innovation framework. In 2023, our dedication to research and development (R&D) and innovation continued to drive cutting-edge solutions across our three business segments that enhance the health and wellbeing of our consumers.

Message from our CEO continued

globally recognised PAS 2060 standard for carbon neutrality. This achievement highlights our efforts to minimise our environmental impact and underscores our commitment to sustainable manufacturing practices. In 2023, we also launched the H&H Academy for Change, our climate action learning journey designed to empower our team members worldwide to lead the way in shaping a sustainable future for our Group and the global community.

In 2023, our commitment to sustainability led to significant achievements in packaging consumption reduction and increased recycled content. We successfully reduced packaging consumption by 1,397 metric tonnes compared to 2022; and we raised our recycled content rate from 16% to an impressive 25%, illustrating our dedication to incorporating recycled materials and promoting a circular economy. We maintained a high recyclability rate at 95% in 2023. We remain committed to progress through collaboration, research and development, and finding innovative solutions for recyclable packaging that meets our quality standards. Furthermore, Swisse China made a significant impact with its inaugural recycling campaign, successfully raising local brand awareness while educating consumers about the crucial role of recycling in environmental sustainability. This innovative campaign combined consumer engagement and educational initiatives, empowering individuals to reduce their ecological footprint.

Commitment to DE&I: embracing diversity in decision-making

Diversity, Equity, and Inclusion (DE&I) are fundamental aspects of our Company culture. To foster inclusivity and diversity throughout our entire organisation, we have deployed regional DE&I strategies that take into account local nuances and specificities. Furthermore, in line with our commitment to DE&I, we welcomed a new female Director to our Board, commencing her tenure on 1 January 2024. This appointment signifies our dedication to promoting gender equality and ensuring diverse perspectives are represented at the highest level of decision-making within our organisation.

I firmly believe that the diversity of our Board, coupled with the diverse composition of our One Big Team, which includes a remarkable 66% of female team members and a wide range of backgrounds and expertise, amplifies our collective capabilities and fosters a culture of innovation and inclusivity throughout our organisation.

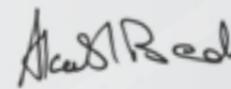
Ten years of the H&H Foundation

2023 marked the 10th anniversary of the consolidation of our Group's community investment efforts under the banner of the H&H Foundation. Over the past decade, we have dedicated over USD10 million to initiatives that create meaningful and lasting impact. Our contributions have extended to more than 64 charities across 12 countries, positively touching the lives of more than 15,000 individuals. Since its inception, H&H Foundation has actively supported various initiatives and causes that address critical social issues through our Nutrition, Movement and Mind lens and a DE&I perspective. Our commitment to making a difference in the lives of individuals and communities through our ongoing philanthropic efforts remains as strong as ever, with a total community investment reaching USD3.4 million in 2023.

Pioneering an innovative governance for sustainable impact

In 2023, we deployed our innovative spirit by implementing a forward-thinking governance approach. The CEO office/Rotating CEO model that we adopted ensures diverse perspectives and fresh insights are brought to the forefront of decision-making, fostering agility and adaptability in addressing environmental and social challenges. Complementing this model, the ESG committee that was established in 2022 is the cornerstone of our sustainability strategy. This combined approach aligns our governance structure with our commitment to sustainability, empowering us to navigate the complexities of the evolving landscape effectively.

As we look to the future, we recognise that sustainability is an ongoing journey of continuous improvement. Our vision is to persistently cultivate shared value, set ambitious targets and foster a culture of sustainability throughout our organisation. We recognise the importance of collaboration and will actively engage with stakeholders to address emerging challenges and seize new opportunities.



AKASH BEDI
Chief Executive Officer

Driving positive change: highlights from our 2023 sustainability performance

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5 H&H entities*
B Corp certified
representing 81.6% of H&H global sales and 95% of H&H team members



Validation of our GHG emissions reduction targets by SBTi



Supported Isigny Sainte-Mère Cooperative's carbon footprint



Upgraded our MSCI rating to AA



Upgraded our Hang Seng/HKQAA rating to A+



Our factories in Guangzhou and Changsha certified carbon neutral (PAS 2060)



5 Great Place To Work awards



H&H Academy for Change
Celebrate Our Environment Every Day
Creation of the H&H Academy for Change (our training on climate action)



Business For Societal Impact Corporate Citizenship Verified

*H&H China, H&H Australia and New Zealand, H&H North America, H&H France and H&H UK are B Corp certified companies.

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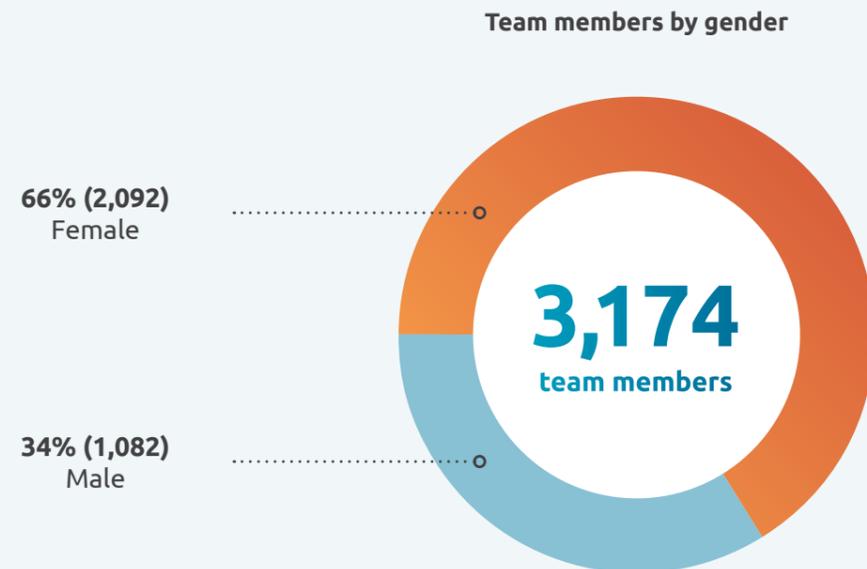
WELCOME TO THE WORLD OF H&H

H&H Group is a global premium health and nutrition company. Dynamic, courageous, and ambitious in our mission to make people and their pets healthier and happier, we strive to inspire wellness while contributing positively to the needs of society and the planet.



OUR PEOPLE

Our people and our passion are the reason we prosper.



OUR GLOBAL PRESENCE AND MARKETS

H&H Group is globally headquartered in Hong Kong SAR. We established a second head office in London in 2022 to support our strategy to grow and globalise our business.

Our countries of operation

Our team members are located across 15 countries – Australia, New Zealand, Greater China, Singapore, India, Thailand, Malaysia, Indonesia, Switzerland, France, Italy, Ireland, the United Kingdom (UK), the United States (US) and Canada.

	Team members
Mainland China	2,417 (76%)
Australia and New Zealand	277 (9%)
Europe	257 (8%)
North America	145 (5%)
Asia excluding mainland China	78 (2%)

Our markets (revenue contribution across markets)

We have established market positions in China, Australia, New Zealand, the US, France, Italy, Singapore, Hong Kong and the UK, and increasing market recognition in other international markets. In 2023, we expanded our brand presence into new markets, introducing our Swisse brand in Saudi Arabia and Cambodia, and our Zesty Paws brand in Singapore, Malaysia, Indonesia, Thailand, the Philippines, Hong Kong and the United Arab Emirates.

Total global revenue	RMB13,926.5 million
Mainland China	RMB9,972.7 million
Australia and New Zealand	RMB1,794.6 million
North America	RMB1,498.2 million
Other territories (including Europe and Asia, excluding mainland China)	RMB661 million

Product units sold in total = 154,203,143



OUR BRANDS AND BUSINESS SEGMENTS

Our premium brands – Biostime, Swisse, Zesty Paws, Solid Gold, Dodie, Good Goût and Aurelia London – provide nutrition and wellness solutions backed by science to the whole family (including pets).

Our business operations consist of three core strategic segments – Adult Nutrition & Care, Baby Nutrition & Care, and Pet Nutrition & Care.

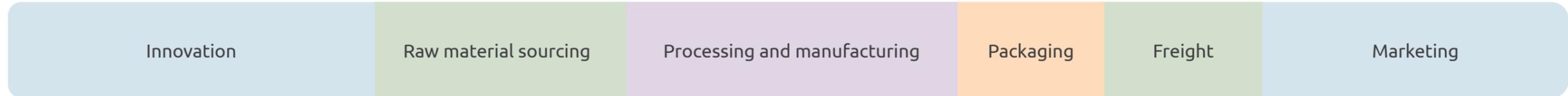
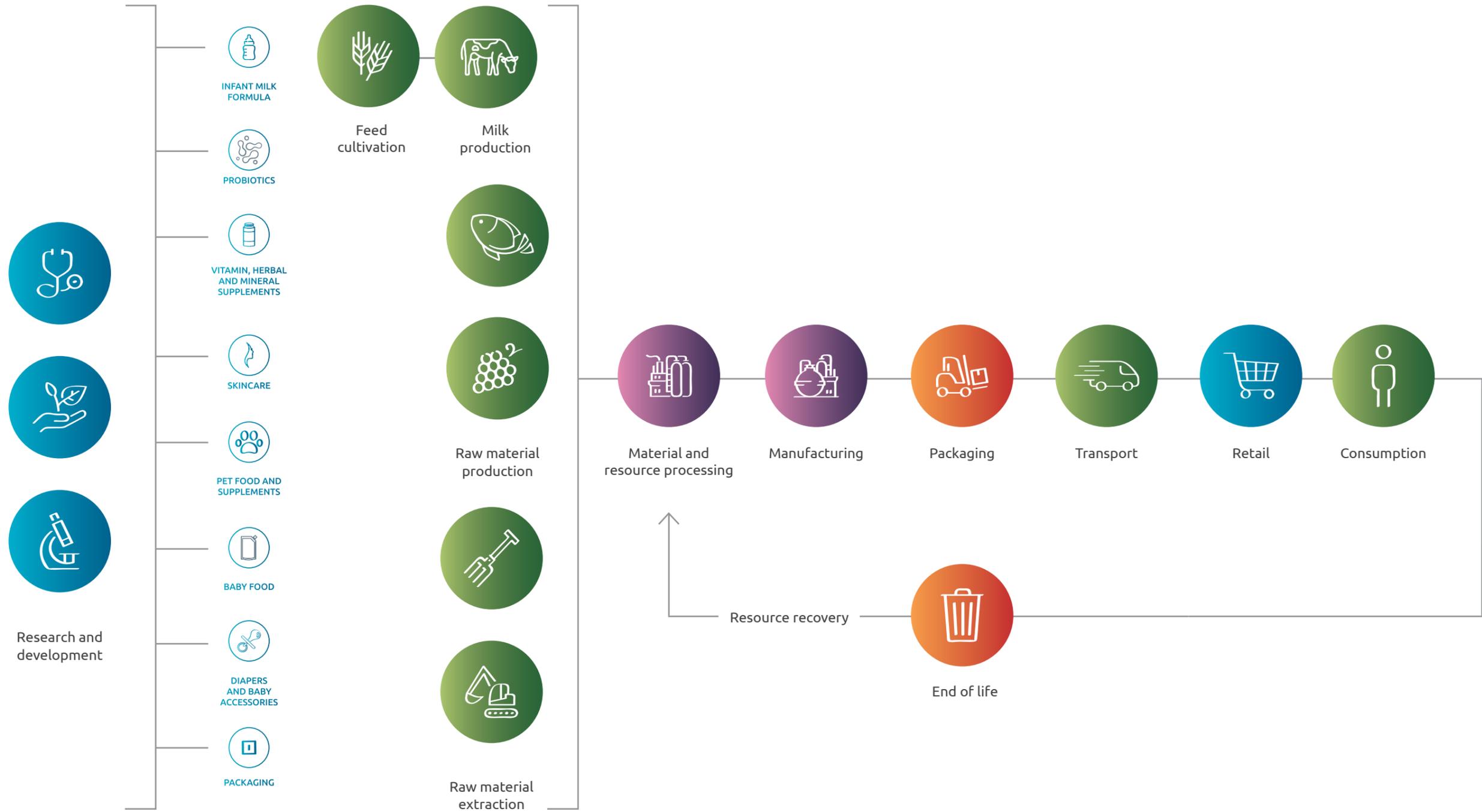
Our product segments consist of nutritional supplements (including vitamin, herbal and

mineral supplements (“VHMS”) products, paediatric probiotic and nutritional supplements, pet supplements), infant formulas and other products (including pet food, baby food and snacks, baby accessories and other skincare products).

ADULT NUTRITION & CARE (ANC)		BABY NUTRITION & CARE (BNC)		PET NUTRITION & CARE (PNC)	
RMB6,144.9 million Revenue contribution		RMB5,907.5 million Revenue contribution		RMB1,874.1 million Revenue contribution	
	Vitamins, Supplements, Functional Food and Skincare 		Children's Probiotics, Prebiotics, Supplements and Infant Milk Formula 		Dog and Cat Nutrition and Supplements 
	Skincare and Supplements 		Baby Bottles, Diapers, Accessories and Skincare 		Dog and Cat Nutrition 
	Organic Baby and Children's Food 				

*In December 2023, CBII, a brand specialising in CBD supplements and skincare ceased its operations. We did not sell CBD products in any markets where they are banned.

OUR VALUE CHAIN



OUR BUSINESS STRATEGY AND VISION

Our Group strategy is anchored in our desire to create long-term value for all our stakeholders, including shareholders.

Our consumer-centric growth model underpins an 'outside in' approach which drives a greater emphasis on making considered choices in the way we expand based on consumer needs and our right to win.

Our primary growth contributors remain organic growth across our three business pillars of ANC, BNC and PNC in our existing markets, together with expanding our core brands Biostime, Swisse and Zesty Paws into new markets with strong growth potential. We believe we can continue to build from our core business pillars and, in particular, scale-up our PNC business, which is further fuelled by targeted innovation in product development and new technology.

When faced with both challenges and opportunities, we have always positioned H&H Group as a mission-driven and sustainable Company that is committed to investing for the future, creating shared value to both business and society, and building a platform for sustainable and profitable growth.

We also strongly believe that sustainable development is not only a business imperative, but also a winning strategic opportunity – a chance to infuse purpose into our operations, to spark innovation and deliver meaningful impact with our brands.



The H&H framework of growth

To become a global leader in premium nutrition and wellness through superior products and aspirational brands



WINNING IN CORE

Driving growth in fast-growing and high-margin nutritional supplements, maintaining healthy profitability for IMF, and stable growth for Solid Gold pet food

- Swisse, mainland China and Australia and New Zealand
- Biostime, mainland China
- Zesty Paws, North America
- Solid Gold, mainland China and North America

PROFITABLE SUSTAINABLE GROWTH

GLOBALISATION AND DIVERSIFICATION

Expanding our core brands into new markets

- Swisse, Asia and Europe
- Zesty Paws, Asia, Europe, mainland China and Australia and New Zealand
- Biostime, Australia and New Zealand and Europe

THE CORRECT STRATEGY

INVESTING FOR THE FUTURE

Seeding new business models with a long-term vision

- Digitalisation
- Sustainability embedded in innovation
- Breakthrough innovation through partnerships

SUSTAINABILITY AS SUCCESS DRIVER

EFFECTIVE CAPITAL MANAGEMENT



Our framework for growing shared value

At the core of our business purpose lies the belief in the symbiotic connection of Health and Happiness as a catalyst for progress.

We recognise that our sustainability efforts must encompass the wellbeing of our people, pets, and the planet to truly make a positive impact. By prioritising the holistic nature of our mission, we understand that our business success is deeply intertwined with meeting the needs of society and safeguarding the health of our environment. Additionally, we place great value on the role of communities in fostering sustainable development, as they are essential partners in creating a better future.

This commitment to a holistic approach to sustainability is the driving force that shapes our business purpose, as we strive to deliver long-term growth that not only benefits our team members and stakeholders but also contributes to the wellbeing of the wider society.



GROWING OUR IMPACT WITH THE B CORP FRAMEWORK

We have embraced the B Corp framework as a pivotal step towards expanding and amplifying our impact.

Recognised as one of the most demanding certifications that evaluates brands' social and environmental impact and governance, B Corp provides a robust framework through which we can uphold our belief in the symbiotic connection of Health and Happiness as a catalyst for progress.

In 2023, we achieved a momentous milestone as five of our entities – H&H China, H&H Australia and New Zealand, H&H North America, H&H France, and H&H UK, representing 81.6%* of our revenues and covering 95%* of our team members – achieved B Corp certification. This accomplishment not only reflects our commitment to creating shared value but also reinforces our accountability to both people and the planet. This certification marks a critical step towards our Group-wide certification and signifies a new stage in our ongoing dedication to making a positive impact on people, society, and the planet. It demonstrates our commitment to act on climate change, support

communities, drive innovation, and foster a diverse and inclusive workforce.

While this milestone is significant, we view it as a steppingstone towards continued progress. We remain dedicated to advancing our sustainability journey, with our immediate focus and efforts directed towards obtaining a Group-wide B Corp certification that encompasses all our entities. Looking ahead to the long term, we will continue to hold ourselves to the highest standards, refining our sustainability strategy, and developing targets that align with the stringent and ever-evolving certification criteria set by B Lab. We recognise the importance of continuous improvement and will remain dedicated to advancing our sustainability efforts.

The B Corp framework enables us to integrate sustainability into our core business operations, empowering us to drive positive change across our entire value chain. We are proud to leverage this framework to exponentially grow our impact, ensuring that our business practices align with our mission of creating a healthier and happier future.

Five H&H entities are now



H&H UK	101.6 pts
H&H North America	99.3 pts
H&H France	99.2 pts
H&H China	91.3 pts
H&H Australia and New Zealand	88.8 pts

* As of 31 December 2023.



WHY B CORP?

Certified B Corporations are a community of leaders driving a global movement of people using business as a force for good.

For H&H, being part of the B Corp community and being certified is an integral part of our sustainability strategy. We introduced our commitment to becoming a Group-wide B Corp by 2025 to our internal and external stakeholders in 2020, as we recognised the importance of going beyond profitability. By voluntarily meeting high standards of transparency, accountability and performance through certification, we ensure that our business delivers value and relevance to society and the planet.



OUR MEMBERSHIP ASSOCIATIONS IN 2023

We take on significant roles with various industry associations and hold memberships where we see shared value within certain topics, require certification, or have opportunities for collaboration – whether it be in science, innovation, quality, operations, or broader advocacy. We do this with an awareness of our responsibility as a multinational company that has the ability to enhance the social and economic environment in which we operate.



02

SUSTAINABILITY AT H&H

SUSTAINABILITY GOVERNANCE

At H&H, we firmly believe that integrating sustainability into our core strategy and corporate governance is paramount. We recognise that a robust sustainability governance structure enhances our ability to identify and respond to sustainability-related opportunities and risks. By embedding sustainability into our decision-making processes, we aim to foster long-term growth and resilience.

The Board

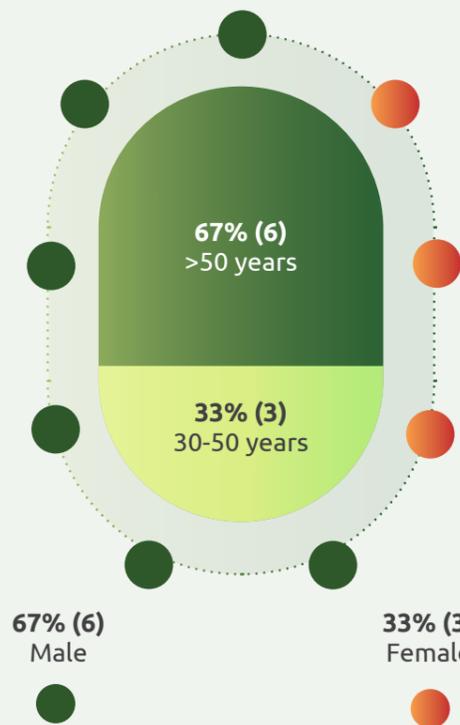
The Board of Directors (the “Board”) has ultimate responsibility for sustainability strategy and reporting. The Group’s sustainability strategy, performance and governance is a standing item on the agenda of Board meetings.

The Board has delegated the responsibility for overseeing particular aspects of the

Group’s affairs to four committees – the Audit Committee, the Nomination Committee, the Remuneration Committee (these all consist of a majority of Independent Non-executive Directors) and the ESG Committee.

Please refer to our H&H Group 2023 Annual Report for more details about our Directors’ roles and responsibilities, and the Group’s corporate governance.

Board members* by age group and by gender



A new female Director joined our Board

In 2023, H&H reached a significant milestone in its commitment to diversity by appointing a new female Director to our Board, effectively raising the proportion of female representation on the Board to 33% (effective 1 January 2024).

This accomplishment holds importance as it signifies an achievement for H&H, surpassing the threshold of 30% female composition on the Board for the first time. It also shows that H&H is following through on the commitment, made in 2022, to increase the number of women on the Board to at least 30%.

* Information based on the composition of the Board as at 1 January 2024.



Fei Luo
Executive Director
Chairman of the Board
13 years tenure



Yidong Wang
Executive Director
6 years tenure



Laetitia Albertini
Non-executive Director
6 years tenure



Wenhui Zhang
Non-executive Director
13 years tenure



Yun Luo
Non-executive Director
13 years tenure



Mingshu Zhao Wiggins**
Non-executive Director
0.4 year tenure



Wee Seng Tan
Independent
Non-executive Director
13 years tenure



Yin Ching Lok Lau
Independent
Non-executive Director
4 years tenure



Pr. Yuan Ding
Independent
Non-executive Director
1 year tenure



**The Board appointed Mrs. Mingshu Zhao Wiggins as a non-executive Director on 29 December 2023, effective from 1 January 2024.

The committees of the Board

The Board has delegated its powers, authorities and discretions to the four following committees, consisting of Directors or Directors and other persons as it thinks fit:

- the Audit Committee
- the Nomination Committee
- the Remuneration Committee
- the ESG Committee.

The ESG Committee

The ESG Committee is a cornerstone in the Group’s sustainability strategy and management of impacts. It leads the Group’s sustainability strategy by:

- assisting the Board in overseeing, reviewing and monitoring the progress made against targets on sustainability, as well as making recommendations to the Board on the establishment and development of the Group’s vision, objectives, targets and strategies on sustainability

- developing, reviewing and overseeing the implementation of the sustainability policies and procedures of the Group on their effectiveness and make recommendations to the Board
- identifying the relevant sustainability issues and relevant circumstances that significantly affect the operations of the Group and/or the interest of other important stakeholders
- reviewing major trends in sustainability and related risks and opportunities to ensure alignment of the Group’s position and performance on the sustainability issues with relevant requirements and standards, and making recommendations to the Board
- managing the risks associated with the sustainable development of the Group
- improving the quality of sustainability information disclosure.

The creation of the ESG Committee has been a major step for the governance of the Group’s impacts.

The ESG Committee is supported by an ESG Working Group consisting of experienced senior executives and Directors from domains that have a substantial impact on the sustainability strategy of the Group (including, Quality, R&D, Innovation, Supply, Finance, People and Culture, Risk and Governance). The primary role of the ESG Working Group is to work with the ESG Committee to improve the quality of sustainability information disclosure and more generally to assist the ESG Committee in its missions.

In its inaugural year, the ESG Committee proved to be a driving force behind the Group’s sustainability strategy. Notably, the committee played an instrumental role in adopting the Group’s sustainability

commitments, effectively directing the organisation’s efforts with key material topics. It established a direct link between the CEO’s remuneration and sustainability goals, emphasising the importance of sustainable practices throughout the leadership structure. Additionally, the strategic decision to advance the Group’s ambition in the SBTi, and pursue carbon neutral certification for H&H’s in-house manufacturing facilities, showcases the committee’s dedication to reducing the Group’s environmental impact. Lastly, the committee’s contribution to developing a comprehensive approach to diversity, equity, and inclusion (DE&I) underscores its commitment to fostering an inclusive and equitable work environment.

As the Chairwoman of the ESG Committee, I am delighted to reflect on the impactful contributions we made to H&H's sustainability journey in 2023. Over the course of our first full year, we successfully elevated sustainability to the forefront of the Board's agenda. Serving as the voice of sustainability, our committee played an integral role in advocating for its importance during Board discussions.

Laetitia Albertini, Chairwoman of the ESG Committee

Our ESG Committee is composed of:



Fei Luo

Executive Director
Chairman of the Board



Laetitia Albertini

Non-executive Director
Chairwoman of the ESG
Committee



Pascale Laborde

Chief Growth and
Sustainability Officer

The other committees

The Audit Committee, Remuneration Committee and Nomination Committee of the Board all have important roles to play in the sustainability governance of the Group. Among other functions, including but not limited to:

- the Audit Committee oversees the Group’s anti-fraud system (including its whistleblowing reporting system)
- the Nomination Committee is in charge of applying the Board Diversity Policy
- the Remuneration Committee is responsible for establishing a formal and transparent procedure for developing the remuneration policy and structure for all Directors’ and senior management’s remuneration.

Please refer to our H&H Group 2023 Annual Report and the terms of reference of each of the Board committees uploaded on our Group website for more details on their respective attributions.

Chief Executive Office

In November 2023, for the purpose of providing consistent and sustainable leadership to the Group's management, the Board has established a Chief Executive Officer (CEO) Office, comprising (i) a Rotating CEO, which will be sequentially taken by Regional CEO of North America and Europe, Regional CEO of Asia, Australia and New Zealand, and Regional CEO of China, who acts as the CEO of the Group by rotation (in the above mentioned order)

for a term of nine months each and which first term started on 1 December 2023; and (ii) as standing members, the Group's Chief Financial and Operating Officer, the Group's Chief People Officer and the Chairman of the Board.

The Rotating CEO reports to the Chairman of the Board. Our innovative governance structure enables a holistic and integrated approach to sustainability, driving our sustainable growth and addressing both global and regional challenges effectively.

Innovative governance supporting sustainability: the Rotating CEO/CEO office model

Our Group has adopted an innovative governance structure that revolves around a Rotating CEO model, supported by standing members including the Chief Financial Officer, Chief People Officer, and the Chairman of the Board. We firmly believe that this approach brings numerous benefits to our sustainability strategy, including:

- **diverse leadership** – rotation among Regional CEOs ensures diverse perspectives, addressing global and regional sustainability challenges effectively
- **holistic decision-making** – the governance structure ensures a holistic approach to the Group's sustainability strategy
- **accountability and reporting** – the Rotating CEO reports to the Chairman, establishing clear accountability and transparent reporting of sustainability goals
- **knowledge transfer and learning** – rotation facilitates the exchange of best practices, accelerating the adoption of sustainable initiatives
- **continuity** – the standing members of the CEO office provide stability and ensure that initiatives and progress continue seamlessly between CEO transitions.

Senior executive team

The H&H senior executive team* manages business performance in line with our financial and ESG goals and objectives.

The senior executives sponsor, and are accountable for, the sustainability-linked projects in their respective areas of responsibility.

They also represent the Group's sustainability position and approach to external audiences, e.g. through articles, opinion pieces, media interviews and/or presenting at conferences.

All senior executives have specific sustainability KPIs set at the beginning of the year and incorporated into their reward scheme. 15% of the 2023 CEO and senior executives' short-term incentive plans were formally linked to ESG KPIs**.

Sustainability team

Our Sustainability team drives our sustainability strategy, works with relevant function areas to translate it into tangible action plans, and monitors progress and performance. It tracks the advancement of the Group's commitments and goals regularly with the relevant senior executives and their teams.

The Sustainability team also represents and shares the Group's position on sustainability to many stakeholders including investors, suppliers and team members. The Global team is led by our Chief Growth and Sustainability Officer who is part of the H&H senior executive team and reports directly to the Rotating CEO.

All team members

All team members are responsible for considering how they can contribute to our sustainability journey and impact areas. They also implement, and give valuable insights to enhance, the sustainability action plan.

Since 2022, the senior managers of the Group have sustainability KPIs included in their incentive plans.

*To review the composition of this team, please see the 'Biography of Directors and senior management' section (Senior management sub-section) in the 2023 H&H Group Annual Report.

**The Board retains the authority to adjust the plan according to bonus scheme and the business development.

OUR SUSTAINABILITY IMPACT AREAS

Since 2018, we have been participating in the UN Global Compact. This is a global call to companies to align strategies and operations with universal principles (the “Ten Principles”) regarding human rights, labour, environment, and anti-corruption, and to take actions that advance societal goals.

These principles are derived from the Universal Declaration of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the UN Convention against Corruption.

We incorporate the UN Global Compact and its Ten Principles into H&H Group’s strategy, culture and day-to-day operations. We also contribute to the UN Sustainable Development Goals (SDGs) which define global sustainable development priorities and aspirations for 2030.

Our sustainability roadmap lies on three strategic pillars (listed below) that are built upon our sustainability impact areas that were first introduced in our 2017 Sustainability Report.

Planet (Reducing our Footprint on the Planet)

We use resources efficiently and act on climate change to preserve our home planet for future generations.

Products (Advancing the Story of Good Health)

We offer premium nutrition and wellness through high-quality science-based products and aspirational brands.

People and Pets (Honouring Human Rights and Fairness)

We do business in an ethical, fair and inclusive way for our employees, our partners across our value chain and the communities we serve.

Our **Governance (Supporting Good Governance)** and responsible principles underpin every aspect of our approach.

Our strategic pillars and sustainability impact areas encompass the material topics identified during our materiality process and guide our sustainability commitments and strategy.

They are closely linked to the Ten Principles of the UN Global Compact, and the eight SDGs we have particularly identified as priority areas of focus and where our Group can have the most impact.



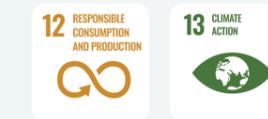
ADVANCING THE STORY OF GOOD HEALTH

We empower individuals worldwide with improved health, wellbeing, and a shared commitment to a healthy lifestyle through our products, advocacy, education, and partnerships.



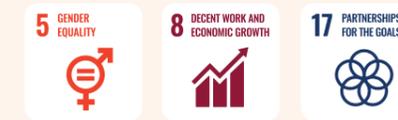
REDUCING OUR FOOTPRINT ON THE PLANET

We use resources efficiently and act on climate change to preserve our environment for future generations.



HONOURING HUMAN RIGHTS AND FAIRNESS

We protect human rights as the foundation of health and happiness.



SUPPORTING GOOD GOVERNANCE

We positively influence environmental, social and economic development through our governance practices, creating long-term value for our stakeholders.



OUR SUSTAINABILITY COMMITMENTS: PROGRESS AND TARGETS

ADVANCING THE STORY OF GOOD HEALTH

2023

- ✓ Develop and implement global clean label procedures and guidelines.
- ✓ USD3 million dedicated to community engagement to promote Nutrition, Movement and Mind.
- ✓ Promote responsible marketing practices of Breast-milk Substitutes.
- ⋯ Launch a traceability system of our infant milk formula, sourced in France*.

2024

- Develop next-gen infant formula with human-like ingredients via precision fermentation.
- Build multi-year pipeline to support healthy longevity for seniors.
- Secure adherence to the WHO Code through an external audit of our BMS marketing practices in France.

REDUCING OUR FOOTPRINT ON THE PLANET

2023

- ✓ Develop carbon emission reduction targets via the Science Based Targets Initiative (SBTi).
- ✓ 90% of Swisse ingredients sourced for Australia manufacturing (by spend and volume) assessed environmentally and socially.
- ⋯ All packaging to be recyclable, biodegradable or compostable**.
- ✓ Adopt a global policy on palm oil sourcing.

2024

- Reduce freight greenhouse gas emissions by 31.6%, validated by the Science Based Targets initiative (SBTi).
- Secure carbon neutrality in Chinese factories, verified by Bureau Veritas against PAS 2060 standards.
- Launch an innovative US-recycle ready pouch for Zesty Paws.

HONOURING HUMAN RIGHTS AND FAIRNESS

2023

- ✓ Publish a Human Rights Policy Statement***.
- ✓ Create regional DE&I task forces to promote DE&I in our workplaces.

2024

- Perform an annual DE&I training for our Executive Committee.
- Empower female leaders through High Potential program.
- Invest USD3 million in community programs promoting healthy nutrition, movement and mental well-being.

SUPPORTING GOOD GOVERNANCE

2023

- ✓ Integrate specific, formal ESG training into all employee training.
- ✓ Increase the proportion of female Board members to 30%.
- ✓ Include climate-related risks in the Group's overall risk management framework.
- ✓ Perform due diligence on Top 5 high spend suppliers not meeting our sustainability and social responsibility standards.

2024

- Ensure full team compliance with key company policies through training.
- Map key supplier's carbon footprint to identify SBTi-aligned reduction pathways.
- Evaluate 90% of BNC ingredients for environmental and social impact.

✓ = Completed ⋯ = In progress

* The implementation of this traceability system is postponed, pending industrial investments enabling the printing of the traceability codes on the cans.

** For more details, please refer to the chapter relating to "Our approach to packaging resource management".

*** At the time of publication of the Report, the policy had not been yet made available to the public on our corporate website.

OUR SUSTAINABILITY-RELATED POLICIES

Our sustainability governance is supported by various codes, policies or statements. The following are the key codes, policies and statements that contribute to our sustainability framework. Each policy refers to the relevant corporate body in charge of its approval.

Supporting Good Governance

- H&H Code of Conduct
- Supplier Code of Conduct
- Anti-fraud Policy
- Whistleblower Protection Policy
- Inside Information and Securities Dealing Compliance
- Group Information Security Management Policy
- Group Incident Management Policy
- Group Risk Management Framework
- Group Trade Compliance Policy
- Group Internal Control Manual

Advancing the Story of Good Health

- Global Health and Safety Policy
- Responsible Marketing of Breast-Milk Substitutes Policy
- H&H Group Advertising Guidelines
- Animal Welfare Policy
- Animal Testing Policy

Reducing our Footprint on the Planet

- Raw Material Sourcing Policy

Honouring Human Rights and Fairness

- Global Human Rights Policy Statement
- Modern Slavery Statement
- Diversity, Equity and Inclusion Statement
- Global Parental Leave Policy Statement
- Community Investment Policy

Our Group-level policies are disseminated to our team members via email and available in our internal Policy Portal. We share our Anti-fraud Policy and Whistleblower Protection Policy regularly to our main business partners via email. Our Supplier Code of Conduct is shared with our new suppliers and is linked in our annual H&H Suppliers Sustainability Survey. The policies relevant to our external stakeholders are available on our Group's website:

www.hh.global/#/SustainabilityGovernance

Embedding the protection of human rights in our policy commitments

We protect human rights as the foundation of health and happiness and believe we cannot deliver on our mission without first ensuring individuals touched by our business are granted basic rights and fundamental freedoms to which all human beings are entitled. As members of the UN Global Compact, we recognise the commitment we have made to the Ten Principles, including the UN Guiding Principles on Business and Human Rights. The process of materiality and mapping to the UN Sustainable Development Goals (SDGs) identified 'Goal 8 – Decent Work and Economic Growth' as one of our eight focus SDGs that we can have an impact on.

Our H&H Code of Conduct, which refers to the Universal Declaration of Human Rights and our Supplier Code of Conduct (that refers to several authoritative intergovernmental instruments, including International Labour Organization (ILO) Standards, Fair Labor Association Code of Conduct, and the Universal Declaration on Human Rights), set out our global standards that must be followed by our team members and suppliers.

Global Human Rights Policy Statement

We developed our Global Human Rights Policy Statement, highlighting our commitment to protecting human rights for all involved across our business operations. We recognise that businesses must respect and contribute to positive human rights impacts in order for our team members, shareholders, customers, business partners and communities to prosper. The policy statement outlines our ethical conduct, compliance with laws, and support for the rights expressed in the internationally recognised human rights standards. Our Human Rights Policy Statement is aligned with our H&H Code of Conduct and Supplier Code of Conduct, requiring our principles to be embedded throughout the entire supply chain, including our suppliers and business partners.

ENGAGING WITH OUR STAKEHOLDERS

Stakeholder engagement is key to understanding our impact and achieving our transformational commitments. This is why we actively and regularly engage with our stakeholders.

Our key stakeholder groups, which were identified since our 2019 Sustainability Report and remain relevant, are captured in the diagram below.



How we regularly engage with our key stakeholder groups is presented in detail in Appendix 3.

KEEPING OUR MATERIALITY UP TO DATE

Regular, open and transparent communication with our stakeholders is essential in sustaining responsible growth and progress across the Group.

We conduct a formal comprehensive materiality assessment at least every two years, which we review on an ongoing basis as part of our daily activities and regular engagement with our internal and external stakeholders.

We use our materiality assessment to identify our priority sustainability topics and ensure that our commitments and strategy are aligned accordingly. This also allows us to identify our sustainability challenges and opportunities. The assessment also informs our reporting strategy.

We conducted a formal materiality assessment in 2022 which allowed us to analyse the relevance of our materiality matrix based on a revised approach and update it accordingly. We integrated a 'double materiality' approach in our exercise in order to understand: how sustainability impacts our Group ("Financial Materiality"); and our most significant impacts on the economy, the environment and people ("Impact Materiality"). According to this approach, ESG topics create risks and opportunities that are material from a financial and/or impact perspective.

In 2023, we conducted comprehensive research to assess the alignment of our materiality ESG topics with the prevailing global ESG trends and focus of industry peers. Through this process,

we have determined that our materiality ESG topics remained relevant in 2023. Additionally, we identified emerging global ESG trends and material ESG topics that warrant in-depth analysis. These newly identified topics will be examined in our upcoming formal materiality assessment, allowing us to ensure that our ESG strategy remains in sync with the evolving landscape of sustainability and responsible business practices.

With the introduction of our three strategic pillars in our sustainability roadmap, we have made minor adjustments to the categorisation of two material topics in our sustainability impact areas. Firstly, "Animal Welfare" was moved from "Honouring Human Rights and Fairness" to "Advancing the Story of Good Health" as we considered the topic more relevant to the "Products" pillar, on the sourcing and development of our products. Secondly, "Community Impact and Investment" was moved from "Advancing the Story of Good Health" to "Honouring Human Rights and Fairness" as the topic is more aligned with the "People and Pets" pillar, contributing to the inclusive growth of our communities. These modifications have been implemented for reporting purposes mainly, to enhance the coherence and alignment of our material topics with our strategic pillars.

Our formal materiality process

In 2022, we conducted our formal materiality update in three stages:



1. Context and mapping

We started by analysing available sustainability materials to identify ESG topics currently being addressed and their relevance in the context of our Group. This analysis included the following.

Desktop review and peer benchmarking (against five global and 'local' publicly listed peers): review of the latest industry trends and identification of the topics that are material to the industry.

Examination of our current material topics list: our current list of material topics was

compared to the outcome of the desktop review and peer benchmarking for further consideration in the stakeholder engagement.

Mapping of the key internal and external stakeholders that we specifically needed to engage within the context of the materiality process. As a result of this mapping, we liaised with our:

- team members
- Board members
- investors
- community partners
- suppliers
- distributors.

2. Engagement

We expanded the scope of the stakeholder engagement compared to the previous years. Expanding the scope of the stakeholder engagement allowed us to achieve a more balanced approach in terms of geographical outreach.

- **Online survey with internal and external stakeholders:** for the first time in 2022, we conducted an online survey with internal and external stakeholders to gather quantitative inputs to identify and prioritise the identified material topics based on the "Impact Materiality" criteria. More than 118 team members across our relevant regions and external

stakeholders (including investors, suppliers, distributors, business and community partners) participated in the online survey.

- **Interviews with internal and external stakeholders:** we conducted interviews with eight members of the Group's senior management and Board and eight external stakeholders (including investors, suppliers and distributors), and have deepened our understanding on their prioritisation of particular ESG material topics and their views on the Group's management and performance on ESG material topics. We followed up the internal stakeholder interviews with a dedicated online survey to gather quantitative information.

3. Analysis and validation

The results of the assessment phase were first presented to, and discussed by, the ESG Working Group. The ESG Committee and the Board both reviewed and approved the materiality assessment in November and December 2022 respectively.

During this analysis and validation process, we have increased the importance of Consumer Engagement to better reflect

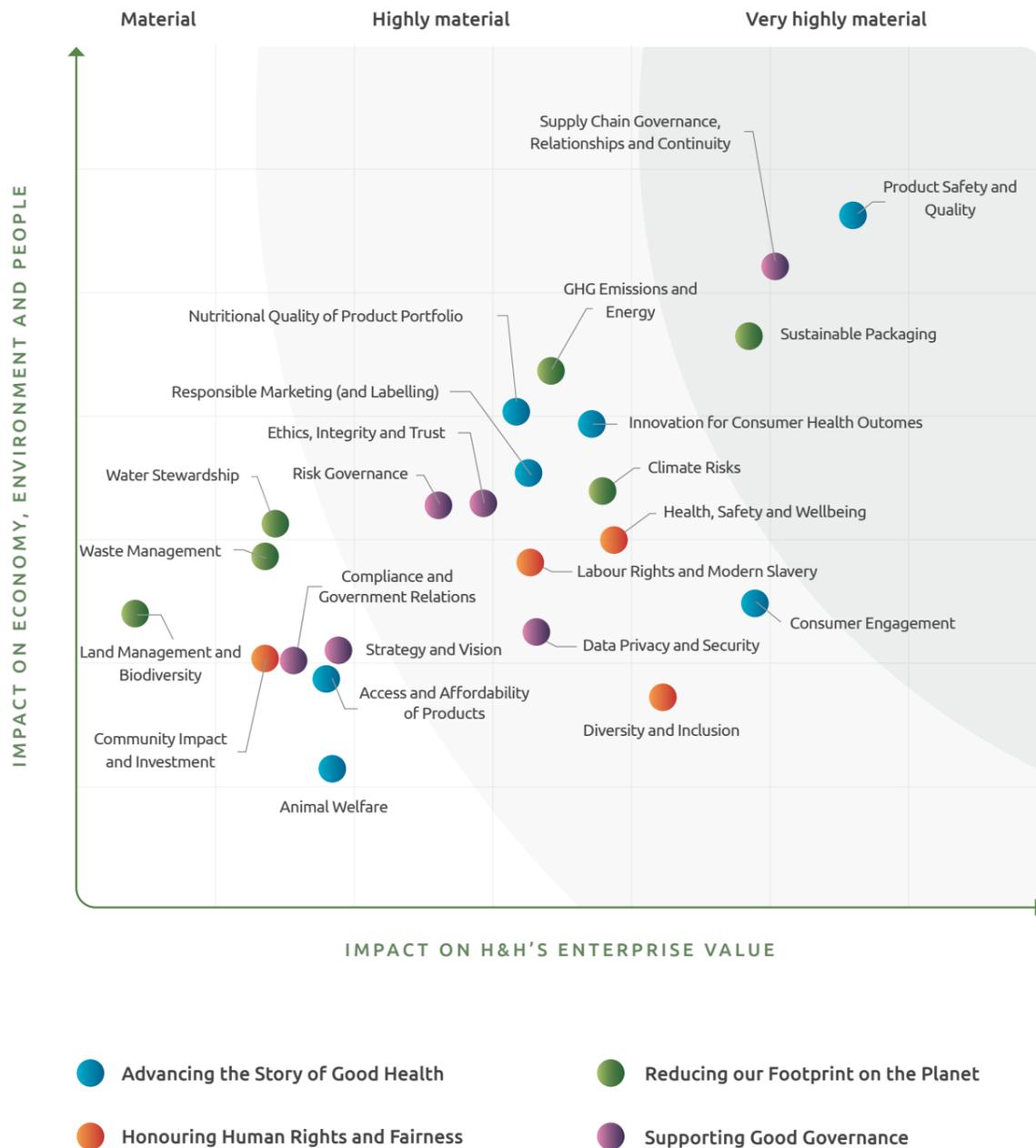
our initiatives focused on Advancing our Story of Good Health and to align it to our upcoming ambition. The relative low impact of Biodiversity and Animal Welfare on business and society in our materiality matrix could reflect a lack of maturity of some stakeholders on those topics which are increasingly important as a worldwide trend.

Our materiality matrix

Our materiality matrix (depicted below) includes 23 topics that have been identified as material to the long-term growth of H&H. These material topics are also listed and defined in Appendix 2. The topics in the top right quadrants of the matrix are considered both material in impact and on the Group’s enterprise value:

- Product Safety and Quality
- Supply Chain Governance, Relationships and Continuity
- Sustainable Packaging.

They are our highest priority topics.



We use our materiality assessment to identify our priority sustainability topics and ensure that our commitments and strategy are aligned accordingly. This also allows us to identify our sustainability challenges and opportunities.

03

OUR SUSTAINABILITY IMPACT AREAS

ADVANCING THE STORY OF GOOD HEALTH

We advocate and educate to share the benefits of a healthy lifestyle, spread wellness, and team up with like-minded partners.

We create products that contribute to the health and wellbeing of consumers worldwide.

We build a healthier and happier world by cooperating with partners and suppliers that share our values regarding people and sustainability.



2023 HIGHLIGHTS

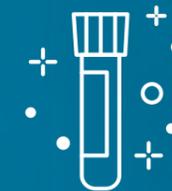


Cutting-edge innovations for the benefit of all the family members, across the life span



87%

of our portfolio* is free from artificial colours, flavours, sweeteners and preservatives



30%

increase in our R&D expenditure demonstrating our Group's determination for continued investment in product innovation

* In global net sales excluding our revenue from Solid Gold in mainland China and Dodie.

Sustainability is embedded throughout our innovation strategies. Our products, packaging, quality, and innovation are key contributors to our sustainability material topics.

H&H SCIENCE AND INNOVATION POWERHOUSE WITHIN



H&H Group's vision is to become a global leader in premium nutrition and wellness through superior products and aspirational brands.

Research and product innovation are at the heart of this vision, as we focus on delivering meaningful products to our customers to support their health and wellness journey throughout life. We provide science-based products with innovative formulations, new ingredients, and disruptive formats through a tailored portfolio, across the whole family life span.

Sustainability is embedded throughout our innovation strategies. Our products, packaging, quality, and innovation are key contributors to our sustainability material topics, including:

- Strategy and Vision
- Product Safety and Quality
- Nutritional Quality of Product Portfolio
- Sustainable Packaging
- Innovation for Consumer Health Outcome
- Animal Welfare.

H&H RESEARCH

H&H Research is our global R&D organisation that represents all our scientists, technologists, and quality, regulatory and innovation professionals across the Group. It powers and enables innovation within the Group and fuels the innovation pipelines for our portfolio of brands.

H&H Research drives research and innovation; new product and technology development, translating the science of ingredients, its sensorial and health effects into new formulations, formats and packaging, while ensuring regulatory compliance and

quality assurance. This enables the Group to consistently deliver new and exciting premium, science-based products to human and pet consumers across the entire life cycle.

Our H&H Research leadership team consists of experienced leaders in Science, Innovation and Quality from other Nutrition and Consumer Health industries. In 2023, it comprised 13 team members, covering all key H&H R&D responsibilities, including Research & Innovation, Translational Science, Product Development, Quality & Regulatory and External Innovation & Partnering. They represented nine nationalities, and a 47% female to 53% male ratio.

OUR H&H GROUP R&D STRATEGY AND ROADMAP

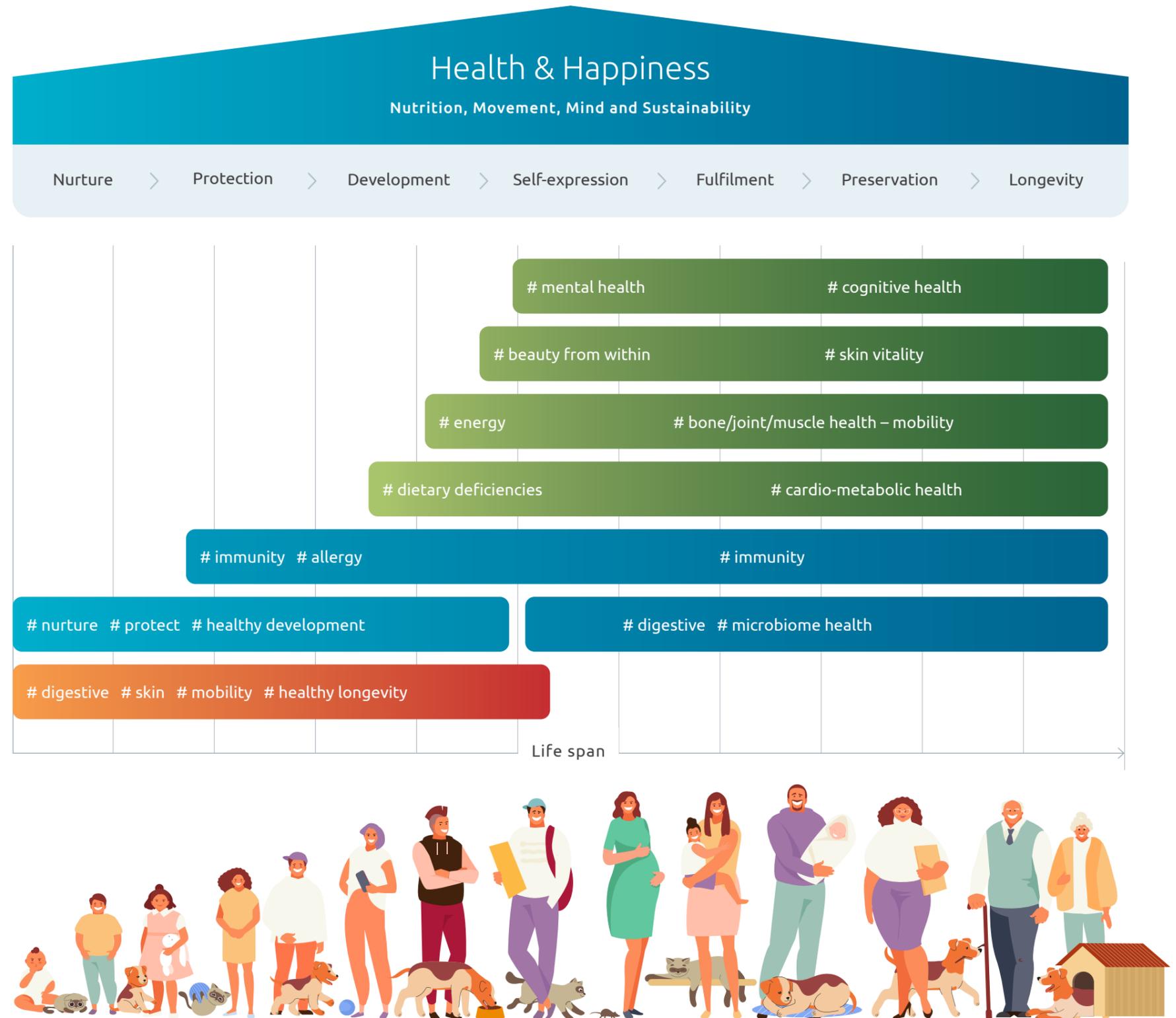
In 2023, we have continued to develop and extend our innovation strategies for our three business categories: ANC, BNC and PNC. These strategies guide the investment areas and partnerships in early innovation and set priorities for new project initiations for our mid and long-term pipelines for all our product categories and regions.

Unlocking our innovation potential with our integrated R&D organisation

We have refined our Innovation Framework to ensure we cover all relevant health benefits for the entire family, including people and pets, spanning from early life to healthy longevity. As our business continues to expand across categories, regions, and the family life span, it is crucial to create synergies in our innovation programmes and future product portfolios.

Although consumer needs and insights vary across markets, our scientific understanding, ingredient technology, and innovation partnerships will crossover for certain target consumers and product categories. Therefore, we have created an integrated R&D organisation that is deeply rooted in local markets yet interconnected across regions through our H&H R&D leadership team and community. This approach ensures that our innovations are relevant to local markets while tapping into the full potential of our R&D teams and partnerships, leveraging synergies in science, technology, ingredients, products, and packaging across our projects. With integrated translational science and product development teams in all regions, we guarantee that all our new products are science-based and designed to deliver on their health benefit promises.

Our Innovation Framework: Health and Happiness for the whole family, across the life span



2023 milestones

- Implemented new innovation model for mid-long term category innovation, involving R&D working directly with lead markets.
- Co-built category and regional pipelines 2024–2026.
- Delivered new Guojia Biao (GB) IMFs and registrations in China.
- Developed long-term innovation programme for humanisation of IMFs.
- Delivered positive and impactful results from clinical and Real World Studies and leveraged for communication.
- Increased pipeline contributions to our local brands Aurelia, Dodie and Good Goût.
- Developed and deployed quality roadmap with focus on contract manufacturer quality management.
- Deployed our R&D People Growth and Development Strategy and roll-out of Group R&D mentoring programme.

2024 goals

- Deliver regional and global new products and innovations, clinical and Real World Evidence studies 2024–2025.
- Deploy our new innovation model and build strategic innovation portfolios for each category and each region.
- Develop BNC pipelines and R&D programme 2025–2027, focusing on IMF humanisation and biotics.
- Progress BINC and Research Partnership programme as source of innovation and scientific advocacy.
- Develop ANC pipelines and R&D programme 2025–2027, focusing on beauty from within, healthy longevity and women's health.
- Leverage ANC Real World Evidence across regions and develop new Real World Studies programme across China, Australia and Asia.
- Develop PNC pipelines and R&D programme 2025–2027, focusing on gut, skin, mobility and healthy longevity.
- Leverage biotics innovation platform and partnerships with concrete new product development (NPD) projects for all categories.

Sustainability as a driver for efficiencies and innovation

In 2023, we continued our 'Cost-Out, Sustainability-In' (COSI) transformational programme, introduced in 2022, which combines cost-efficiencies with sustainability improvements.

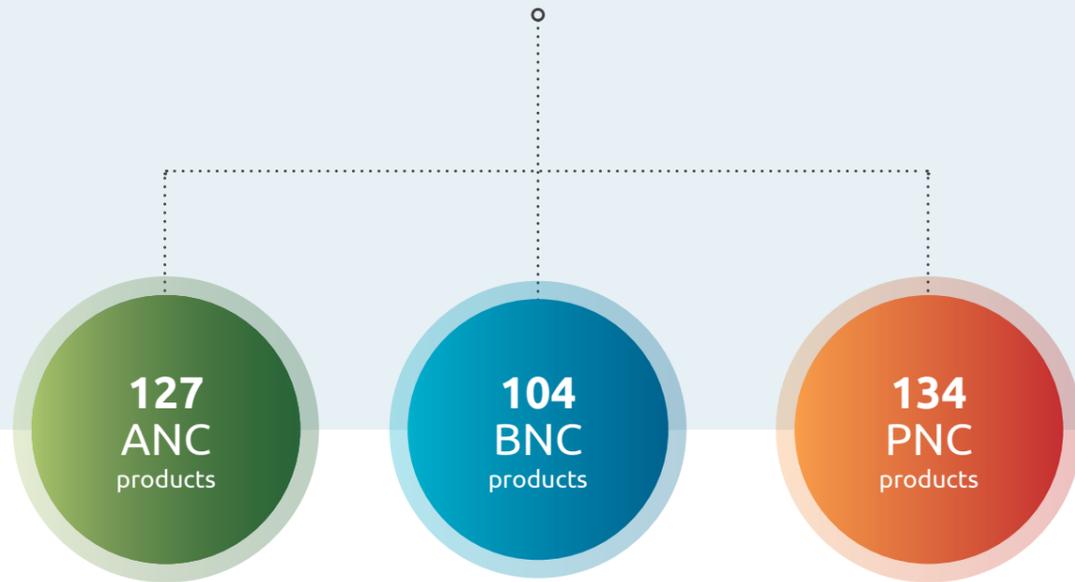
By rethinking our formulations, products and packaging design, we aim to reduce the use and wastage of raw materials and enhance the recyclability of the materials used. The programme aligns with our clean label objectives and has a positive impact on both cost and sustainability.

Through COSI, we optimise formulations, eliminate non-value-added ingredients, replace active ingredients with more sustainable options, and reduce excipients, additives, and coatings when possible. We also apply the COSI mindset to packaging, reducing non-essential elements, adopting lighter packaging, and minimising vial size and headspace. These efforts result in lower costs and reduced environmental impact. COSI also enhances consumer value by offering smaller, easier-to-swallow tablets, compact and portable vials, more natural products, and recyclable packaging.



Unleashing our innovation potential in 2023

365 products launched across the Group in 2023:



Products launched by category

Formula products	48	Versus 23 in 2022
Supplement products	198	Versus 138 in 2022
Skincare and personal care products	17	Versus 17 in 2022
Baby accessory products	31	Versus 36 in 2022
Packaged food products	4	Versus 10 in 2022
Pet nutrition	67	Versus 23 in 2022

The next-generation of Infant Milk Formula

In 2023, we launched Inostime France, a game-changing new generation of infant milk formula, offering a comprehensive nutritional solution when breastfeeding is not feasible. Enriched with a clinically validated dose of Lactopontin (LPN) and featuring HMObiotic, a symbiotic blend of galacto-oligosaccharides (GOS), 2'-fucosyllactose (2'-FL), and B. infantis M-63 probiotic, the new range promotes immune system maturation and fosters a healthy gut microbiota and mucosal immunity, mirroring the benefits of breast-milk. Inostime is manufactured in Normandy by our dairy partner, Isigny Sainte-Mère Cooperative, renowned for its expertise, premium quality, and sustainable practices. The innovative composition is based on more than 13 years of scientific research in China and Ireland, and shows the benefits of our cross-regional R&D collaborations. Our new Inostime IMF signifies a significant stride toward bridging the gap between breast-milk and formula-fed infants and marks a new chapter for our BNC brands, building recognition and trust among consumers.



Introducing L-Ergothioneine HA Collagen+ tablets

In 2023, we developed and launched L-Ergothioneine HA Collagen+, a cutting-edge beauty from within product. This formula marks the first time we have incorporated L-Ergothioneine, a renowned anti-ageing ingredient in the skincare field, into our Swisse beauty from within products. The formula combination was developed based on scientific evidence and preliminary third-party research, setting the stage for an emerging trend in anti-inflammatory ageing defence in the beauty from within industry.

Based on modes-of-action formula design and backed by scientific substantiation, L-Ergothioneine HA Collagen+ has been proven superior to other collagen beauty products. Functional assessment studies have demonstrated its exceptional performance, and consumer word-of-mouth has further cemented its outstanding reputation within the beauty from within category.



Supporting dogs' healthy longevity

In 2023, our Zesty Paws brand entered the pet industry's longevity category with its Healthy Aging NAD+ Precursor supplement for dogs. The supplement, formulated in collaboration with ChromaDex, a leading authority on NAD+ and healthy longevity research, contains ChromaDex's Niagen ingredient. Niagen supports the regeneration of NAD+ levels, which decline with age, and plays a crucial role in cellular processes. Zesty Paws' innovative supplement promotes metabolic health, cellular energy repair, and overall healthy longevity in dogs. Our partnership with ChromaDex demonstrates our commitment to delivering quality and trusted ingredients. This groundbreaking product is the result of our integrated R&D approach across our human and pet categories and showcases Zesty Paws' dedication to supporting the longevity and vitality of pets.

Zesty Paws plans to expand its Healthy Aging line in 2024, offering new product formats and wider distribution.



OUR GLOBAL FOOTPRINT FOR R&D

We have Research & Innovation Centres in China and Ireland, Translational Science teams in Australia and Switzerland, and Regional Product Development Centres in China, Australia, Europe and North America.



With these teams and our enhanced innovation strategies, we have significantly extended our New Product Development (NPD) and Innovation pipelines to: expand our reach to more consumers; deliver meaningful health benefits and consumer experience; enhance our naturalness and sustainability credentials; and consequently, enable our short-, mid- and long-term business growth.

2023 innovation budget*: USD29.2 million

Our R&D expenditure increased by 30% as compared with 2022, demonstrating the Group's determination for continued investment in product innovation.

*including quality and regulatory

RESEARCH PROJECTS THAT FUEL OUR INNOVATION PIPELINES

Our Research & Innovation and Science teams continued to work on some groundbreaking research programmes that is fuelling our innovation pipelines across our regions and product categories, including:

- advanced pre-clinical models that facilitate the identification of ingredients and ingredient combinations for the development of next-generation products for immunity, digestion, mobility and beauty benefits
- gene sequencing the gut and skin microbiome compositions
- exploration of different biotics (pre-, pro-, syn-, and post-biotics) concepts with promising gut health function, microbial interactions, and gut-axis health benefits
- development of HMO combinations for applications in infant and children's supplement products
- investigative trials and overall formulation optimisation of natural fat blends, carbohydrate and protein nutritional quality
- Real World Studies assessing the subjective benefits of our products on outcomes related to energy, fatigue, skin health and quality of life outcomes
- clinical studies designed to support registration and launch of our innovative hypoallergenic Rice Protein Infant Formula in Europe
- clinical studies to confirm the maturation of immune system and development of a healthy microbiome in early life, with our proprietary probiotics in China
- development of new sustainable packaging concepts to reduce virgin plastic usage, enhance recyclability and design of completely new renewable packaging options.

DEVELOPING A NEW MODEL FOR HUMAN STUDIES

H&H invests in science and technology with a key focus on: premium and preventative nutrition; microbiome health; immunity; physical and mental health; beauty; and healthy longevity. We strive to create the highest-quality products backed by science. In 2023, we continued to conduct human studies with focus on developing real-world evidence with objective and subjective benefit assessments, consumer usability and experience evaluation, and claims innovation.

Expectations and requirements from regulatory authorities make it necessary to invest in clinical studies to substantiate health benefits, strengthen consumer claims on our brand assets and to deliver proven and advanced nutrition in our key benefit areas. Taking a consumer-centric approach, real-world evidence is pivotal to develop new science communication opportunities, and to develop meaningful, differentiating and engaging storytelling for consumers beyond generic claims. This will support our efforts to convey the Story of Good Health to our consumers.

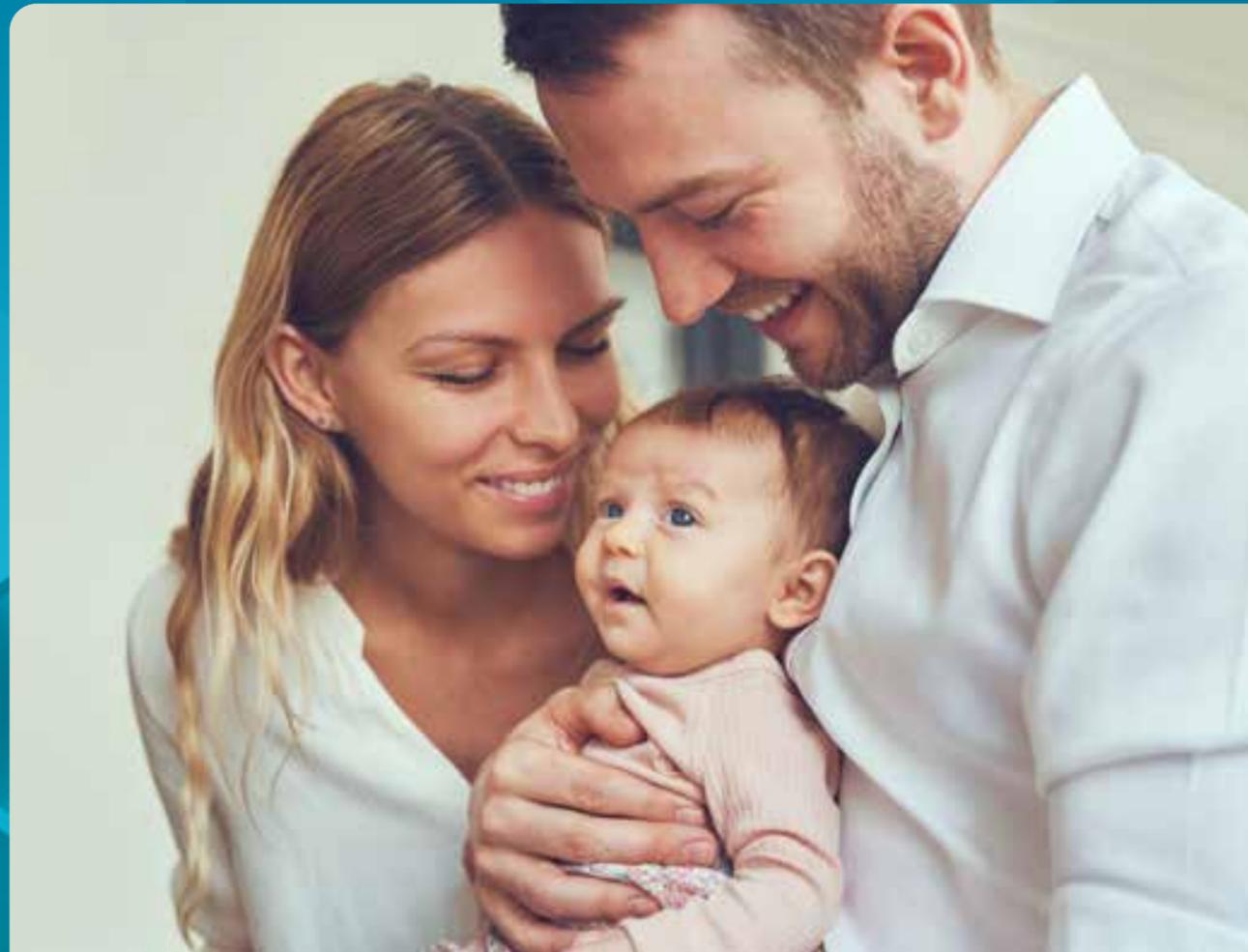
ENGAGING WITH THE SCIENTIFIC COMMUNITY

To engage the broader scientific community, our H&H Research representatives regularly attend and are speakers at several high-profile international conferences in nutrition and health, paediatric nutrition and infant health, microbiome and maternal health, and the field of biotics.

In addition, we have established strategic collaborations with esteemed universities and research centres worldwide, notably in China, Australia and Europe.

OUR CONTRIBUTION TO RESEARCH THROUGH OUR NON-PROFIT RESEARCH ORGANISATION (BINC)

Biostime Institute of Nutrition and Care (BINC) is a non-profit organisation committed to promoting research and knowledge in the field of maternal and infant health and nutrition. With branches located in China and Switzerland, BINC focuses on four priority areas of expertise: mother and child health, biotics and microbiome health, immunity and allergy, and brain development.



BINC China

As the first non-profit scientific organisation focusing on maternal and infant health research created in China, BINC has committed to creating a cross-disciplinary research and scientific exchange platform, aiming to provide scientific and comprehensive solutions to maternal and infant health problems. In 2023, BINC proudly continued its tradition of supporting maternal and infant health by launching research grants for the ninth consecutive year. These grants aim to advance knowledge and improve outcomes in this critical field. Four exceptional research projects were selected for funding, focusing on important areas such as maternal health, immune system development, neurodevelopmental disorders, and exploring the potential benefits of milk-derived substances and specific strains of Bifidobacterium. Through these grants, BINC is committed to making significant contributions to the wellbeing of mothers and infants, furthering our mission to promote healthier lives and brighter futures.

BINC Geneva

Since 2018, BINC Geneva has been actively investing in advancing research in maternal and infant health science. With a total investment of EUR1.15 million, BINC has supported 23 research projects across eight countries. In 2023, projects selected from the project cycles between 2018 and 2022 continued to receive financial support, with approximately EUR240,000 allocated for the selected projects.

In addition to its research grants programme, BINC supports scientific publications. In 2023, it has supported the scientific publications of five research works. In total, BINC has published nine articles in scientific journals with an impact factor greater than 2.5. Research topics included the relationship between gut microbiota and various aspects of early life and health outcomes in infants and children.

BINC presence at key scientific events

In 2023, BINC made significant contributions to scientific events worldwide. BINC Geneva participated in a booth at the ESPGHAN (European Society for Paediatric Gastroenterology, Hepatology and Nutrition) annual meeting in Vienna, Austria, and actively supported the Probiotics, Prebiotics & New Foods congress in Rome, Italy. The focus was on the microbiota-gut-brain axis and human milk oligosaccharides.

BINC China organised its seventh Annual Symposium in Kunming, China, focusing on early immune system development in newborns and attracting 8,000 global attendees. BINC China also participated in the 14th Asian Congress of Nutrition, co-organising a seminar on the theme of "New progress of maternal and child nutrition" with the Chinese Nutrition Society. The event featured topics such as breastfeeding and infant immune health, drawing over 5,000 experts.

These engagements demonstrate BINC's commitment to advancing scientific knowledge in maternal and child health.

QUALITY MANAGEMENT

We maintain a robust approach to quality and safety across our brands, and actively manage the potential health and safety impacts of all our products.

NEW CATEGORY QUALITY ORGANISATION

Our 'Quality First' principle is fundamental to our business, ensuring robust quality and safety practices across all our brands, actively managing the health and safety impacts of our products, and guaranteeing they deliver on promises and consumer expectations.

As our business is evolving globally, regional management of quality has become increasingly challenging due to acquisitions, diversification, and cross-regional supply chains. To address this, we have transitioned our organisation to Quality Management by category at Group level to ensure consistent and efficient management of Quality and Food Safety standards across all products and regions.

The new Group Category Quality organisation, reporting directly to our Chief Technology Officer, provides independent governance and management of Quality and Food Safety, with three Quality Leaders for each category and Supplier Quality Managers overseeing end-to-end Quality with contract manufacturers (which are audited regularly by our teams) and in-house factories. Leveraging the expertise of our regional Quality teams, each category's Quality functions are managed through our lead regions – China for BNC, Australia and New Zealand/Asia for ANC, and North America for PNC – with Quality associates in each region working closely with category Quality teams.

DIGITALISATION OF OUR QUALITY MANAGEMENT (EQMS)

Our new Group Category Quality organisation across our regions is fully supported and enabled by our newly developed and implemented digital Quality Management System (eQMS).

In 2021, we partnered with Veeva to launch our digital Quality Management System (eQMS) and developed and implemented the first key modules regarding document management, complaints management, deviations and Corrective and Preventive Actions (CAPAs).

Our eQMS system ensures consistent and

timely Quality management, fostering operational efficiency and supporting real-time collaboration, visibility, agility, and compliance across our supply chain. It enables effective support for all brands and regions, ensuring speed-to-market and enabling business growth while maintaining our 'Quality First' principles. In 2023, we achieved a major milestone with the go live of the new change control module. For this, we have harmonised the change control procedures across our regions and categories and strengthened the risk assessments and governance to reduce any risks associated with changes in our product portfolios. In 2024, we will expand with Quality Audit and Supplier Quality Management modules.

QUALITY AND SUSTAINABILITY-BY-DESIGN

All our products are subject to brand- and category-specific product quality reviews, compositional and microbiological testing and regulatory compliance assessments. We conduct reviews during the design and product development phases, initial commercial production prior to release to the market, throughout the product life cycle and in reaction to customer enquiries or feedback from regulators.

In our approach towards more proactive and preventative Quality management, Quality-by-Design is playing an important role.

Especially for our BNC product portfolio, we have developed strong expertise and long-standing experience in managing all required Quality aspects throughout the product development process, from raw material and packaging validations, supplier and manufacturer audits, stability testing and final specification management to assessing pilot trials and validation of first commercial batches. We are

continuing to leverage these principles and experience to our other product categories and strengthening the Quality-by-Design mindset and standard operating procedures (SOPs).

In 2023, we have significantly extended our stability testing programmes for our ANC products to ensure validation of quality and shelf life across all our supply chains, geographies and climate zones.

In our continued efforts to reduce the impact of our products and operations on the environment, we are including sustainability in the design of our products. The selection of ingredients and suppliers, the inclusion of excipients, coatings and colourants, the selection of packaging materials and formats and processing aids and conditions all have impact on the ultimate sustainability of our final product. From product development, quality management and sourcing perspectives, it makes perfect sense to include factors impacting sustainability into the design of each new product. We will be rolling out these Quality and Sustainability-by-Design principles throughout our Product Development and Quality teams in 2024.



Clean label

As a prime example of our Quality and Sustainability-by-Design principles, H&H has developed and implemented global clean label standards and a global standard operating procedure (SOP).

We actively manage and continuously update a clean label register that lists the ingredients – by product category and region – that are: (1) banned in the respective regions ('black list'); and (2) not banned but their use is sensitive and/or debatable. As often as possible, we aim to avoid the use of ingredients on the 'controversial list' in our formulas. For instance, an ingredient on the controversial list may not be prohibited by law but could have debatable safety issues that can negatively influence consumer perception, which we strive to mitigate in our formulas. One example of this is the removal of titanium dioxide from all our (ANC) products in the European Union (EU). We took action to remove this ingredient well before its official ban in the EU. Alongside the removal of titanium dioxide, we made further changes to our tablet formulas, resulting in a reduction in the number of excipients used – between three to six fewer excipients per product compared to the previous formula – thereby simplifying and shortening the labels, making it easier for consumers to understand. In Australia and New Zealand, for several products, the controversial synthetic sweetener sucralose was substituted with natural alternatives: Collagen Glow now contains stevia and monk fruit; Collagen Balance contains thaumatin; and Collagen Renew contains monk fruit.



THE HIGHEST QUALITY STANDARDS FOR 100% OF OUR IN-HOUSE FACTORIES

We adhere to high standards of food safety and quality throughout our operations. To ensure the utmost confidence in our products, we have implemented stringent measures and obtained certifications that attest to our commitment to excellence.

All our in-house manufacturing facilities (in Guangzhou, Changsha and Auburn) have achieved HACCP (Hazard Analysis and Critical Control Points) certification. This certification validates our rigorous protocols and practices in identifying and controlling potential hazards throughout the production process. Additionally, both our factories in mainland China hold ISO 9001 and GB/T33000-2016 (food industry enterprise integrity management system) certifications, which demonstrate our adherence to comprehensive quality management systems specific to the food industry. Furthermore, our facility in

Guangzhou has also been awarded the ISO 22000 certification for its robust food safety management system.

In Australia, our packing facility, Swisse Translink Packaging Pty Ltd (SWTP), operates under a Therapeutic Goods Administration (TGA) licence and strictly complies with the PIC/s (Pharmaceutical Inspection Co-operation Scheme) Code of Good Manufacturing Practice. These certifications ensure that our packaging processes meet the highest standards of quality and integrity.



H&H World Quality Week 2023

We believe the importance of quality is everyone's responsibility as we shape our innovations, business values, source premium ingredients and retain the best talent from around the world.

World Quality Week is thus an important global event which takes place each year to raise awareness and educate all our team members on quality management. This year, the theme was 'Quality: realising your competitive potential', focusing on the importance of Quality in ensuring our competitive edge, building Quality culture and facilitating Quality capabilities. At H&H, our teams around the world organised a week of engaging and educational events, presentations and activities.

In 2023, the week's programme included:

- video messages from our CEO and Chief Technology Officer to highlight the importance of our Research, Development, Quality and Regulatory functions
- outline of our new Group Category Quality organisation and explanation of roles and responsibilities
- interactive videos and presentations about our H&H Quality processes and our robust QMS, including its digitalisation (eQMS)
- sharing best practices and day-to-day quality examples of how we can all impact Quality performance.

PRODUCT SAFETY AND QUALITY ACROSS THE VALUE CHAIN: PARTNERING FOR PROGRESS

At H&H, ensuring the highest level of product safety and quality is not just a priority, it is the cornerstone of a secure and sustainable food supply chain for everyone. We believe collaboration is key, and actively participate in industry-wide organisations. We work alongside industry leaders, suppliers, retailers, and all stakeholders who share our commitment to strengthening food safety across the supply chain and improving human health and wellbeing.

Across all three of our business activities, we are members of well-recognised organisations dedicated to mitigating risks across the supply chain. Our quality and regulatory teams are actively involved in the working groups of the major associations outlined below.

For BNC: we joined ATNI BMS Index in 2023 (Access to Nutrition Initiative) – an independent non-profit organisation focusing on addressing the global nutrition challenges. We are also part of Alliance 7, the French trade association that takes part in the development of regulations for specialised nutrition.

For ANC: our memberships in HFMA (UK Health Food Manufacturers’ Association), HKHFA (Hong Kong Health Food Association), and AAHSA (ASEAN Alliance of Health Supplement Associations) for dietary supplements exemplify this collaborative approach.

For PNC: Zesty Paws is member of the National Animal Supplement Council (NASC) and has earned trusted Quality Seal (which is described in more detail below).

Looking ahead, our commitment to responsible sourcing continues. In 2024, we plan to join the Roundtable on Sustainable Palm Oil (RSPO), a leading organisation that tackles supply chain risk and promotes sustainable palm oil practices.

We also ensure that any new supply partners align with our responsible sourcing goals through a comprehensive screening process, including ESG criteria, with support from our procurement teams and ongoing performance assessment, facilitated by Supplyshift – one of the world’s largest supply chain data management, responsible sourcing, and supplier engagement transparency networks.

NASC Quality Seal for our Zesty Paws products

Zesty Paws is a proud member of the National Animal Supplement Council (NASC) whose mission is to promote the health and wellbeing of companion animals and horses that are given animal health supplements by their owners. Central to NASC’s efforts is its Quality Programme, designed to help NASC members meet rigorous sourcing, manufacturing, and safety standards. To display the prestigious NASC Quality Seal on our products, Zesty Paws has made a firm commitment to implementing various crucial quality and safety control measures. This seal serves as a testament to our dedication to upholding the highest standards of quality within the industry.



CONSUMER FEEDBACK AND COMPLAINTS

We assess 100% of all consumer feedback – positive and negative, including complaints – which supports our continuous improvement approach to quality. We have standard operating procedures (SOPs) for complaint management regarding product quality and have integrated our complaints management in our eQMS. We prepare complaint status reports each quarter, which provides an overview of complaints trends, allowing us to compare across periods, regions and categories and which supports the establishment of structural improvement actions as well as audit plans.

In 2023, we recorded 32,820 complaints across all our brands throughout the Group. We have taken prompt action to address all of the complaints we received, ensuring that we responded to each and every one of them. Our dedicated team has successfully resolved over 99% of these complaints, demonstrating our commitment to providing effective solutions and ensuring customer satisfaction.

Main steps of our complaint management system



Quality assurance, recalls and withdrawals

Our brands follow market- and product-specific quality requirements and processes, depending on whether products are classified and regulated as infant milk formula, baby food, food, therapeutic goods, cosmetics, pet food or other categories within our H&H portfolio.

Our quality assurance processes and recall procedures are periodically tested through mock recalls. Where necessary, we respond quickly to enact any product recall or withdrawal to protect our consumers, customers and brand.

In 2023, we did not encounter any product recalls related to safety and health concerns and remained fully compliant with all relevant regulations and voluntary codes regarding the health and safety impacts of our products. Following a recommendation from the TGA, we initiated one recall on a Swisse product at wholesale level due to label compliance reason. Full traceability was achieved.

In 2023, we did not encounter any product recalls related to safety and health concerns and remained fully compliant with all relevant regulations and voluntary codes regarding the health and safety impacts of our products.

Total spending on quality and regulatory activities



**The above spending includes the Group's total investment in quality control and compliance and excludes people (i.e. team member compensation) costs.*



RAW MATERIAL SOURCING

We have developed strong long-term relationships with our key raw material suppliers that are world-class organisations. Through these partnerships, we focus on improving quality, reliability and cost, while engaging in sustainable procurement practices and protecting the ecosystems where we source our raw ingredients. We do this through cooperating with partners and suppliers that share our values regarding people and sustainability.

Together, we continually look for opportunities to improve our processes to enhance the quality of our products and business performance.

OUR RAW MATERIAL SOURCING POLICY

In 2019, we developed a Raw Material Sourcing Policy in partnership with The Sustainability Consortium (a global non-profit organisation). The policy outlines the known sustainability hotspots (i.e. activities within a product's life cycle that are identified as having a substantial environmental or social impact) that lie in our supply chain for the different types of ingredients that we source for our products. Some of the known sustainability hotspots for our industry notably include: health and safety in relation to chemicals used in the production process; biodiversity risk; and human rights violation risks.

OUR RAW MATERIAL ENVIRONMENT AND SOCIAL RISK ASSESSMENT

We have developed a systematic process to assess environmental, social and animal welfare risks associated with our sourced raw materials. Our objective is to address and mitigate these risks within our current existing ingredient portfolio and as part of the 'stage-gate' process of new product developments.

We have categorised our ingredients into high, medium, or low environmental and social risk levels and implemented mitigation plans accordingly. A comprehensive checklist was created for the raw material risk assessment process. It includes inquiries about the origin, processing, and packaging of our raw materials, along with requests for supporting documentation. This ensures that our contract manufacturers and packaging or raw material suppliers are aware of, and appropriately addressing, any environmental, social or animal welfare risks associated with their ingredients. The raw material risk assessment process has allowed us to have more control and visibility over our supply chain.

Initially developed for the ingredients sourced for Swisse Australia manufacturing, we have begun extending this risk assessment to our BNC products and plan to do the same for our PNC products.

At the end of 2023, we had assessed the environment and social risks of 90% of the raw materials (by spend and volume) sourced for our Swisse Australian range. All these ingredients have been approved and deemed compliant with our Raw Material Sourcing Policy.

OUR SUSTAINABLY SOURCED KEY INGREDIENTS

Dairy

- Our main dairy partner Isigny Sainte-Mère obtained silver rating from Ecovadis, which covers a broad range of non-financial management systems, including environmental, labour and human rights, ethics, and sustainable procurement impacts. It also became B Corp certified in 2023, highlighting its long term environmental and social commitments.

In 2023, to educate Isigny Sainte-Mère farmers on sustainable land management and methane reduction, we organised three workshops covering essential topics: herd health (presented in January); livestock farming (April); and energy best practices in dairy farming (November). These sessions featured expert panels including veterinarians and representatives from the Normandy Chamber of Agriculture, bringing together over 50 dairy producers who actively participated in sharing and exchanging valuable practices.

Krill and salmon oils

- 100% of the krill and fish oil contained in our Swisse products carry the Marine Stewardship Council (MSC) or MarinTrust (formerly IFFORS) or Friend of the Sea (FOS) sustainably sourced certification.
- We also pay particular attention to the sourcing of the salmon oil used in our more recently integrated PNC segment (mostly for our Zesty Paws products), which mostly comes from suppliers that carry the MSC certification.

Oil and fat solutions

- Fatty acids profiles are critical for our infant milk formulas, to ensure we provide the right nutritional profile to babies. We currently source these from either vegetable or milk fats.
- Regarding vegetable oils, when used, 100% of the palm oil contained in our infant milk formula is Roundtable on Sustainable Palm Oil (RSPO) Mass Balance Certified. Some of our PNC products, such as Solid Gold soft treats and Zesty Paws bites, contain palm oil sourced entirely from sustainable RSPO-certified sources.

In 2023, we established a new Sustainable Palm Oil Policy for our procurement team and built a dedicated roadmap to drive progress towards deforestation-free palm oil sourcing. We implemented a three-step responsible sourcing approach policy focusing on our BNC (infant milk powder) and PNC categories, where palm oil is used:

- **ensuring supplier accountability:** we screened our current sourcing of palm oil by requesting our suppliers for traceability and transparency on the palm oil they purchase for our products
- **taking part in global collaboration:** we are committed to joining the RSPO as a member in 2024
- **transitioning to sustainably certified palm oil** by purchasing only RSPO-certified palm oil.

ANIMAL WELFARE

Animal welfare is an important material topic for H&H, as well as our stakeholders. Accordingly, animal welfare will continue to be a key pillar of our sustainability strategy. We are committed to working with farmers and other partners to co-build agricultural models that respect natural resources and foster animal welfare. We also endeavour to be considerate in our choice of ingredients and formulations, as well as in any decisions to use animal-derived ingredients and/or involve animals to support health and safety outcomes. Our overall aim is to achieve better conditions for all animals in our supply chain, while ensuring we provide quality nutrition and care products for our consumers.

Our approach regarding animal welfare encompasses two aspects which are summarised below.

Animal welfare in the production of animal-derived ingredients

Animal-derived ingredients are present within our diverse product portfolio. For example (non-exhaustive list), we source dairy for IMF products, collagen and fish oil for our vitamin and supplement category, and beef, chicken and fish for our dog and cat nutrition products.

We released our H&H Animal Welfare Policy in 2022. Our policy aims to effectively implement the highest species-specific standards and

objectives to continually improve animal welfare. At the same time, it also aims to protect the environment, which is closely related to animal welfare. We focus particularly on the standards that apply to farmers and shepherds – and support not only the care of animals, but also responsible agriculture in general. This helps support and promote sustainable agriculture and biodiversity. We follow the World Organization for Animal Health and recognise the ‘Five Freedoms’ and the evolved ‘Five Provisions and Welfare Aims’ as our guiding principles for animal welfare.

Our largest dairy partner, Isigny Sainte-Mère Cooperative, has been pioneering in sustainable farming in France for decades, and its farmers are passionate about protecting their unique and unspoiled terroir in Normandy which offers high-quality pastures to cows. Since 2000, all the Isigny Sainte-Mère Cooperative farms are certified by AgriConfiance which ensures not only safety and full traceability, but also high level of standards in terms of responsible livestock farming practices such as herd’s feed, farm hygiene and animal welfare. They are committed to complying with best practice to ensure that the cows have a healthy environment, and receive proper treatment and care in order to provide the best milk. They uphold the French Charter of Good Agricultural Practices and the “Boviwell” system in particular, based on five key commitments for the welfare of cows.

Animal welfare in the research and development and testing of our products

H&H develops and releases nutrition and wellness products without the use of animal testing in most cases. However, animal testing may be required in some circumstances; for example, where national or international regulatory authorities require this for pre-market approval for infant nutrition products.

We released our animal testing policy in 2022. Our policy outlines our commitment

to internationally recognised high-quality standards of care for laboratory animals, and our principles to replace, reduce and refine animal testing. Animal testing will only be used for research when no appropriate research models and/or human research models are available, or when assessments are required by national/ international regulatory authorities for pre-market approval. Moreover, when possible non-mammalian models are preferred. No beauty products will be tested on animals.



Aurelia London – A ‘Leaping Bunny’ brand

Our brand Aurelia London is a ‘Leaping Bunny’ certified brand by Cruelty Free International. The Cruelty Free International Leaping Bunny Programme is the recognised global gold standard for cruelty-free skincare and beauty products. Aurelia London has also joined People for the Ethical Treatment of Animals’ (PETA) cruelty-free certification programme.





MARKETING

RESPONSIBLE MARKETING OF BREAST-MILK SUBSTITUTES

At H&H, we recognise the unparalleled importance of human breast-milk as the best nutritional start in life for infants. As an organisation involved in the distribution and marketing of infant milk formula, we are committed to handling our marketing and communications with sensitivity, particularly regarding the wellbeing of both mothers and newborns.

In 2018, we introduced our Responsible Marketing of Breast-Milk Substitutes Policy (BMS Policy) to provide guidance on how the Group conducts marketing activity with regard to Breast-Milk Substitutes. Building on this, in 2021, we reviewed our baby nutrition product strategy with targeted research and development initiatives aimed at empowering mothers to breastfeed effectively.

In 2023, we have reviewed and updated our BMS Policy and procedures to ensure full compliance with the World Health Organization Code (the

WHO Code) and its subsequent resolutions. Our revised Responsible Marketing of Breast-Milk Substitute Policy, released in March 2023, encompasses several major updates outlined below.

- **Covered products:** our revised BMS Policy now covers all products intended for infants aged 0–12 months, including stage 1 (0–6 months), stage 2 (6–12 months), and Food for Special Medical Purposes (FSMP).
- **Geographical scope:** our BMS Policy applies globally across all regions where we operate, without differentiation between countries based on risk levels. We uphold our policy in all jurisdictions even where regulations are about or less stringent than our BMS Policy. In China, our BMS Policy is augmented by our “Code of Conduct for the Promotion and Sale of Breast-Milk Substitutes in China”, which is a specific Code of Conduct enforced in China that applies to our Biostime brand.
- **External validation:** we have started the ATNI (Access To Nutrition Initiative) BMS assessment process in March 2023 for the Global BMS/CF Marketing 2024 Index, demonstrating our commitment to transparency and continuous improvement within the BMS industry.

Concurrently, we conducted a comprehensive gap analysis of our WHO Code compliance with Bureau Veritas UK in the second half of 2023. The insights gained from this audit have informed our improvement strategies to strengthen our compliance management system and ensure an effective internal culture of compliance with the WHO Code.

Our BNC Council, made up of marketing and regulatory representatives from every brand and region in which we operate, continued to regularly:

- remain up to date with local and global industry developments and changes
- oversee our approach and positioning in relation to BNC matters (including Breast-Milk Substitutes)

- report on regional training of the BMS Policy
- raise and discuss any concerns with the BMS Policy
- report on compliance with the BMS Policy to the Group’s Global Risk team and the Board
- discuss any concerns and cases of non-compliance raised and respond accordingly
- engage with stakeholders in advocacy activities to support and protect breastfeeding, secure compliance with the WHO Code and raise awareness among all our business partners.

In 2023, we undertook various initiatives, including:

- completing the ATNI BMS marketing assessment for inclusion of H&H in the 2024 ATNI BMS Index
- participating in the Infant and Young Child Nutrition Project meeting organised by the Meridian Institute in November, 2023 to exchange ideas with other private sector representatives on how to reduce inappropriate marketing of BMS, and enable companies that manufacture BMS to contribute more towards addressing global nutrition challenges
- launching our brand-new Biostime Mamabiotic Plus™ range, a premium and advanced formulation designed to support mothers with scientifically proven ingredients targeted for each stage of pregnancy journey from pre-conception, pregnancy to lactation
- integrating BMS training into our annual compliance training that is mandatory for all team members
- as part of our B Corp certification journey, B Lab Standards Advisory Council confirmed H&H met the eligibility criteria for companies involved in the marketing of BMS defined by B Lab in terms of disclosure requirements and marketing standards
- rolling out a campaign to support the World Breastfeeding Week in China.

Moreover, we remain committed to supporting breastfeeding parents within our Company by providing conducive environments and resources upon their return to work. All workplaces with more than 30 employees now feature dedicated spaces for breastfeeding parents. At H&H, we are dedicated to fostering a culture of responsible marketing and supporting breastfeeding as the optimal choice for infant nutrition.

CONSUMER ENGAGEMENT

At H&H, our brands are Premium, Proven, Aspirational and Engaging (PPAE). Our unique (PPAE) model guides how we develop, market and communicate our products across our brands, and how we engage consumers on their health and wellness journey. It also guides us in how we communicate our brands' and products' sustainability attributes. For more detailed information about our PPAAE model, please refer to our [2022 Sustainability Report](#).

Our respect for nature and imaginative approach ensures that everything we do can better people, better society and better the environment, promoting sustainable wellness across the world.

We partner with credible and aspirational celebrities and influencers as well as invest in marketing on a local and global level to keep our consumers engaged and informed about the importance of leading a healthy lifestyle and overall wellbeing.



Solid Gold unveils traceability video in China

With global trends in pet humanisation on the rise, more parents want to be careful about product safety and quality for their pets, who are ultimately part of the family. Product traceability has become a key element in winning consumers' trust and this year we launched Solid Gold's first traceability video. This video provides viewers with an authentic and holistic view of our high standard production process.

Biostime helps mothers to worry less

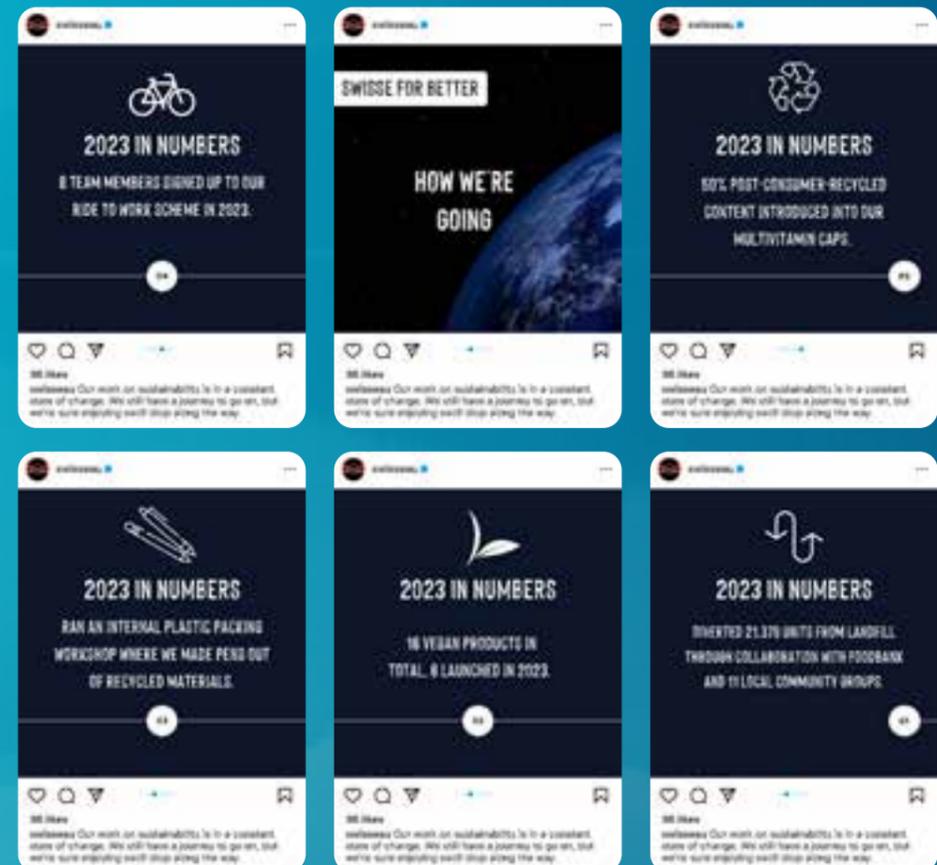
In 2023, Biostime launched the "Less Worried Mom" campaign, collaborating with popular variety shows in China. This engaging campaign resonated with young consumers and mothers, generating significant buzz. It garnered billions of views and reads online, boosting brand awareness and establishing an emotional connection with the public. Biostime's event marketing campaign during the 2023 National Day holiday, focusing on mothers' needs and leveraging social media, further expanded brand exposure. The campaign received praise from consumers, achieving high exposure and top search rankings. Biostime's ability to address modern mothers' demands and provide practical solutions strengthened its reputation and connected with the target audience.



#SwisseForBetter Instagram campaign

In 2023, our Swisse Australia team launched the #SwisseForBetter campaign to showcase our sustainability efforts and engage with our consumers. Through a series of captivating Instagram reels, the Swisse Australia team took viewers on a virtual tour of our Melbourne office, where they could witness our dedication to sustainable practices, from implementing light-timers to utilising a rainwater harvesting system for toilet flushing and irrigation. Furthermore, the campaign emphasized our initiatives to reduce the environmental impact of our packaging, including gummies containers made of 100% recycled Polyethylene Terephthalate (rPET) and Swisse multivitamin caps with 50% post-consumer-recycled content. The 'less is more' philosophy of our COSI mindset was also showcased as images of reduced size vials of our Swisse Ultiboost Magnesium range were unveiled.

Beyond showcasing sustainability, the #SwisseForBetter campaign provided valuable content, offering tips on managing eco-anxiety and empowering individuals to make positive environmental choices. By engaging with our consumers, our aim was to inspire and educate, fostering a shared commitment to a better, more sustainable future.



NUTRITIONAL AND INCLUSIVE PRODUCTS

PROVIDING PRODUCTS THAT SUIT COMMUNITIES' DEMAND AND HEALTH CONCERNS

In addition to the safety of our products and the benefits they provide to the consumers, the nutritional quality of our food and supplement products is a crucial factor in their purchasing decisions. Our primary goal is to create a positive impact on health by developing and offering products with enhanced nutritional quality and tailored health benefits. We strive to meet the diverse nutrition and health needs of all family members, including pets, and cater to different life stages. Moreover, we take into account public health concerns and respect local cultural traditions to offer products that align with our consumers' needs and preferences.

We understand that a brand's product range in one market may not align with the customs or tastes of another. Therefore, we advocate a 'glocal' approach within our product innovation and selection strategy. This approach involves tailoring our global brands' product ranges to suit the specific needs of local consumer. To achieve this, we conduct both quantitative and qualitative research to stay up to date with – and anticipate – global as well as market-specific consumer trends and demands. By doing so, we ensure that our consumers' health and wellness needs and priorities are integral factors in decision-making process for new product development. This approach also enables us to continually evolve our brands and product portfolios to maintain their relevance.

Access to our products

We want our products to be accessible to meet communities' health and nutrition needs. Regarding our commercial activities, we have prioritised three aspects in this respect:

- **distribution and markets served** – focusing on expanding the availability of our products to our target consumers across our existing markets and giving access to our products to consumers in new countries
- **cultural norms and lifestyle choice** – focusing on considering local cultural norms (e.g. halal products) and adapting to the growing desire of consumers to live more sustainably and embrace a plant-forward approach

- **sample size products** – proposing some of our products in sample size to increase their affordability and provide with trial for a wider consumer audience.

Please refer to our 2023 Annual Report for information regarding the expansion of the availability of our products through distribution and markets served.



Inclusivity (halal certification)

We work to consider local cultural norms, including religion, of our consumers.

In 2023, halal products made up 12% of our ANC portfolio (in number of stock keeping units (SKUs)), and contributed to 4% of our global ANC revenue. Our focus in expanding our global halal portfolio has been on the South-East Asia (SEA) region, where halal-certified products accounted for 55% of our ANC revenue (excluding cross-border e-commerce).



In 2023, we introduced seven new halal-certified formulations. By expanding our range of halal products, we aim to offer consumers more choices and improve accessibility for those with dietary restrictions.

Vegan-friendly products*

We are dedicated to addressing the demands of discerning consumers who prioritise vegan-friendly options. We recognise their preference for ingredients and formulations that promote personal wellbeing while avoiding the use of animal-derived products. We are committed to offering a variety of products that cater to these specific needs and align with the evolving consumer landscape.

Total percentage of vegan-friendly products across H&H product categories by net sales revenue (NSR, USD)

Adult nutritional supplements	37%
Paediatric probiotic and nutritional supplements	35%
Baby food and snacks	75%
Skincare products	61%

As of 2023, our IMF portfolio did not include any formulations that were specifically vegan-friendly or plant-based. Similarly, our PNC portfolio currently does not offer any vegan-friendly products. However, our Solid Gold SeaMeal range – nutritional supplements for dogs and cats – does have plant-based products (the main ingredients are seaweed and flaxseed). While they are not classified as vegan due to the presence of lactose in the ingredients panel (which acts as a carrier for the enzymes), they still provide a plant-based option for pet nutrition.

*For the purposes of the Report, 'vegan-friendly' refers to products that do not contain animal-based ingredients or animal by-products, such as meat, eggs, milk and honey.

FUELING HEALTH AND HAPPINESS THROUGH THE NUTRITIONAL QUALITY OF OUR PRODUCTS

Making health a priority with our portfolio of products with low sugar, or no added sugar

We are continuously enhancing our formulations to promote healthier choices for consumers, offering products with no added sugar* content.

We recognise the concerns of parents regarding the health implications of sugar and their growing preference for products with limited or no added sugar in our BNC segment. We are proud to share that over 85% of our global BNC revenue** is derived from products that are free from added sugar* (more than 95% of our Good Goût revenue and the entire range of our IMF, are without added sugar***).

In our ANC segment**, we understand the growing concern around sugar intake and the desire for products that are formulated without added sugar or are sugar-free. While it is important to note that only a few of our products have undergone specific testing to make these claims, 11% of our products in net sales revenue are verified as having low sugar content, and 19% are labeled as 'no sugar added**'.

We also recognise that pet parents are equally concerned about the health of their dogs and cats, therefore, 100% of our pet food products**** have been formulated without the addition of sugar*. This reassures that pet parents can confidently choose our products, knowing that our products prioritise the wellbeing and nutritional needs of their beloved pets.

We intend to continue expanding our range of low sugar, no sugar added or sugar-free formulations across all our markets in the coming years as part of our ongoing efforts to improve consumers' health.

Reducing artificial additives for better nutrition

Consumers are growing more discerning and knowledgeable, seeking greater transparency across the entire value chain in order to make highly informed purchase decisions. They are growing increasingly cautious when it comes to products that directly impact their own wellbeing and are seeking a fuller understanding of what the ingredients mentioned in labels actually are, and their benefits. To raise consumers' confidence in the safety of our products, we favour formulations which avoid addition of artificial preservatives, colours, flavours, and sweeteners where possible. In 2023, 87% of our revenue***** was generated from products that are free from these artificial ingredients*.

We are proud to share that over 87%***** of our global revenue is derived from products that are free from artificial preservatives, colours, flavours and sweeteners

Our ANC portfolio (in NSR):

67% no artificial colours*

71% no artificial flavours*

65% no artificial sweeteners*

66% no artificial preservatives*

Our BNC portfolio***** (in NSR):

99% no artificial colours*

99% no artificial flavours*

99% no artificial sweeteners*

99% no artificial preservatives*

Our PNC portfolio**** (in NSR):

100% no artificial colours*

100% no artificial flavours*

99% no artificial sweeteners*

97% no artificial preservatives*

* As defined pursuant to relevant local countries' regulatory standards or criteria.

** The percentage (%) of 'low sugar' and 'no sugar added' claims excludes skincare and personal care categories.

*** In accordance with regulations for IMF.

**** When the Report was released, the data for our Solid Gold brand in mainland China was unavailable and is therefore not included in the analysis.

***** Excluding Solid Gold revenue in mainland China and Dodie.

***** Excluding Dodie.

REDUCING OUR FOOTPRINT ON THE PLANET

We use resources efficiently and act on climate change to preserve our home planet for future generations.

We aim to achieve economic growth while engaging in sustainable procurement practices and protecting the ecosystems on which we rely for raw ingredients.

We provide consumers with information through standards and labels to ensure traceability and transparency.

We continuously strive to use resources more efficiently, be mindful of our carbon footprint, and make conscious decisions to reduce our emissions.



2023 HIGHLIGHTS

Our achievements in 2023



H&H near-term emissions reduction targets have received validation from the SBTi.



Our two main factories (mainland China) are certified carbon neutral for Scopes 1 and 2 emissions with the PAS 2060 standards.

Our SBTi-approved targets

100%

We will cover 100% of our electricity consumption with renewable electricity annually through to 2030.

-46.2%

By 2031, we will improve the energy efficiency of our operational sites to decrease our Scope 1 emissions by 46.2%.

-55%

By 2031, our Scope 3 emissions from upstream transportation and distribution will decrease by 55% per million USD of value added.

52%

By 2027, 52% of our suppliers (by spend) will have set science-based targets to decrease their emissions.

OUR CLIMATE ACTION

At H&H, we are determined to play our role in the transition to a low-carbon global economy and are dedicated to making a significant impact in the fight against climate change.

OVERVIEW OF OUR CARBON FOOTPRINT (based on the market-based methodology)

403,022 t

Total CO₂ emissions

4,602 t

Scope 1 CO₂ emissions

1%

0 t

Scope 2 CO₂ emissions (100% renewable electricity)

-

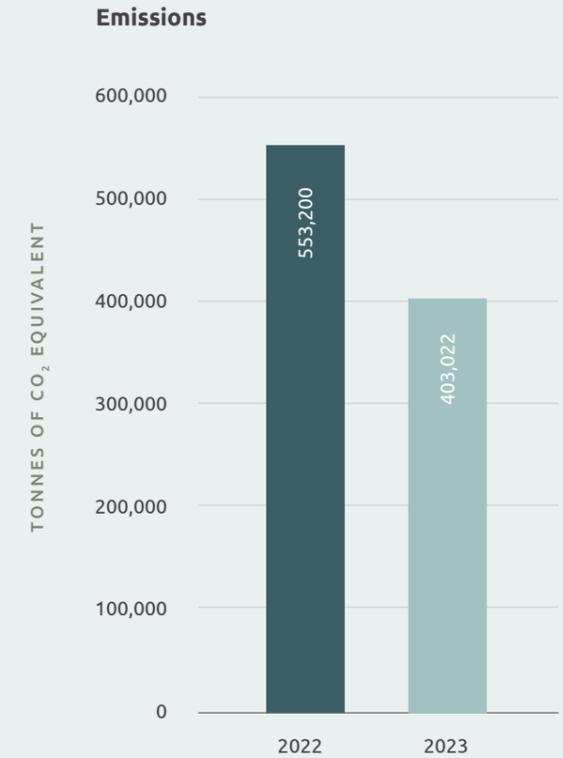
398,420 t

Scope 3 CO₂ emissions

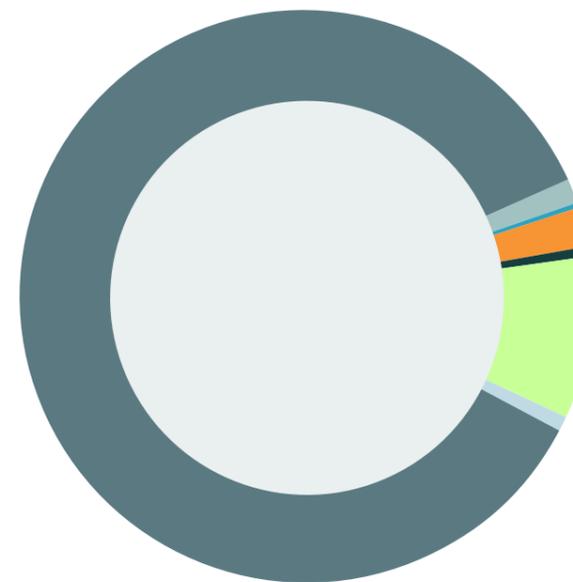
99%

In 2023, we achieved year-on-year declines in both total carbon emissions and carbon emission intensity.

99% of our emissions are indirect – they are generated upstream or downstream of our value chain (Scope 3).



Allocation of 2023 Scope 3 emissions



- 0.02%** Emissions linked to fuel and energy (not included in Scope 1 and 2)
- 0.5%** Waste
- 0.8%** Capital assets
- 1.4%** End of life of sold products
- 2.4%** Travel
- 9.4%** Upstream transportation and distribution
- 85.6%** Purchased goods and services

SETTING AMBITIOUS GHG EMISSIONS REDUCTION TARGETS

This year has marked a significant milestone in our climate action plan as we have set ambitious GHG emissions reduction targets that have been approved by the Science-Based Targets initiative (SBTi). These SBTi-approved targets ensure that our commitments are aligned with global efforts to limit global warming.

Our targets focus on three key emissions hotspots (described on the right) to drive meaningful change.



01

Product emissions (Scope 3)

Our products (raw materials, finished goods, packaging) have a substantial impact on our carbon footprint (representing 81% of our global emissions). By 2027, we strive for 52% of our suppliers, based on spend, covering purchased goods and services, to have science-based targets in place. We actively support our suppliers in setting ambitious and measurable goals aligned with scientific recommendations, fostering a collective effort towards a sustainable supply chain.

Working toward our target

In 2023, we collaborated with our primary dairy supplier, Isigny Sainte-Mère Cooperative (the Group's largest supplier which accounts for 21% of our total purchases), in calculating its comprehensive Scope 1, 2 and 3 GHG footprint. This calculation serves as the foundation for identifying strategies to reduce its emissions.

Furthermore, we have joined the global dairy sector in endorsing the Pathways to Dairy Net Zero initiative. This collective effort aims to accelerate climate action within the dairy industry and mitigate the environmental impact of dairy production. Through this movement, we gain access to valuable resources and research updates that aid us in supporting our dairy partners.

02

Transport emissions (Scope 3)

Transporting our products contributes significantly to our carbon footprint (it represents 9% of our global emissions). To mitigate this impact, H&H has committed to reducing Scope 3 GHG emissions from upstream transportation and distribution by 55% per million USD of value added by 2031, relative to our 2022 baseline. This target reflects our efforts to optimise logistics and promote efficient and sustainable transportation practices throughout our value chain.

Working toward our target

In 2023, we implemented an internal tool dedicated to monitoring our transport emissions, enabling us to identify key emissions hotspots and areas of reduction, such as air freight. Building upon this achievement, we have developed a comprehensive freight action plan (covering improvements in type of transportation, fleet, routes and load/packaging optimization) that initially targets emissions reduction in two of our primary contributing regions – mainland China and Australia and New Zealand. Our approach is designed to be holistic and thorough, taking into account the unique characteristics and challenges of each region. As we progress, we are gradually incorporating all our regions into the action plan, ensuring that our efforts to mitigate freight-related emissions are comprehensive and inclusive. In 2023, we reduced our freight-related emissions by 37% (in absolute value) compared to our 2022 baseline. This was mainly attributable to a decrease of air freight for the transportation of our products to China.

03

Operational emissions (Scope 1 and 2)

We have committed to reducing absolute Scope 1 GHG emissions by 46.2% by 2031, compared to our 2022 baseline. This target focuses on direct emissions from our operations, including those from our facilities and manufacturing processes.

We are also dedicated to actively sourcing 100% renewable electricity annually through to 2030.

Working toward our target

Our China-based factories have been certified carbon neutral for Scope 1 and 2 emissions, adhering to the globally recognised PAS 2060 standard for carbon neutrality. This accomplishment involved covering their electricity use by renewable electricity, establishing a comprehensive roadmap to decrease our emissions and offsetting the remaining emissions using high quality credits.

Additionally, our Keilor Park packing facility (Australia) underwent a thorough energy and carbon assessment to identify opportunities to enhance overall energy efficiency. The objective of the assessment was also to develop a framework that could potentially be implemented across other facilities with similar operational characteristics. We have already begun implementing various energy efficiency measures identified through the assessment.

ENHANCING OUR PEOPLE'S AWARENESS ON CLIMATE ACTION

In 2023, we introduced the H&H Academy for Change, a training platform designed to equip our team members with the knowledge and skills needed to navigate the complexities of climate change. Through mandatory training, our people immersed themselves in understanding climate action – fostering a deep knowledge of sustainability principles and empowering our team members to make informed decisions and actively contribute to our sustainability goals.

To commemorate the launch of the H&H Academy for Change, we established the H&H Forest in Sai Thai, Thailand in partnership with Ecomatcher, a Hong Kong-based B Corp. The forest comprises 4,000 trees of five different species and stands as a living testament to our collective commitment to environmental preservation. Each team member who completed the compulsory training received a unique tree in the H&H Forest. This visionary project not only contributes to reforestation efforts, but also serves as a powerful symbol of our dedication to fostering environmental resilience.



To commemorate the launch of the H&H Academy for Change, we established the H&H Forest in Sai Thai, Thailand in partnership with Ecomatcher, a Hong Kong-based B Corp. The forest comprises 4,000 trees of five different species and stands as a living testament to our collective commitment to environmental preservation.

OUR OPERATIONS

INTRODUCTION

Most of our sites across the world are corporate offices, with only four being operational sites – namely, two facilities in mainland China (in Guangzhou and Changsha) and two facilities in Australia (Farmland in Auburn, New South Wales and a packing facility in Keilor Park, Victoria).

Our operational sites are the focus of our environmental efforts, as those account for 78% of our environmental footprint across energy, waste and water, with our in-house factories in mainland China representing 75% of this global environmental footprint.

Compliance with regulations

Each of our sites are in full compliance with all relevant environmental laws and regulations and set operational expectations through their own environmental policies and standard operating procedures (SOPs). Our internal H&H Code of Conduct, which addresses the UN Global Compact Ten Principles, sets global standards for our Group, and defines the guiding principles for our team members' behaviours, including relating to the environment. In particular, it encourages our team members to consider the impacts on the environment as well as cost when procuring products and services and to be

mindful of the environmental implications in such areas as new product development, marketing activation plans, trade marketing, packaging, and content recycling. We also expect our team members to understand and comply with environmental regulations. We had no incidents of non-compliance relating to environmental law or regulation in 2023.

Our standards of operation

Our two factories in mainland China are certified with the GB/T 24001-2016/ISO 14001:2015 standard for environmental management. This certification demonstrates that we are committed to continuous improvement on environmental protection and that our production and operation meet the local government's management requirements for the factory: clean production, energy conservation and environmental protection.



OUR APPROACH TO SUSTAINABLE ENERGY



21,962 MWh
Total energy consumption

Our transition to electricity from renewable sources

Depending on the regions and types of operations, we have either: purchased Energy Attributes Certificates (EACs), which include Renewable Energy Certificates (RECs); switched to renewable energy options provided by local energy suppliers; or have self-generated (on-site) energy (from our photovoltaic solar panel farm located on our facility in Guangzhou).

In line with our SBTi targets, we are committed to covering 100% of our electricity consumption with renewable electricity annually through to 2030.

Our steps to improve our energy efficiency

Audit at our Keilor Park packing facility

The energy and carbon assessment conducted in July 2023 at our Swisse packing facility and warehouse in Keilor Park (Melbourne, Australia) recognised the facility's already high level of efficiency. However, the assessment was instrumental in identifying additional opportunities for energy efficiency that we began implementing in late 2023. Since then, we have been actively implementing various actions based on the assessment findings, with the potential to deliver significant energy savings.

Through the implemented measures, we anticipate conserving approximately 5% of the total energy consumed at the Keilor Park facility (excluding energy used for

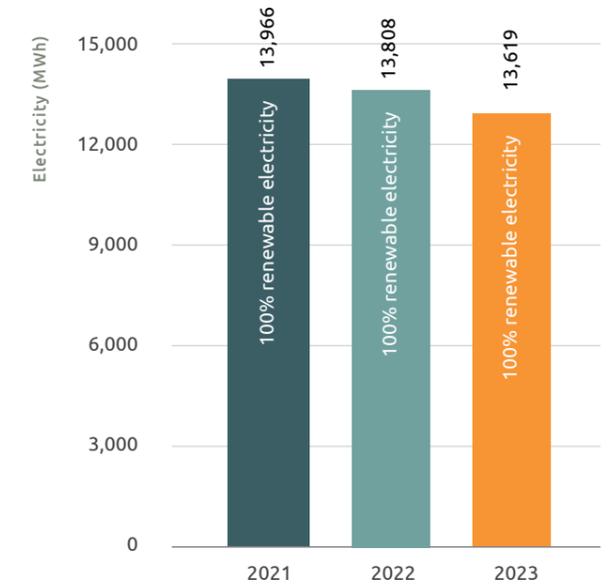
commuting). These initiatives not only contribute to reducing our carbon footprint but also exemplify our commitment to responsible resource utilisation. We will continue to monitor and evaluate the effectiveness of these measures and to analyse the feasibility of other measures identified during the audit.

Initiatives in our Chinese facilities

In 2023, significant energy-saving measures were implemented in our Guangzhou factory's R&D building. The outdated fluorescent tubes, totalling 650 and consuming 56 watts each, were replaced with modern LED lights that only consume 20 watts each. This LED retrofit resulted in an energy-saving efficiency of approximately 64%. As a result, we anticipate an estimated annual electricity saving of around 870,000 kilowatt-hours.

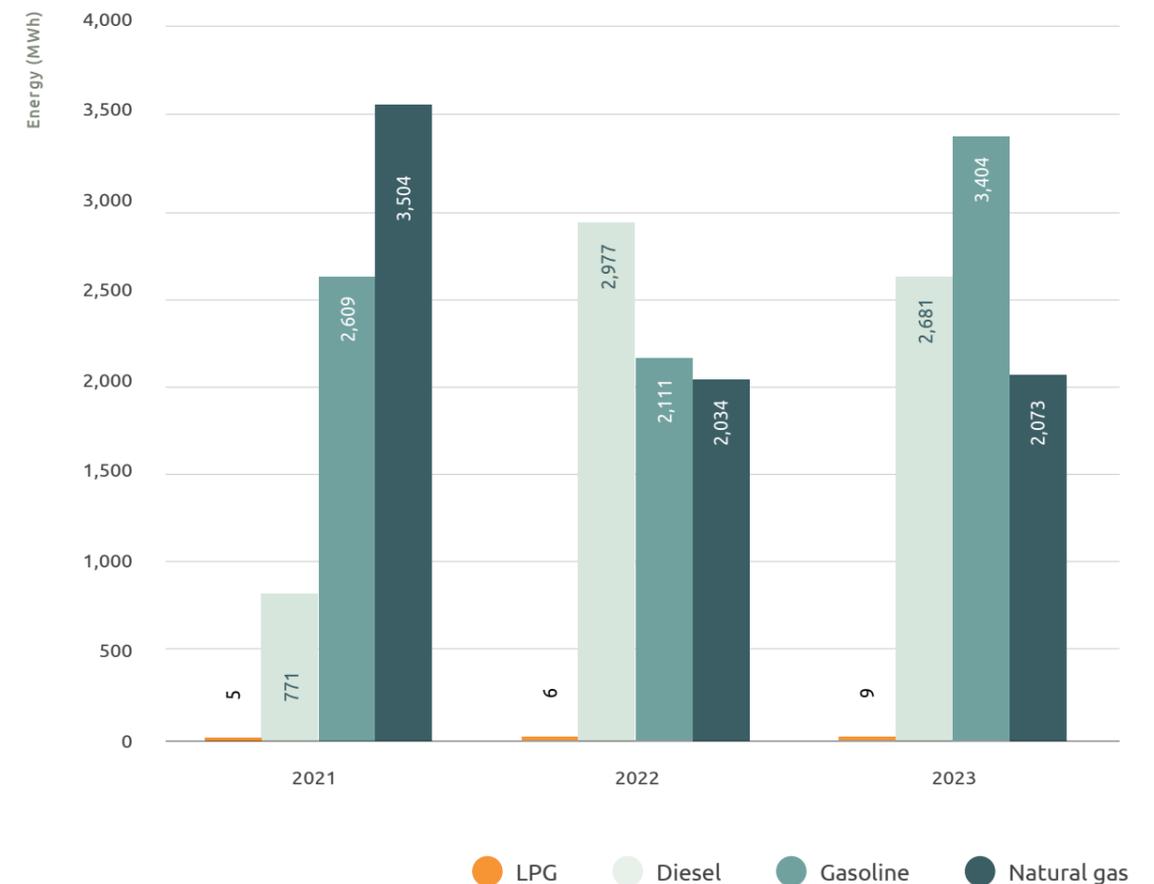
Similarly, in our Changsha factory, we identified a substantial energy consumption issue with the air conditioning unit's fan. The fan was operating on a traditional motor and belt system, which is highly inefficient. To address this, we underwent an EC fan transformation, significantly enhancing the fan's efficiency and reducing its energy consumption. This retrofit is expected to achieve an energy saving of approximately 30%, translating to an estimated annual electricity saving of 70,000 kilowatt-hours.

Electricity consumption (MWh)



100% of our electricity consumption is covered by electricity from renewable sources.

Energy consumption



OUR APPROACH TO WATER STEWARDSHIP



54,204 KL
Total water withdrawal

Water management

Our first focus regarding water protection is on our operational sites, recognising that most of our sites across the world are corporate offices and have limited water use (our manufacturing and packing sites represent 94% of our Group water withdrawal).

In our factories in Guangzhou and Changsha, we monitor and manage our water consumption through our ISO-certified Environmental Management System.

The Group set itself the target for 2023 of reducing the water withdrawal at our owned manufacturing facilities by 4% per unit produced, compared with 2021.

In 2023, we continued to implement water conservation initiatives at our operational facilities. Some of our initiatives to reduce our water withdrawal included the following:

- Our Guangzhou factory implemented measures to improve domestic water consumption by regulating the water flow in washbasins and reducing the water capacity of toilets. Through these renovations, the factory achieved significant water savings. Based on assessments, the entire plant can now save approximately 2.5 tonnes of water per day, which amounts to annual water saving of 625 tonnes. This reduction represents 30% decrease of water consumption.

- Our Changsha factory took steps to enhance water conservation by implementing a water recycling system. Purified water is now recycled and utilised for processing, particularly for the air conditioning system’s cooling water. This initiative enables the factory to save approximately 6m³ of water per day, resulting in an annual water saving of 1,200 tonnes.

As a result of our diligent efforts, we have achieved a reduction of 7.2% in water usage per unit produced in our owned factories of Guangzhou, Changsha, and Auburn in Australia (representing 93% of the Group’s water consumption). Our ongoing efforts to find solutions for conserving greater amounts of water will be sustained in the years to come.

In addition, whether in our operational sites or in our offices, all our team members are encouraged to make a conscious effort to reduce their water use.

While our in-house factory in Changsha operates in an area where water resources are acknowledged to be under stress*, we are committed to responsible water management. We do not source water from any other water-stressed regions for our direct operations.

Our efforts also focus on engaging with our supply chain to manage and reduce their water use. Pursuant to our Supplier Code of Conduct, we expect our suppliers to implement and maintain a water management system or similar process to measure, manage and minimise adverse environmental impacts.

*Aqueduct Water Risk Atlas.

Wastewater management

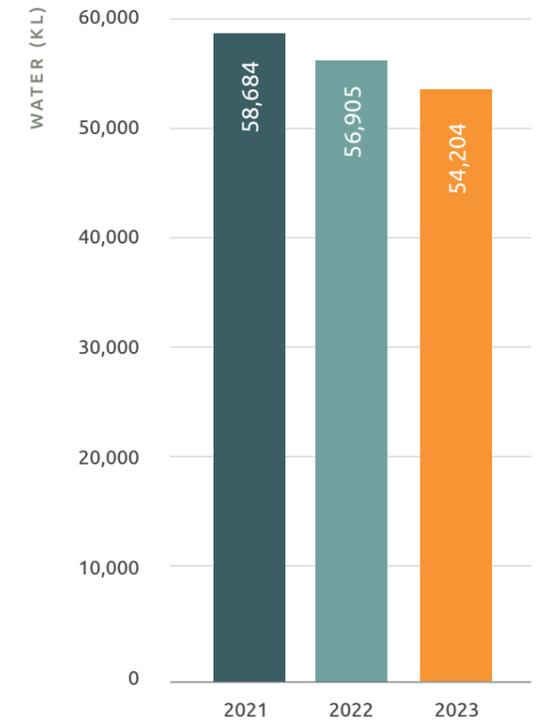
We recognise the importance of responsible water stewardship and endeavour to ensure effective treatment and management of wastewater across our operations. By prioritising wastewater treatment, reuse, and proper disposal practices, we strive to minimise our environmental impact, protect water resources, and preserve ecosystem health.

Our in-house factories in China represent 97% of our wastewater. We comply with the relevant local regulations regarding wastewater: for our site in Guangzhou, the Local Standard of Guangdong Province (People’s Republic of China) “Water Pollutant Discharge Limits” (DB44/26-2001) in Guangdong Province; and for our site in Changsha, the Integrated Wastewater Discharge Standard (GB8978-1996).

Among our factories, our Guangzhou facility produces a material stream of wastewater. The wastewater mainly comes from equipment cleaning, production wastewater, office domestic sewage, canteen sewage, and wastewater from laboratory. After we ensure the water does not contain pollutants beyond the maximum allowable discharge concentration as specified in the local standard, the wastewater is treated in tertiary septic tanks and then discharged into the municipal sewage pipe network and finally into the Dashadi Sewage Treatment Plant.

Water use reduction of 7.2% per unit produced in our in-house manufacturing sites (compared with our 2021 baseline)

Water withdrawal



As a result of our efforts, we achieved a year-on-year absolute reduction of 5% in our water usage across the Group in 2023.

OUR APPROACH TO WASTE MANAGEMENT



5,407 t
Total waste

H&H is focused on reducing the waste we generate in our manufacturing and packing facilities as well as disposing of this waste in a safe and environmentally responsible manner.

We monitor and manage our waste and work towards specified targets to reduce adverse impacts. We are committed to reducing waste in daily operations and maximising the recycling of resources.

Our team members are encouraged to make a conscious effort to reduce waste. When waste has been generated, we aim to find solutions to recover as much waste as possible – our team members are requested to recycle where possible and to employ special streams of reusing waste, e.g. composting organic waste or collecting batteries separately for proper recycling. We have procedures in place at site level which cover how team members should use resources more efficiently (including in order to limit paper, food or water waste) and dispose of waste guiding them on proper recovery or recycling measures when they are available.

Our waste minimisation initiatives extend beyond production-focused measures to encompass the enhancement of our stock management practices. Additionally, we actively seek opportunities to facilitate donations to not-for-profit organisations, effectively preventing unnecessary waste while creating a positive impact on our community.

Reducing waste to landfill is, and will remain, a major focus. Waste reduction is recognised as a collective responsibility of all our team members.

Our efforts also focus on engaging with our supply chain to manage and reduce waste. Pursuant to our Supplier Code of Conduct, we expect our suppliers to implement and maintain a waste management system or similar process to measure, manage and minimise adverse environmental impacts.

Finally, we are very conscious of our role in minimising the waste generated by our packaging and increasing its recyclability. During our product development process, we implement systematic measures to reduce waste at source or improve materials recovery. Please see the “Our Approach to Packaging Resource Management” section in this Report for more details on our committed journey to improve the sustainability of our packaging.

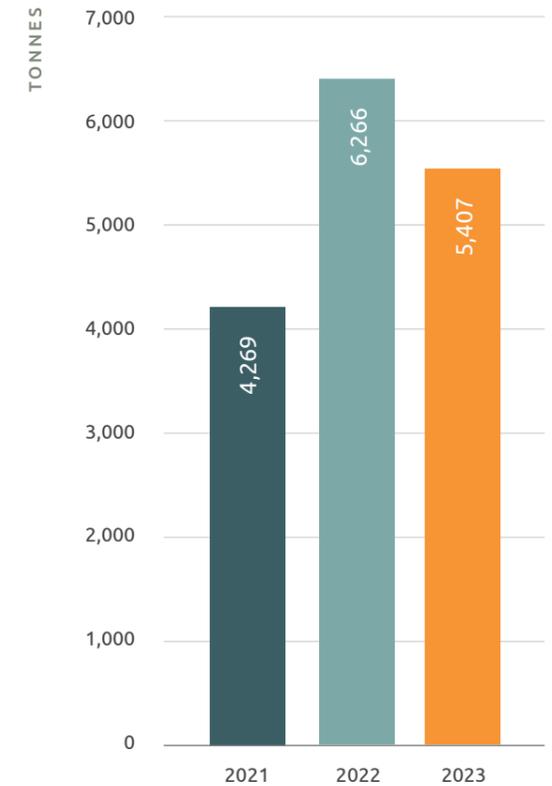
Increasing waste recovery at our manufacturing sites

At our in-house operational facilities (manufacturing and packing facilities), we proactively pursue waste management solutions to significantly reduce landfill waste.

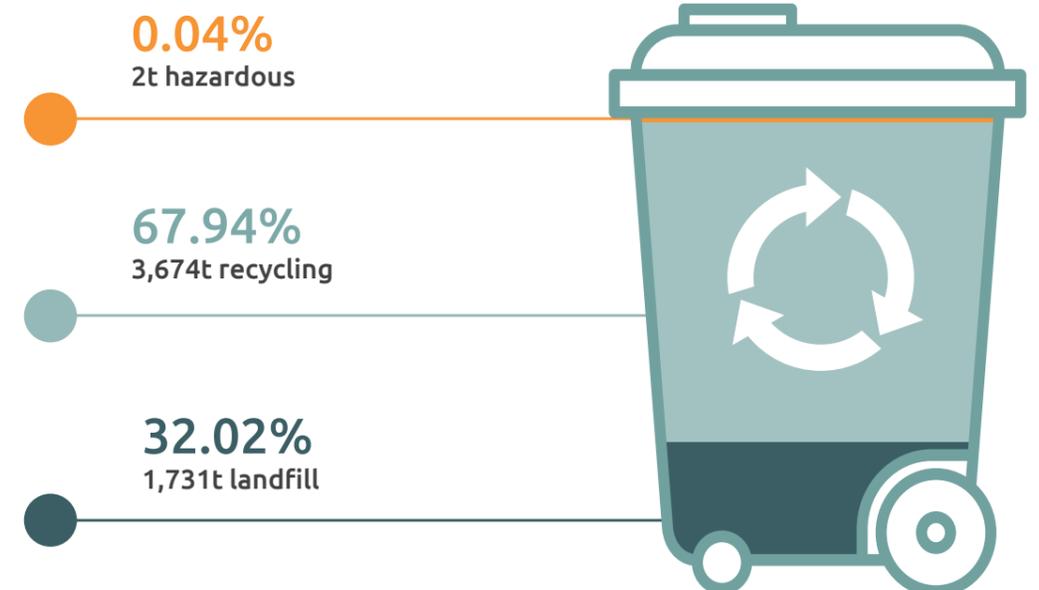
In 2023, 92% of the waste generated by our operational facilities (in-house factories and packing facility) was recycled or recovered.

Our focus lies on innovative approaches that prioritise waste recovery, recycling and repurposing. Specifically, in our manufacturing facilities in China, besides the recycling and reusing of our scrap metal or scrap cardboard, we actively recover kitchen waste, utilising it for biodiesel production or as valuable feedstock. For waste that poses recycling challenges, we strive to implement controlled incineration for energy recovery. By embracing these waste management strategies, we are dedicated to minimising our environmental impact and promoting circularity.

Breakdown of waste per year



Breakdown of waste types per volume (2023)



OUR APPROACH TO PACKAGING RESOURCE MANAGEMENT

MINIMISING THE ENVIRONMENTAL IMPACT OF OUR PACKAGING

Packaging plays an important role in ensuring the stability of active ingredients in our formulations, particularly in our two largest product categories – supplements and infant milk formula.

We continually aim to identify and implement packaging solutions which are more environmentally friendly yet can still meet the highest quality and safety standards to safeguard the health and wellbeing of our

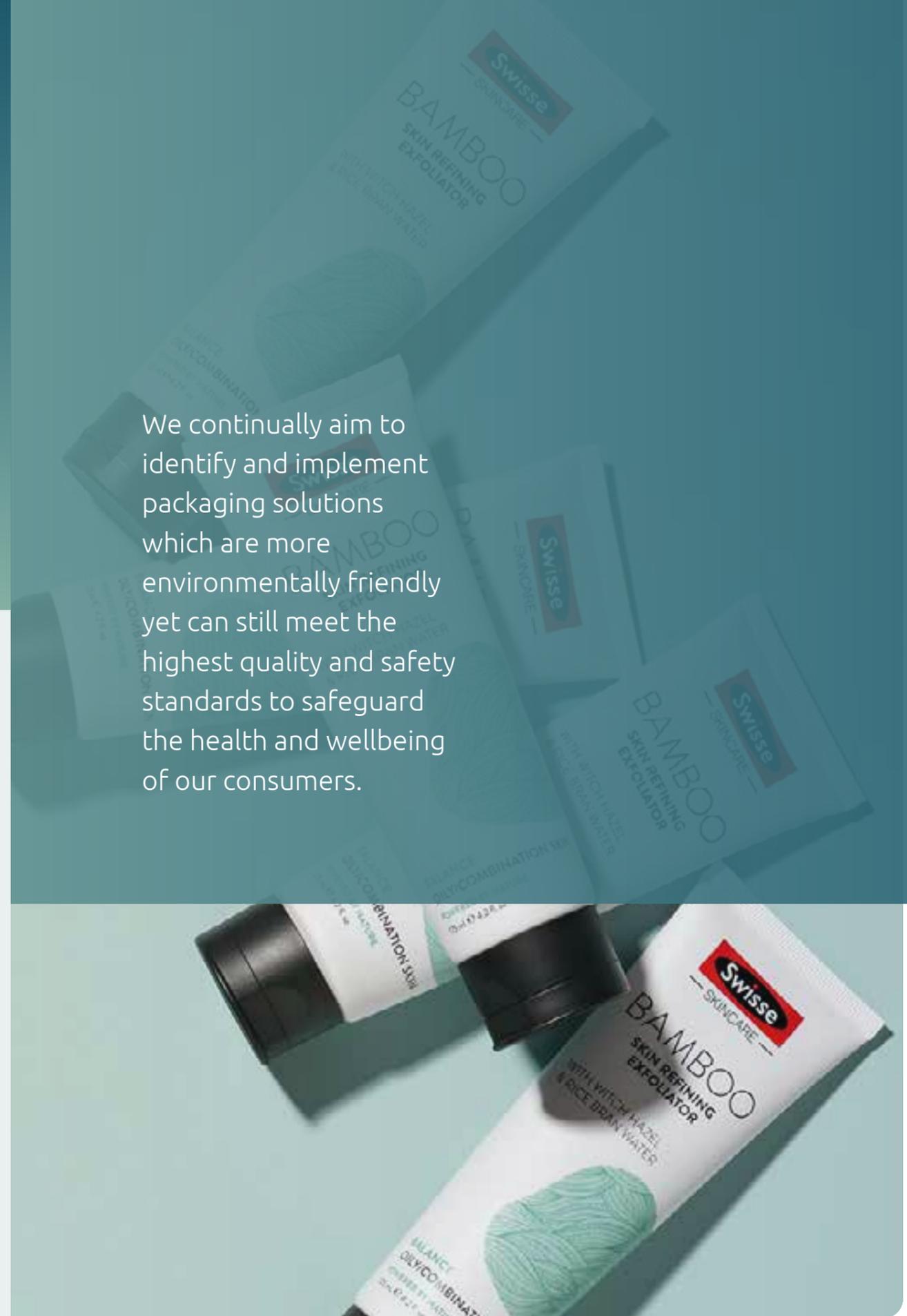
consumers. We also strive to reduce our use of packaging materials.

Our teams are following the 5Rs Framework in order to enhance the environmental performance of our packaging and embed circularity principles. We also apply our ‘Cost Out – Sustainability In’ (COSI) ethos to our 5Rs Framework and use our “5Rs packaging guiding principles for COSI projects” (please refer to our 2022 Sustainability Report for a description of those guiding principles) in our innovation process.

We continually aim to identify and implement packaging solutions which are more environmentally friendly yet can still meet the highest quality and safety standards to safeguard the health and wellbeing of our consumers.

5Rs Framework	Description	Our focus and progress in 2023
Reduce	Cut down on the amount of material to minimise environmental impact for both primary and secondary product packaging and other logistical packaging where possible.	Design smaller vials, and remove desiccants and secondary packaging, replace plastic shrink band with tamper-evident lids.
Renew	Integrate and optimise the proportion of renewable materials in packaging.	Rely on recycled and recyclable paper-packaging.
Recycle	Optimise the use of recycled materials to improve recyclability and reduce the amount of virgin materials created.	Use of recyclable plastics and recycled materials.
Reuse	Extend the life of packaging and encourage opportunity for consumers to reuse.	
Regenerate	Improve the ability of packaging to be reutilised and minimise carbon footprint across supply chain.	

We have been part of the Ellen MacArthur Foundation community since 2022.



OUR PACKAGING PROGRESS



1,397 tonnes
of packaging savings compared to 2022

25%
of recycled content

Actively pursuing recyclable, compostable or biodegradable packaging solutions

In 2023, we made significant strides in reducing our packaging consumption, cutting back by 1,397 metric tonnes compared to 2022. However, there was a slight decline in the recyclability percentage of our packaging, dropping from 98% to 95%. This led to an increase of 430 metric tonnes of non-recyclable materials in 2023 versus 2022, that is explained by the following factors.

- Half of this increase is attributed to the robust growth of our probiotics sales in China in 2023. This region’s unique product packaging, featuring a triple-layered foil to ensure probiotics strain stability, is currently non-recyclable. We are actively exploring alternative solutions for this product line, although shelf life tests conducted in 2023 did not perform well due to the poor oxygen/moisture barrier of the new materials, thereby jeopardising probiotics stability during the shelf life.
- The other half of the increase is linked to the full integration of Solid Gold volumes in 2023, impacting the overall recyclability rate, as only 86% of Solid Gold packaging is recyclable. We are committed to collaborating with our suppliers to boost the recyclability of remaining packaging materials of Solid Gold in the future without compromising on the stability and safety of our products.

In 2023, we enhanced our recycled content rate, escalating from 16% to 25%. This is the result of incorporating recycled content in various ANC and BNC product lines, including:

- our Biostime infant milk formula tins now contain 58% recycled tin
- our Swisse Ultivites* caps incorporate 50% PCR (post-consumer recycled) material

- our Swisse gummies* vials are made from 100% recycled Polyethylene Terephthalate (rPET).

Though PCR material supply has not fully matured in all the regions we operate, and our strict food quality standards remain non-negotiable to safeguard product quality and stability, our team remains dedicated to increasing the recycled content of our packaging.

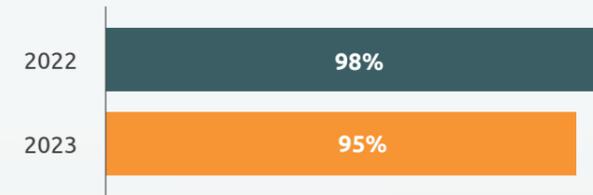
We are committed to increasing the use of recycled and sustainably sourced renewable content in our cardboard packaging to reduce our environmental impact and eliminate deforestation from our supply chain. When recycled content is not available, we prioritize responsibly sourced virgin paper and board certified by the Forest Stewardship Council (FSC), PEFC (Programme for the Endorsement of Forest Certification) or SFI (Sustainable Forestry Initiative) for North America, ensuring high environmental and social standards.

Moving forward, we will continue to carefully consider the following:

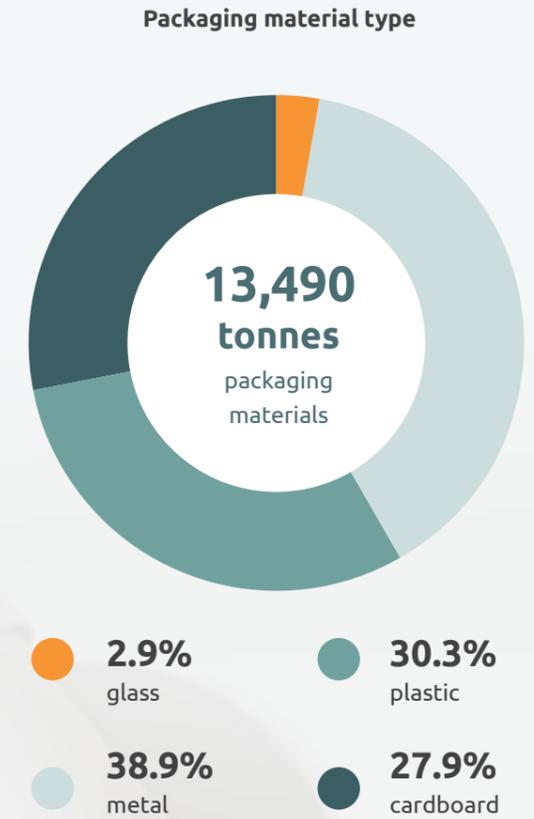
- selecting renewable or recycled materials whenever possible
- designing packaging for material recovery, litter minimisation, consumer accessibility, transport efficiency and reduced product waste
- ensuring safety of materials used
- reducing the loss of packaging materials during manufacturing
- upholding high standards of quality and safety in our products.

By adhering to these principles and continuously seeking improvement, we strive to find packaging solutions that strike the perfect balance between environmental responsibility and product quality.

* From our Australian range.



Percentage of packaging materials that are recyclable, biodegradable or compostable (by packaging weight)



Unveiling innovative packaging solutions: results of the Sustainability Open Innovation Challenge held in Singapore

Our team remains committed to exploring and testing new and innovative packaging solutions. In 2022, we initiated a Sustainability Open Innovation Challenge in collaboration with Enterprise Singapore to engage with a cohort of innovators and seek out a sustainable sachet or pouch format for dietary supplements. The challenge was to develop a new sustainable packaging material in sachet or pouch format for dietary supplements that optimises recycling while ensuring product stability. The challenge closed in June 2023, during which we received 30 submissions. These submissions were meticulously reviewed by our panel of experts, and after careful consideration, we selected a winner: one.five, a Germany-based startup with a mission to revolutionise the global packaging supply chain. We are currently planning trials to assess the feasibility of potential product launches.

Optimising our packaging formats

Using less packaging material, including less virgin plastic, and removing unnecessary components, is part of our strategy to reduce our environmental impact. Our projects include:

- designing smaller vials – in 2023, we reduced the ‘headspace’ of our Swisse vials, resulting in a 26% reduction in plastics per unit. By reducing the weight, there will also be a corresponding decrease in GHG emissions from our supply chain
- removing unnecessary desiccants and secondary packaging – in the US, we worked with our supplier to remove the unnecessary plastic shrink band from our

Zesty Paws jars and replace the lid with a tamper-evident one. This new jar was implemented in January 2024, and we expect to see a reduction of 8 tonnes of plastic per year as a result.

We also strive to increase our use of recycled content in packaging.



COLLABORATING WITH OUR PEERS

The Pet Sustainability Coalition (PSC) is a global non-profit organisation dedicated to tackling sustainability challenges within the pet industry. Recognising the critical role and significant impact potential of sustainable packaging, the PSC has made it a key focus area. With all representatives from across the supply chain – suppliers, manufacturers, brands, distributors and retailers – the PSC is uniquely positioned to mobilise the entire pet industry towards embracing sustainable packaging practices.

In line with broader industry efforts for sustainable packaging, the PSC launched its Packaging Pledge. H&H Group North America is proud to have signed on to this PSC Packaging Pledge in 2023, joining 15 other pet brands and distributors in a shared commitment to:

- transition to recyclable, compostable, or refillable packaging by 2025
- leverage our influence within the pet industry to encourage, influence, and support our peers in making commitments to sustainable packaging.

The PSC provides us with valuable tools and resources to assist us on our sustainable packaging journey with our Zesty Paws and Solid Gold brands. We are also participating in peer working groups to collaborate with industry peers and find common solutions. Our team is currently exploring recyclable-ready pouches as a potential option for our product range in the future.



Educating on recycling

Swisse China launched a successful recycling campaign to enhance local brand awareness around sustainability and educate on the recycling of our brand packaging materials. The campaign, which ran from July to September 2023, started internally, encouraged our team members to recycle plastic bottles in return for a Swisse goodie bag. Following this success, an external version of this campaign was launched, including organising four consumer-facing engagement events. This educational programme was a great success and culminated in an event attended by 2,617 consumers, where over 11,400 empty plastic bottles were collected in person. Media coverage of the programme also reached over 120 million people through online articles and a video campaign. Now, the team in China has introduced a “H&H Group recycling day” on the 25th of every month, transforming environmental protection into long-term plans and participating in social activities to help protect the environment.



CLIMATE-RELATED RISKS AND OPPORTUNITIES

Assessing the climate-related risks and opportunities of a company is crucial for combating climate change, supporting the transition to a low-carbon economy and ensuring its resiliency to both those changes. Recognising this, we have completed in 2022 a comprehensive mapping of potential impacts of climate-related risks and opportunities on our Group's business.

We followed the recommendations of the Taskforce on Climate-related Financial Disclosure (TCFD), a voluntary reporting framework for companies to consistently report climate risk to investors. The process for identifying the potential climate-related risks and opportunities has been elaborated considering the specificities of climate-related risks and opportunities, integrating external scenarios from recognised institutional sources and consultation with internal stakeholders. Please refer to Appendix 6 for more details.

We assessed the following risks:

	Risks description	Timeframe	Potential impact
Physical risks	Extreme heat events and heatwaves	Medium term	<ul style="list-style-type: none"> Sourcing of milk hindered as heat stress is known to negatively impact the quantity and quality of milk production. Increased operating costs due to increased air conditioning needs to maintain workers wellbeing and productivity, as well as products integrity.
	Agricultural and ecological droughts	Medium term	<ul style="list-style-type: none"> Increased price or shortage of raw material ingredients due to negative impacts on crop yield.
	Heavy precipitations and pluvial floods	Short term	<ul style="list-style-type: none"> Disruptions of the logistics activities, increasing the delivery time of products to our clients, and increasing transportation costs. Storage infrastructures damaged, with potential impacts on the integrity of products.
	Wildfires	Short to medium term	<ul style="list-style-type: none"> Impacts on operated infrastructures and logistics flows.

	Risks description	Timeframe	Potential impact
Transition risks	Carbon pricing policies	Key sectors already covered in Europe, China and in some areas of the United States Extension in short to medium term	<ul style="list-style-type: none"> Increased costs of: energy intensive raw materials (aluminium and chemicals); transformation and manufacturing processes; and transportation and logistics.
	Regulations targeting specific practices	Medium term	<ul style="list-style-type: none"> Development of requirements to reduce the use of plastic and favouring the reduction of packaging. Increased operating costs to adapt our practices.
	Shift in customer preferences	Short term	<ul style="list-style-type: none"> Decreased demand of products that have a particularly negative impact on climate change.
	Reputational challenges	Emerging trends identified Mainstreaming in a longer term	<ul style="list-style-type: none"> Stigmatisation of products that have a particularly negative impact on climate change.

Physical risks are defined as risks which arise from the chronic evolution of climatic regimes as well as from the increased frequency and intensity of climate hazards and extreme events.

Transition risks are defined as risks which arise from the rapid implementation of GHG mitigation measures that are necessary to transition to a low-carbon economy and society.

The pressure stemming from climate risks also creates significant opportunities for H&H to align our strategies with the direction of climate change.

We identified several opportunities – summarised below – that can lead to future cost reductions and to higher performance.

- The development of new low-carbon products represents an opportunity to ensure new revenue lines and position the Group's brands as front-runner in the eye of the consumer.
- The use of more efficient transportation and distribution could contribute to reducing transportation costs in the context of potentially higher fuel prices. Our engagement with the SBTi to reduce emissions associated with product freight aligns with this opportunity.
- The use of more efficient and lower carbon production processes is assessed to play a key role in mitigating energy and carbon pricing costs, leading to an increased competitive advantage in the short term. The carbon neutral certification of our in-house manufacturing facilities is a significant step in this direction. Furthermore, the engagement of our suppliers on the improvement of their energy efficiency and renewable energy sourcing could play a role in harnessing this opportunity.
- The use of financial incentives is an opportunity that we have already been harnessing in the form of our sustainability-linked loan.

Following the mapping of our climate-related risks and opportunities, we initiated an in-depth analysis of the resilience of our activities regarding one of the material climate-related risks identified: the potential impacts of carbon pricing policies on various segments of our value chain. For the purpose of this climate scenario analysis, we have focused on two scenarios: (i) a business-as-usual scenario, where the carbon pricing mechanisms remain relatively similar to what is already in place as of today; and (ii) a steep decarbonation scenario, where carbon pricing mechanisms are rapidly mainstreamed around the globe at significant price levels, driving a rapid decrease of GHG emissions. This analysis informs our climate strategy, both with respect to our direct operations and in collaboration with stakeholders across our value chain.



The ambition of our Group's climate strategy is a key lever to manage the identified risks and maintain a competitive advantage in our sector.

OUR APPROACH TO BIODIVERSITY CONSERVATION

At H&H, we know how much we owe to our natural capital, and we are working to reduce the impact of our supply chain (especially regarding raw material production) on land, soil, and biodiversity, particularly where ingredients are scarce, drawn from vulnerable ecosystems and/or ecosystems which support endangered species. Biodiversity is one of the hotspots identified in our Raw Material Sourcing Policy.

OPTING FOR ORGANIC CERTIFICATION

We place a strong emphasis on supporting sustainable agriculture practices, or even better, regenerative ones, for our products sourced from farmlands and grasslands. We strive to ensure a long-term, high-quality supply by exploring ways to incorporate these practices into our supply chain. One important approach we take is to encourage the use of organic certification for our ingredients and formulations. By opting for organic certification, we can verify that we are not damaging the soil or water quality and avoiding the use of harmful fertilizers in our supply chain. Our commitment to offering organic products, which are grown without synthetic pesticides or fertilizers, not only promotes the wellbeing of our children but also contributes to the overall health of our planet.

Over 34% of the total global portfolio (in number of SKUs) under the BNC segment are organic.

In France, 96%* of Biostime infant milk formula (IMF) and over 98%** of our Good Goût sales come from products carrying the organic certification: Agriculture Biologique certified by third parties such as Ecocert FR-BIO-01 and Bureau Veritas SAS FRBIO-10 respectively. Combining the power of nature



and science, Biostime offers in France a range of certified organic infant milks without palm oil.

We are witnessing the popularity of organically farmed products with our consumers.

In France, the Biostime brand has retained its No.1 position in the organic IMF and goat milk market categories in French pharmacies***. Good Goût is the leader in the organic biscuits market and No.2 in organic individual fruit pouches in France*.

* Biostime Net sales revenue in France, 2023

**The three Good Goût products that are not organic are made with fish certified by the Marine Stewardship Council for its sustainable fishing.

*** GERS, MAT 31 December 2023

**** Data IRI, HMSM+DRIVE, Sales Value MAT December 2023

SUPPORTING BIODIVERSITY INITIATIVES FROM OUR PARTNERS

In 2022, we joined our long-term partner Isigny Sainte-Mère Cooperative – our largest strategic supply partner for dairy – in its efforts to support Cooperative members to develop their action plan to protect and grow hedgerows. The Cooperative started this initiative in 2021, and we joined in 2022 with a minimum yearly support of EUR15,000 until 2025. EUR3 will be donated for every metre of hedgerows planted. This partnership continued into 2023, as we initiated three new projects of hedgerows.

Hedgerows – rows of densely planted trees or shrubs – help to limit soil erosion while promoting biodiversity and protecting crops and animals from wind and heat.



They have many functions:

- biological and ecological through the maintenance of fauna and flora
- agronomic by playing an anti-erosion and windbreak role
- hydraulic by its filtering and regulating function of surface water
- landscape by partitioning and diversifying spaces
- economical for the production of wood or fruit.

Each member of the Isigny Sainte-Mère Cooperative replanting hedgerows will benefit from a subsidy from the Cooperative and H&H, in addition to the public aids which exist in the region for the reforestation of hedgerows. To benefit from these subsidies, the member of the Cooperative must first have an aid application validated by the local authorities in Normandy, France.



HONOURING HUMAN RIGHTS AND FAIRNESS

We protect human rights as the foundation of health and happiness.

We work to ensure that individuals touched by our business are granted basic rights and fundamental freedoms to which all humans are entitled.

We respect and enhance human life in our workplaces.

We put in place formal and informal structures to reduce inequalities and eliminate discrimination.

<p>5 GENDER EQUALITY</p> 	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>17 PARTNERSHIPS FOR THE GOALS</p> 
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2023 HIGHLIGHTS



5 Great Place To Work awards won in 2023



Listed in the 2023 Australia's Best Workplaces for Women for the third year running

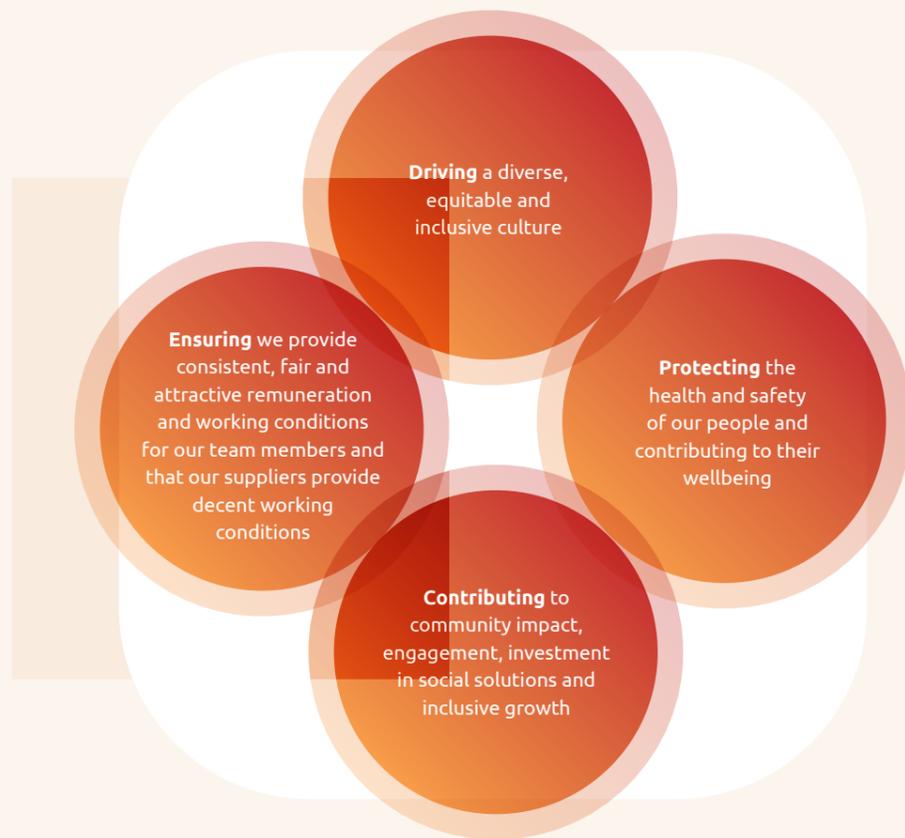


10-year anniversary of our Group's community investment efforts under the H&H Foundation banner

OUR PHILOSOPHY OF HEALTH AND HAPPINESS

Our philosophy of health and happiness begins with the people touched by our business – extending beyond our team members employed by the entities within the Group, to the people within our supply chain and our communities. We recognise our people as one of our greatest assets and protect their basic human rights as the foundation of all we do.

At H&H, honouring human rights and fairness includes but is not limited to:



In 2020, we launched our H&H Code of Conduct across all markets. The H&H Code of Conduct sets out our global standards which are supported by our values, driven by our behaviours and followed by our team members. Having a collective Code of Conduct unites us as One Big Team and helps to ensure cultural consistency across all our regions, with localised information laid out in regional employee handbooks and contracts.

Our People and Culture teams across the Group manage employee working conditions, remuneration and wellbeing as well as compliance with relevant regulations. They are committed to promoting diversity, equity, inclusiveness, fair recruitment, employee retention and development.

OUR PEOPLE

External awards and accreditations

We continuously strive to elevate the experience and positive impact we can have on our people. These prestigious awards and certifications give us a benchmark of what exceptional looks like.

- Certified Great Place To Work 2023 (North America)
- Certified Great Place To Work 2023 (Australia and New Zealand)
- Certified Great Place To Work 2023 (UK)
- Certified Great Place To Work 2023 (Italy)
- Certified Great Place To Work 2023 (France)
- Best Workplaces for Women 2023 (Australia and New Zealand)
- Best e-Learning Operation Award by GuangHua 2023 (mainland China)
- Talent Management Exemplary Award by Beisen 2023 (mainland China)
- Most Influential Employer Award by Mr. Offer 2023 (mainland China)
- Favourite Employer Award by Shixiseng 2023 (mainland China)
- Human Resource Award for Outstanding Contribution by Liepin 2023 (mainland China)
- Employer Branding Exemplary Award by Dayee 2023 (mainland China)
- Best Employer Award by Zhaopin 2023 (mainland China)



Working conditions and additional benefits

All our team members are of an appropriate age; all work is conducted on a voluntary basis and working hours are reasonable to the standards set by local regulatory bodies and clearly stated in employment agreements.

We offer many additional health and wellbeing benefits to our team members across the regions, including team fitness classes, gym allowances, vaccinations, healthy team lunches and guided meditations. Our regional People

and Culture teams determine the best health-related benefits in each location.

We also offer life insurance, parental leave, retirement provision, health care and disability cover, in addition to long term health insurance, all helping to keep our team members healthy, happy and financially secure.

Treating everyone fairly, with dignity and respect

As provided for in our Internal Code of Conduct, we take our employment obligations seriously, and are committed to honouring human rights, providing equal opportunities, safe working environments and treating everyone fairly. As demonstrated by our active involvement in the UN Global Compact, and as reiterated in our newly developed Human Rights Policy Statement, we strongly support the eradication of forced and compulsory labour, the effective elimination of child labour, and the promotion of equal employment opportunities without

discrimination. Our key interests are harmony and mutually beneficial resolution, therefore, we handle disputes according to the relevant laws and regulations. We are committed to upholding these fair work practices and ensuring that everyone from our team members to external business partners and suppliers are treated with integrity and respect. As a minimum, we respect and adhere to the Universal Declaration of Human Rights and understand the risk of causing or contributing to human rights abuses. Our mission is about people, and that means we go beyond just the minimum requirements. We strive to enhance people's livelihoods throughout our entire business operations.

We take our employment obligations seriously, and are committed to honouring human rights, providing equal opportunities, safe working environments and treating everyone fairly.

Parental leave

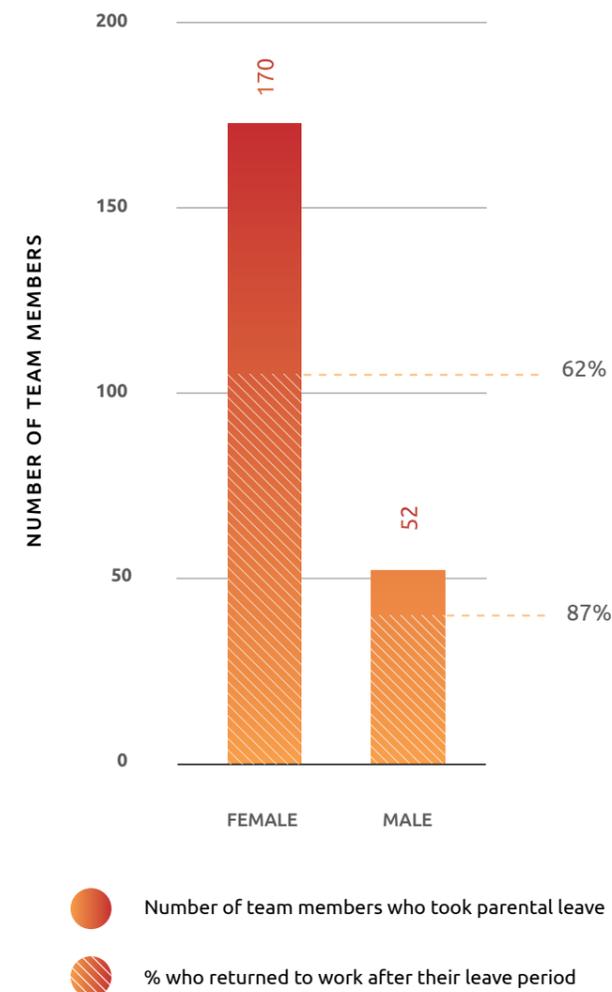
We report on parental leave and return to work rates as a means of measuring how we are supporting employees as they grow their families.

Given we are in the business of inspiring wellness at every life stage and have a special focus on baby nutrition and care, we think it's particularly important that we 'walk the talk' and give the parents in our teams the chance to take time off work and return to their jobs without impacting their career progression.

All team members are entitled to parental leave at or beyond statutory requirements, although the eligibility criteria and amount available varies from region to region (please refer to Appendix 1 for more details).

We go beyond regulatory requirements in three of our five regions – Australia and New Zealand, Europe/United Kingdom, and North America – in providing additional paid leave or financial support. We also see this as a way of supporting gender equality across our operations. In addition, we offer flexibility for parents or guardians who require urgent care for their children by allowing them to work from home or adopt flexible hours.

Our Global Parental Leave Statement conveys H&H Group's stance on parental leave and our support for team members planning to take either primary or secondary parental leave. As the Group operates at an international level, team members refer to their local policies for guidance as it may vary from region to region.



A paw-ternity leave for our US team members

As a company in the pet health segment, we know that pets are an extension of the family. We therefore offer paw-ternity leave for our team members in the US who have worked for H&H for at least 90 days, and who own a cat(s) or dog(s). This entitles them to one day (eight hours) of paid time off for a veterinary visit, and an additional day of paid time off (total of two paw-ternity days per year or 16 hours) for the purpose of the rescue/adoption of a new pet(s).



Flexible and adaptable working models

We strive to support our team members in achieving a healthy work-life balance and to offer an adaptable working structure, whereby everyone can perform at their best. Flexible working arrangements and a hybrid working model vary depending on the region. For instance in the UK, we offer flexible working hours with team members required to work during the core hours but allowing them to choose their own hours outside of this. The flexible working policy offered to our team members in North America accommodate remote work for the majority of the team, with those based in Orlando attending the office three days a week. Additionally, senior leadership and commercial directors meet in person in Orlando for a week every month.



Financial security

Our benchmark for remuneration is often set far above the minimum requirements. We ensure that every team member is paid a fair wage.

We monitor market rates in all regions utilising our banding structure to ensure we are providing attractive benefits for team members at varying stages in their career or levels of management. We incentivise and reward our team members with industry benchmarked salaries and bonuses for meeting or exceeding goals and targets.

Salaries are reviewed at least once per annum, with consideration given to the competitive market rate and the individual's role, responsibilities and performance. Salary increases are then calibrated amongst senior managers to ensure a fair and equitable process and assessment against our AID Talent framework (see the Training and Talent Development section below).

In 2023, all the team members in France were covered by collective bargaining agreements. In China, 86.1% of our team members were covered by unions (however, not specifically collective bargaining arrangements). We did not employ team members under collective bargaining arrangements in any other regions.

Annual total compensation ratio

In 2023, the highest-paid individual in the Group saw a 14% decrease in their compensation, partly due to the interim CEO arrangement. Meanwhile, the median annual total compensation of the team members (excluding the highest-paid individual) increased by 6%. The ratio between the highest-paid individual and the median compensation was 34:1 (compared to 42:1 in 2022).

For the calculation of the annual total compensation ratios, the annual base compensation (excluding long term incentive plans) of all the employees in service on 31 December (excluding part-time, intern and outsourced staff) was considered.

Diversity, equity and inclusion

Driving a diverse, equitable and inclusive (DE&I) culture has always been important, but has become a more pivotal focus for H&H Group in recent years and integral to our sustainability strategy.

Our aim is to promote and support the representation and participation of different groups of individuals across the full breadth of diversity. In doing so, we acknowledge and seek to address the structural inequities that create disadvantage, whilst creating an environment whereby all team members feel they can bring their authentic self to work and, as a result, feel a sense of belonging within our Group. We recognise that a strategic focus on DE&I enables our team members and Group to perform better and compete in the interest of advancing health and happiness. We see supporting DE&I as a key enabler for driving innovation and value because it enables us to solve problems more creatively, which in turn leads to better health outcomes and promotes a better quality of life for all within our community.

Our Global DE&I Statement launched in 2022 defines our commitment to cultivating a workplace culture and experience that embraces DE&I, whereby everyone is treated with dignity and respect.

We are fortunate our One Big Team offers a vast range of talents, backgrounds and insights. It is the driving force behind our innovation, collaboration and creativity.

H&H has previously set and achieved a Board gender diversity target of 30% by 2023, and we aim to maintain this minimum at Board level. To continue to be a gender-balance workplace, we maintain 50% or more females in our team members' composition throughout the Company.

In 2023, our Australia and New Zealand team launched a Gender Equality Policy. At H&H, we are committed to fostering gender equality across all aspects of our operations.

Our Gender Equality Policy promotes a culture of diversity, equity, and inclusion, ensuring respect and opportunities for all. Recognising the benefits of gender equality for performance and innovation, we prioritise it to drive better health outcomes and community wellbeing. Our Gender Equality Policy is aligned to our H&H Group Diversity, Equity and Inclusion Statement, and is enabled by our Australia and New Zealand Diversity, Equity and Inclusion Strategy, which includes a Gender Equality Action Plan with evidence-based, best-practice objectives that ensures our programmes and initiatives address inequities and barriers that all genders experience.

Promoting gender equality in our compensation system

In 2023, we calculated our average global gender pay gap and can report that, across the Group*, we currently have a weighted gender pay gap of 1.13% in favour of men when considering total remuneration, including bonuses. This figure underscores our strong commitment to promoting gender equality and fairness throughout our workforce.

While our average global gender pay gap is relatively low, we recognise that there is still progress to be made. We acknowledge the existence of regional disparities within our organisation. We understand the importance of ensuring equal opportunities and fair compensation across all regions, going beyond the overall averages. We intend to identify and understand the underlying factors contributing to regional variations. By gaining a deeper understanding of these distinctions, we can develop tailored strategies to bridge the gap and ensure fair compensation practices across our entire organisation.

**Excluding Thailand, India, Malaysia, and Indonesia due to insufficient team member representation.*

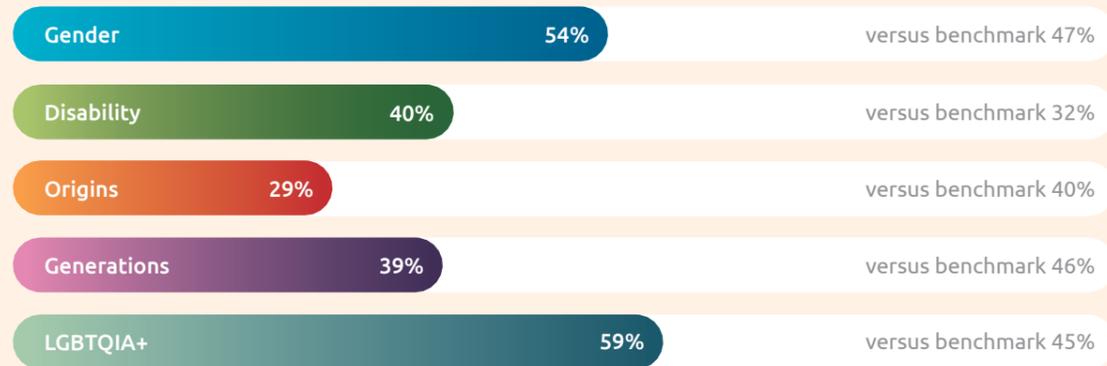
Measuring our diversity, equity and inclusion impact

We collaborated for the second time with Mixity, a 'Tech for Good' start-up, leader in measuring, monitoring and promoting diversity and inclusion impact in the workplace, to assess our DE&I footprint at H&H Group.

The Mixity assessment included five key categories based on 2023 H&H Group data:

- gender equality
- disability
- origins
- generations
- LGBTQIA+.

Our global DE&I footprint by dimension



Diversity, equity and inclusion score of 46/100

(Global benchmark is 45/100)

This footprint represents our maturity scores across the different dimensions. Branches close to the outer points mean the Group is meeting Mixity's diversity and inclusion policy expectations.

This year, the DE&I Mixity assessment scores for all companies, including ours, have experienced a decline compared to the previous assessment. This decline can be attributed to several factors that have been implemented to enhance the assessment process. These factors include a more accurate scoring system, increased data collection, expanded criteria evaluation, and improved adaptation to the size of the company. As a result, the assessment now provides a more nuanced and thorough evaluation. These improvements have led to a greater differentiation between mature and less mature companies, resulting in lower scores across the board.

Mixity highlighted several DE&I achievements and best practices at H&H, including:

- All regions are committed to allocating specific time to prioritise DE&I initiatives.
- All regions are committed to supporting parental responsibilities and work-life balance through tailored actions and processes.

- Each region maintains a dedicated committee responsible for shaping and guiding the DE&I policies.
- Australia presents its DE&I performance indicators at management meetings three times a year.
- China and North America have introduced a tool to streamline employee career management.
- Europe provides additional benefits to employees, including extended leave rights for sick children, the option to donate rest days, a phased return system following maternity leave, and individual professional discussions prior to maternity or parental leave.
- North America has established a charter outlining the right to disconnect from work-related obligations.



Progress on our DE&I journey

Since launching our Global DE&I Statement at the end of 2022, we have made significant progress in advancing our DE&I journey across the Group. All of our regions now have a DE&I plan and representative who supports in driving locally relevant initiatives. In 2023 we also reviewed and enhanced our global calendar of key dates to ensure we are recognising, celebrating and driving greater awareness and understanding across our five DE&I pillars of Gender Equality, Culture and Religion, Life Stage, Ability, and Identity and Orientation.

Our Australia and New Zealand region has launched and is currently implementing a comprehensive three-year strategic roadmap (2023–2025). The roadmap includes clear KPIs across the five pillars and, in 2023, the team hit several important milestones including conducting 'Provision of Gender and Sexuality 101 Training', 'Provision of Floating Leave Policy', introducing Acknowledgment of Country at team gatherings and establishing an H&H Champion Network.

In Europe, we launched our 'CLEW Charter', detailing our key principles around DE&I from professional and gender equality to culture and religion and life stage. This enables our team members to participate fully in the

workplace and have a sense of belonging. In September 2023, more than 100 members of the European team celebrated National Inclusion Week, which provided an opportunity to recognise our team and create a forum for discussions around DE&I. This included a webinar with 'inclusive Employers' on 'how to become an inclusion ally and create an inclusive environment for your colleagues'. Similarly, the team in Asia took part in DE&I 101 training where participants were educated on the fundamental concepts of DE&I and what it means in the Asian context. The training examined the impact and importance of DE&I in a work environment, understanding unconscious bias and microaggressions as well as practical tips on how to co-create a more inclusive workplace.

The team in China carried out several DE&I-themed awareness days including International Women's Day, International Day Against Homophobia, International Children's Day, and Winter Solstice and Christmas activities. Over 1,700 team members participated in these events, offering an opportunity to better understand and actively participate in DE&I topics. Additionally, our China team conducted a DE&I internal survey to assess the most important themes that resonate with our people across diversity, equity and inclusion.

Recruitment

To ensure we offer equal opportunity to prospective team members, our Talent Acquisition team ensures that for each role, we interview a diverse mix of candidates. We understand that age, race, gender, religion and ability can result in unfavourable treatment or discrimination and whilst our team is consciously trying to avoid this, we know that there may be unconscious bias.

All our regions except mainland China (where LinkedIn is not available) use LinkedIn as a proactive search tool and the tool supports 'blind' CV/profile reviews by removing a candidate's name to ensure no unconscious bias based on an individual's name that could infer their gender, nationality or race.

HEALTH AND SAFETY

Our Global Health and Safety Policy

Our Global Health and Safety Policy has been implemented at all sites across the world, covering 100% of our team members, since 2020. The Policy covers how to raise and manage health or safety risks, and how to log and manage incidents. It is available on our Group website.

Our main in-house factories are ISO 45001-certified, demonstrating our commitment to ensuring the health, safety and wellbeing of our team members.

ISO-certified OHS system in mainland China manufacturing facilities

After our facility in Guangzhou (mainland China) obtained ISO 45001 certification (occupational health and safety management systems) in September 2022, our facility in Changsha (mainland China) achieved the same certification in 2023. Our ISO certified OHS system covers 91% of our employees and third-party workers in China. This certification shows our commitment to provide a safe and healthy workplace for our team members.



45001
CERTIFIED

Safety in 2023

- No fatalities reported
- No work-related injuries
- No acute, recurring, or chronic health problems caused by work conditions
- No incidents of non-compliance with laws and regulations relating to safe working environments and/or protecting team members from occupational hazards
- Health and Safety Committees operating in Australia and New Zealand, Singapore, mainland China, Europe and North America
- The Occupational Health and Safety management systems in our manufacturing facilities in mainland China (Guangzhou and Changsha) are ISO 45001-certified

Training our team members on safety

In Australia and New Zealand, our OH&S training covers aspects relevant to different types of work:

- for office- and home-based team members, safety training includes an induction office tour including fire exits, what to do in case of fire, and who our fire wardens and first aid trainers are (there are also posters on every floor with these team members and their contact details) and where first aid kits can be accessed.
- for employees who work from home (or those who work hybrid), safety training includes how to ensure an ergonomic setup and how to report health and safety risks
- for our sales field team, they receive training specific to driving and being on the road in their cars, which is delivered by a specialised training provider
- for our teams based onsite at our packing facility, this includes training specific to the site and may include job-based training on driving and managing equipment (i.e. forklifts).

For mental health awareness training we have online sessions from our EAP provider Connect Physc Services throughout the year available to everyone in spotting signs you or someone else is struggling. We also use RUOK DAY resources around having conversations with someone struggling and what to do.

In our manufacturing facilities in mainland China (Changsha and Guangzhou), OH&S training is organised at three distinct levels: factory level, workshop level and team level. The training encompasses essential safety knowledge, operational requirements, and laws and regulations. It also involves sharing real-life accident cases to enhance awareness and learning. Specialised safety training is provided to address specific hazards, e.g. chemical safety training, fire safety training and mechanical injury safety training. By offering comprehensive safety training at multiple levels, we ensure that employees are equipped with the necessary knowledge and skills to maintain a safe working environment. These initiatives not only promote compliance with regulations, but also foster a culture of proactive risk prevention and mitigation.

The wellbeing of our team members is prioritised and there are many ways we nurture this, understanding that it improves both our team performance and individual fulfillment.



A NUTRITION, MOVEMENT AND MIND LENS TO SUPPORT OUR TEAM MEMBERS' WELLBEING

At H&H, we provide opportunities to all team members to celebrate and share what wellness means to them and one another, as it is a very important part of our Company's culture. We not only want to ensure our consumers and customers are healthy and happy, but also our team members.

Wellness initiatives to promote a healthier workplace

At H&H Group, we take measures to ensure our three wellness pillars – Nutrition, Movement and Mind – are integrated throughout our global offices. The wellbeing of our team members is prioritised and there

are many ways we nurture this, understanding that it improves both our team performance and individual fulfillment.

In Australia, North America, London, Ireland, and Switzerland, we offer an annual contribution towards gym memberships and health and fitness subscription services. In Italy, this is embedded as a movement allowance benefit which team members can use quarterly towards anything wellness related – from sportswear to massages. Other resources include nutrition webinars across Europe and weekly online wellness classes in India covering an array of topics and learnings. Some of our offices, including China, Hong Kong SAR and France also offer weekly yoga and meditation classes and the opportunity to join regular sports clubs or activities.

Wellness Week

Ahead of Global Wellness Day, an internationally recognised not-for-profit day dedicated to living well held annually in June, H&H invites its team members to celebrate Global Wellness Week. 2023 was no exception. This awareness week provides us with the opportunity to partake in a wellness activity each day, a Group-level movement goal, mindful music, tasty and nourishing recipes shared by our team members, worldwide workouts, and tips and advice to nourish and support our bodies, ecosystems, and communities. Each activity brings one of our three wellbeing pillars – Nutrition, Movement and Mind – to life. Our Global Wellness Week is a great initiative that enables all team members to reflect on different aspects of wellness and how we can all live healthier lives.

In 2023, our Nutrition, Movement and Mind moments included sports clubs in China, sound bathing in London, a Zumba class in Thailand, working with a charity partner focused on preparing nutritious meals with otherwise wasted food for the underprivileged in Hong Kong.



TRAINING AND TALENT DEVELOPMENT

Training our team members

At H&H Group, we are committed to fostering the growth and development of our team members by providing a comprehensive range of training opportunities. In addition to our training on compliance and the H&H Academy for Change programme, we offer a diverse catalogue of training programmes that cater to both hard skills and soft skills (leadership, diversity, culture, and technical training). These learning and development opportunities are tailored to the specific needs and requirements of our regions, ensuring that our team members have access

to the resources and knowledge necessary to thrive in their roles. We believe that investing in the continuous development of our team is crucial in driving sustainable success and creating a positive impact within our organisation and beyond.

In 2023, 2,030 team members undertook training and development (versus 1,770 in 2022) for an average of 19 hours 55 minutes of training per team member.

The substantial number of team members trained and hours of training undertaken by our team members demonstrates our commitment to the growth and development of our team.



2,030
team members
trained



An average of
19 hours and
55 minutes
of training per
team member

Examples showcasing training areas for our team members

Nurturing our talent in China

H&H China is dedicated to developing employee talent for the future, focusing on fresh graduates to transform their roles, immerse them in the H&H culture, and enhance their professional knowledge and skills, along with general competency, thus establishing a consistent two-year career path for growth within H&H China. In 2023, two programmes (y22 and 23) comprising four offline sessions were initiated, with 98 participants achieving a 99% satisfaction score. Additionally, the H&H China new hire orientation programme conducted over 90 days, incorporates online learning, offline orientation, LM guidance, and BUDDY companionship, aiming to deepen new hires' understanding of H&H Group, corporate culture, and job responsibilities to drive outstanding results. In 2023, seven sessions were conducted with a 100% completion rate for online learning and a 98% satisfaction rate. Furthermore, H&H China's online learning platform offers a diverse, flexible, and comprehensive online platform with over 200 courses and 10 learning programmes. Online learning hours increased by 12%, and user coverage rate surged by 32% compared to 2022, facilitating talent development and supporting business growth.

Climate Fresk

In June, 63 team members from our French office participated in Climate Fresk workshops. Climate Fresk is a French non-profit organisation whose aim is to raise public awareness about climate change, offering the chance to learn about climate change science from the IPCC reports in a very accessible way through collaborative gamified workshops.

LinkedIn Learning to enhance business skills

Our team members in select regions have unlimited access to LinkedIn Learning, an online learning platform with more than 22,000 video tutorials covering business, creative and technology topics with personalised recommendations to explore in-demand skills based on experience.

Language courses for our team members

Operating a multinational organisation across many different countries and cultures, we recognise the importance of being able to effectively communicate in multiple languages. English is our main language and, as such, we offer English languages course for our team members in Italy and France to improve their skills, on a needs basis. As 70% of our workforce are based in China, we also offer certain team members the opportunity to do Chinese language courses if it's relevant to their role.

The training and development information developed in this section does not include the data relating to the Annual Compliance Training and other mandatory trainings for China.

Developing our talent

We recognise that career opportunities and development are key retention strategies.

AID Talent Management framework

At all stages of talent development, we assess, give feedback, develop, reward, and promote our talent using the following three factors.

- **Ability** – technical skills and experience.
- **Influence** – how we behave, in line with our five key values – Power Our Passion, I Trust You, Let’s Be Brave, One Big Team and Celebrate Life Every Day (CLED).
- **Drive** – our mindset and how we think – we encourage all team members to think like an owner.

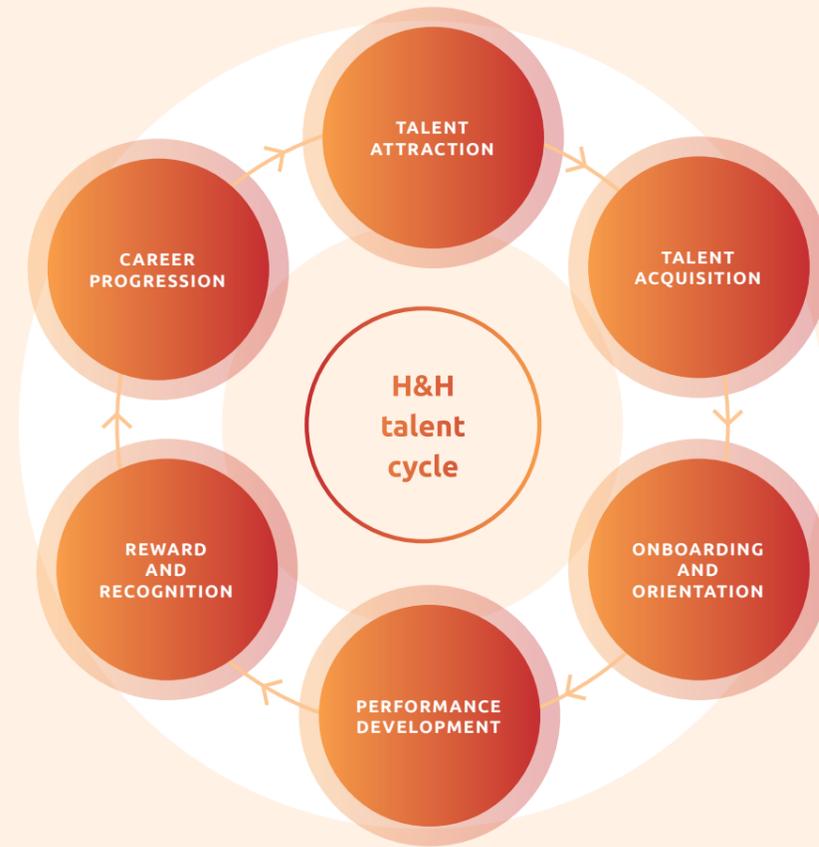
Our AID Talent Management framework (incorporating the key attributes of ability, influence and drive listed above) helps us to assess and target development opportunities, and then reward and recognise our people based on the three core areas of ability, influence, and drive. We apply this AID framework through our recruitment process as well as performance reviews. No area is more important than the other and it ensures we don’t focus too much on one, to the detriment of the other. This framework ensures consistency and fairness in how we recruit, develop and reward our people to ensure equal opportunity and outcomes for all. It has elevated our approach to attracting, engaging, and growing our talent in a personalised way.

Annual performance review

At H&H, all team members participate in an annual performance review cycle that begins with goal setting at the start of the calendar year. During this phase, team members collaborate with their managers to set meaningful goals for the year ahead, building a roadmap for success and personal development. This is followed by the Mid-Year Review at the end of the second quarter which serves as a check-in on progression of goals and allows for any necessary adjustments. Finally, the Year End Review offers a chance to reflect on the year, celebrating achievements and recognising areas for growth. In addition to receiving manager

feedback, team members can nominate peers and direct reports provide input, fostering diverse perspectives and further embedding our feedback culture. This cyclical process allows each stage to build on from the last, creating an environment where transparency, continuous improvement and development are central to all team members’ experience at H&H.

The below diagram shows the cycle of how we aid talent at H&H Group



Drawing on our internal talent pool to fill High Performance Teams; filling vacant and upcoming roles

- Talent mapping and succession planning

Competitive rewards

- Annual remuneration review and half-yearly Short-Term Incentive Plan (STIP)
- Recognition of Actions Speak Loud nominees
- Recognition of H&H Heroes

Developing individuals to drive performance and engagement

- 360-degree performance reviews
- Ability + Influence x Drive (AID) assessment tool

Finding the talent needed now and for the future

- Talent attraction process
- Talent attraction tools
- Employer branding

Setting our team members up to understand AID and how they are performing

- Orientation reviews
- Team member handbook
- Learning (Hub)
- Values competencies
- Drive descriptors

OUR COMMUNITY SUPPORT AND ENGAGEMENT

Our foundations



H&H Foundation

Our H&H Foundation's purpose is very clear: we advocate, educate, and support our local communities in living a healthy lifestyle, with particular focus on H&H's health and wellbeing pillars of Nutrition, Movement and Mind. Since 2022, we added overarching DE&I elements on top of our three core pillars. The Foundation also maintains an emergency fund specifically for supporting our communities in times of crisis.

Through the Foundation, we work with local and international charity organisations to run programmes that promote happier and healthier lives.

The H&H Foundation's contributions take various forms, including financial assistance and in-kind donations, alongside the valuable participation of our team members

in volunteer work within their respective communities.

The H&H Foundation follows our H&H Community Investment Policy created in 2022. We are focused on ensuring our business processes are legally compliant, ethical and environmentally responsible through ongoing monitoring. We conduct our business according to our values and foundation. Our Community Investment Policy has been developed together with Business for Societal Impact (B4SI) team which certifies our community investments.

Our regional teams actively promote local charitable initiatives they partner with to encourage members of the public to participate and/or broaden the reach and outcomes.



Celebrating 10 years of the H&H Foundation

In 2023, our Group celebrated a significant milestone as we commemorated the 10th anniversary of consolidating our community investment initiatives under the H&H Foundation. Throughout the past decade, our dedicated community investment efforts have made a lasting impact on the communities we serve, generating meaningful contributions and fostering positive change. Since the start of the H&H Foundation's journey, we have invested over USD10 million in initiatives that make a difference. Our contributions have extended to more than 64 charities across 12 countries, enabling us to touch the lives of more than 15,000 individuals.



Biostime China Foundation for Mother and Child

Since its establishment in 2007, the Biostime China Foundation for Mother and Child has partnered with the China Red Cross to arrange and contribute to public welfare activities.

Over the past 16 years, the Biostime China Foundation for Mother and Child has provided support for mothers facing financial hardship and children with severe illnesses. As a public welfare advocate, it also strives to encourage more social support for these mothers and children.

The tumultuous market environment and long-lasting global pandemic have reinforced to all of us the chief importance of the development of community support and engagement.

Nurturing long-term relationships in our communities

At the heart of the Biostime China Foundation for Mother and Child lies a steadfast dedication to creating lasting positive change. For several years, we have championed a series of initiatives that continue to uplift and support our communities, ensuring a brighter future for all.

A prime example is the Biostime Charity Designated Hospital Project, a joint endeavour with the China Red Cross Foundation and the Maternal and Child Health Center of the Chinese Center for Disease Control and Prevention. Since its inception in 2014, this project has been a beacon of hope, bolstering rescue medical treatment capabilities. Our financial support has enabled more mothers and infants from disadvantaged backgrounds to receive quality medical care. In 2023 alone, our donation of RMB3.49 million resulted in 481 people being treated and prevented the burdens of poverty.

For the seventh consecutive year, the Biostime China Foundation for Mother and Child participated in China's nationwide '99 Charity Day' event to raise funds for hospitals to supply premature infants with nutritional support. In 2023, we raised RMB655,000, showcasing the power of collective action and the continuity of our efforts.

Another initiative close to our hearts is the 'Angel Tour.' Since 2013, together with our trusted partner the China Red Cross, we've journeyed to remote regions to screen children for heart disease and provide life-saving surgeries, if a child is confirmed to have the disease. With an investment of RMB500,000 in 2023, we screened 203 children and ensured continuity of care for those in need.

These initiatives stand as testament to our unwavering dedication to building a brighter, healthier future for all. By providing long-lasting support to our communities, we are nurturing a legacy of compassion, resilience and continuity.

OUR ACHIEVEMENTS IN 2023

Our community investment

In 2023, our total community investment represented USD3,395,032.

How we supported our communities in 2023 (a few examples)

Public welfare projects for disaster relief in mainland China

H&H Group acted promptly in response to the Beijing-Tianjin-Hebei floods, Gansu earthquakes, and incidents in Xiangxi, Shanxi, Guizhou, and other affected regions. Collaborating with its brands, the Group launched relief initiatives, donating a total of RMB7.79 million. By prioritising public welfare, H&H demonstrated its strong sense of social responsibility through tangible corporate actions, safeguarding the health and safety of numerous families.

A new meaningful partnership with a charity which feels close to home

In 2023, the H&H Foundation forged a partnership with Couleurs de Chine, a Paris-based charity dedicated to promoting access to education for disadvantaged young girls in the Guangxi region of China. This partnership holds special significance for H&H as it unites our place of origin, China, and France, where our Biostime products have been manufactured since the inception of our H&H Group journey.

As part of our collaboration, H&H has made a firm commitment to support 15 young girls throughout their high school education journey. Over the next three years, we will be providing financial assistance to cover their school fees, enriching their education and overall wellbeing, and paving the way towards a brighter future for them.

At H&H, we firmly believe in the transformative power of education as a catalyst for change and empowerment. By joining forces with Couleurs de Chine, we aim to create shared value and contribute to the UN Sustainable Development Goals. We are excited to witness the transformative impact of this partnership as we continue to foster sustainable development and support local communities globally. Through our collective efforts, we aspire to build a more inclusive and equitable future for all.



Our B4SI accreditation

We have been members of the network B4SI, formerly known as LBG, since 2014. B4SI is a global partnership of approximately 180 multinational companies which are committed to advancing their social impact. B4SI certification is the global standard in measuring and managing a company's social impact. Its vision for transparency in the world of charitable activities is like ours, where we recognise the importance of measuring and communicating contributions in an open and consistent way.

In 2020, we made the decision to further enhance our reporting practices by working with the B4SI to vet and accredit our contributions as part of our sustainability reporting and obtained our first B4SI accreditation in 2021.

We have pursued this transparent practice since then. This accreditation supports us to:

- make a measurable social impact with these programmes across our communities
- increase our transparency and improve our reporting systems
- help us clarify our 'roadmap', with comparable data to other similar organisations, and accelerate our continued dedication to protect the communities in which we operate.

In accordance with the B4SI framework, and in line with our own H&H Group mission, the majority of our community contributions and impacts are centred around emergency relief (41%), health (35%), social welfare (23%), and the environment (1%).



H&H 2023 World Community Day

World Community Day is an opportunity each year for our team members to come together and give back to our community partners. This annual event not only provides a chance for our One Big Team to connect regionally and across the world, but also to connect with our charity partners. Our team members worldwide usually take part in a steps challenge to raise money for charity partners. Many teams also organise volunteering activities to further contribute to, and engage with, their communities.

2,461

team members participated in the 'Step with purpose' challenge across 12 countries

USD75K

donated to our charity partners

11,000+

hours of volunteering by our team members



More than 23 million steps taken



Looking ahead

Supporting local communities remains a key focus for us. Moving forward, we will continue to:

- take collective action to respond to the needs of our communities and empower H&H teams
- focus on social solutions that are meaningful to them
- enable our team members to feel connected to the communities around them and have a positive impact at a local level
- provide meaning around our H&H brand and brand portfolio, to communicate what we stand for to our customers and consumers.

SUPPORTING GOOD GOVERNANCE

We make decisions taking all stakeholders into account, ultimately serving our purpose to make people healthier and happier.

We act with strong principles and put in place structures, processes and monitoring systems that work towards a sustainable future.

We monitor and mitigate risks and capture opportunities that support our mission.

We transparently share information relating to Company performance.



2023 HIGHLIGHTS



98%

of our suppliers* completed the H&H Suppliers Sustainability Survey



100%

of our team members worldwide completed the Global Annual Compliance Training



Continuously update and implement our Group Incident Management Policy and Privacy Impact Analysis Procedure

* In supply chain spend.

ETHICS, INTEGRITY AND TRUST

At H&H, our commitment to good governance shapes every aspect of the way we conduct business. It is essential in helping us to run our business responsibly and to set and fulfil the Group's vision and strategy on sustainability.

We advocate ethics, integrity and trust at the workplace and in our business relationships and firmly combat fraud or corruption, for such actions would greatly corrode Company interests, our healthy relations with staff and business partners, and ultimately the sustainable development of the Group.

To promote these values, we maintain a robust and comprehensive framework consisting of policies, internal auditing, awareness-raising initiatives and effective oversight of the Group's governance bodies for ethical standards.

Anti-fraud (including anti-corruption) policies

We are committed to building H&H as a fair and transparent workplace.

H&H Group strictly abides by laws and regulations on anti-corruption and anti-fraud (including bribery, extortion and money laundering). Our Group Anti-Fraud Policy and Whistleblower Protection Policy are disseminated and easily accessible to our team members at all levels (including our senior executive team and Board), and all suppliers and business partners. The policies are published on our website and shared

internally. Tailored regional procedures and policies were also developed for our major operation units in mainland China, Australia and New Zealand. Those policies set a uniform tone and principles in managing our anti-fraud practices, explicitly conveying our consistent zero-tolerance approach towards any fraud or corruption. They are subject to periodical reviews based on the review requirements specified in the relevant policies.

These policies stipulate that the Group and its employees are all responsible for preventing any fraudulent actions including but not limited to corrupt practices (soliciting/accepting inappropriate commercial interests) and disregard of conflict of interests, embezzlements or misappropriation of Company assets. Our Anti-Fraud Policy and Whistleblower Protection Policy clearly state the Company's authority to conduct anti-fraud investigations, the principles of reporting in good faith, and protecting whistleblowing.

Our Code of Conduct outlines the H&H Group ethical decision framework to help team members ensure they are making ethical decisions, while the Anti-Fraud Policy includes an extensive list of examples of actions constituting fraud or misconduct.

We advocate ethics, integrity and trust at the workplace and in our business relationships and firmly combat fraud or corruption, for such actions would greatly corrode Company interests, our healthy relations with staff and business partners, and ultimately the sustainable development of the Group.

How to make the right choices

Always ask these questions and seek guidance if unsure

Does it comply with laws and regulations?

Does it comply with H&H Group policies and procedures?

Is it aligned with H&H Group values?

Will it protect H&H Group's reputation?

Am I being truthful and honest?

Would this be perceived as an ethical decision by a manager or someone I respect?

Our commitment to fostering a fair and transparent workplace across our H&H community extends to our suppliers and business partners. The scope of our anti-corruption standards for suppliers is defined in our Supplier Code of Conduct, which establishes our stance on compliance and integrity and outlines our supplier anti-corruption and anti-money laundering principles. We state to suppliers that the Group has a zero-tolerance approach towards corrupt conduct, which can take many forms, including conflicts of interest, taking or offering bribes, blackmail, fraud or inaccurate business records.

The Supplier Code of Conduct clearly states that the Group complies with all respective laws of the countries and regions in which we conduct business. This includes the territories in which our supply partners do business also and it is expected that our suppliers will be equally committed to this.

As defined in our Supplier Code of Conduct, we also expect our suppliers to:

- comply with all relevant national and local legislation in regard to bribery, corruption, anti-trust, fair competition, and other prohibited business practices including implementing policies and reporting breaches appropriately
- comply with all relevant national and local legislation in regard to insurance
- manage risk, governance and compliance
- implement and maintain a grievance management process for employees and suppliers
- implement and maintain a whistleblower policy or equivalent process that prohibits retaliation or victimisation to whistleblowers
- implement and maintain a documented business continuity plan.

Based on our policies, when any fraud is substantiated, the relevant team members or parties are subject to appropriate disciplinary measures.

Oversight of ethics and corruption issues and independent role of the Internal Audit function

We apply the Three Lines of Defence model in our anti-fraud management approach.

Our Board, including its Audit Committee, and our senior executive team hold responsibilities for managing business ethics and corruption issues, as defined in their Terms of Reference and related policies. Every year, the Board members complete a conflict of interest questionnaire, and they are expected to declare conflicts of interest (if any) at each Board/committee meeting. Our ESG Committee, dedicated to developing the Group's vision, objectives, targets and strategies related to business sustainability, also deals with ethics and risks and issues that may affect our operations.

The Group's Internal Audit function acts as the independent role of the Third Line in coordinating and conducting fraud investigations. This team directly reports to the Board's Audit Committee and the Group's senior executive team, so that they can be free from any interference when working to combat any potential fraud or corruption.

Our Internal Audit team conducts regular and risk-based audits focused on ethical standards and effectiveness of related controls. Post-review, the Group Internal Audit's recommendations to update policies, where necessary, are disseminated accordingly.

Our Internal Audit function performs quarterly audits covering all our regions of operation. These risk-based sample tests cover a variety of expense reimbursements, ethics and corruption issues, employees' claims of conflicts of interest, contracting processes and other fraud risk-related areas. The team then shares the results, and any remediation suggestions, to the relevant regional team members.

The remit of the Internal Audit team also encompasses special audit projects (on finance, sales, supply chain, etc.) which include the examination of ethical standards within the scope of each audit.

Communication with the Board's Audit Committee

The Group maintains effective and straightforward communication with its governance body members on anti-fraud and anti-corruption.

Our Internal Audit function holds semi-annual meetings with the H&H Group Board's Audit Committee and H&H senior executive team to review their audit and anti-fraud and anti-corruption work. This team also reports the Group's anti-fraud and anti-corruption performance to the Audit Committee on a quarterly basis and on an as-necessary basis. This ongoing communication ensures the Audit Committee can effectively oversee the Group's practices pertaining to the Group's ethics and anti-fraud standards and practices. If there are significant fraud or corruption incidents, the Audit Committee then reports to the entire Board.

Anti-fraud and anti-corruption training

We attach great importance to continuously improving our team members' and business partners' knowledge and awareness on fraud and corruption and provide training using a variety of approaches.

In 2023, our team members across all five regions completed the Annual Compliance Training Programme, covering a wide range of compliance topics, including but not limited to the employee Code of Conduct, anti-fraud, finance compliance, anti-monopoly, information security, inside information and securities dealing, conflict of interest and compliance with our Responsible Marketing of Breast-Milk Substitutes Policy. All our team members completed the training by the end of 2023 and acknowledged their conformity with the compliance requirements. This training programme is refreshed and has to be completed by all our team members* annually.

Our Directors are expected to comply with high standards of professional and ethical conduct. As part of our corporate governance practices, they receive a specific training on their fiduciary duties and responsibilities when they are appointed and on a continuous basis. They are also regularly informed and updated on Directors' duties including anti-corruption matters.

**Including team members in part-time or under fixed-term contracts. Our contractors are also required to complete the training, depending on their job duties. The Annual Compliance Training is available and accessible to all team members.*

100% of our team members completed our Global Annual Compliance Training on ethical behaviours and other compliance topics.

Whistleblower reporting

Our Whistleblower Protection Policy outlines the multiple whistleblowing channels available to all team members and business partners, including our supply chain. It also outlines our measures to protect whistleblowers, to encourage those to report in good faith without fear of any reprisal or retaliation.

All team members, service providers and business partners are encouraged to utilise our whistleblower reporting platform 'HH Speak Up' to report any misconduct related to fraud, bribery, corruption, abuse of influence, conflict of interest, theft, marketing practices non-compliant with our BMS Policy or any other unethical behaviours or misconduct.

'HH Speak Up' has been functioning well since its introduction in 2019. The platform is managed by external provider Deloitte to guarantee the confidentiality of the reporting and prevent any communication distortion. The platform is available to all team members, suppliers, and retailers across regions on a 24/7 basis, through multiple

reporting channels, such as an official website, telephone number and email contacts, with each channel adapted to H&H's operating countries. Our website gives all relevant information and details to use our 'HH Speak Up' platform, ensuring wide access to this reporting system.

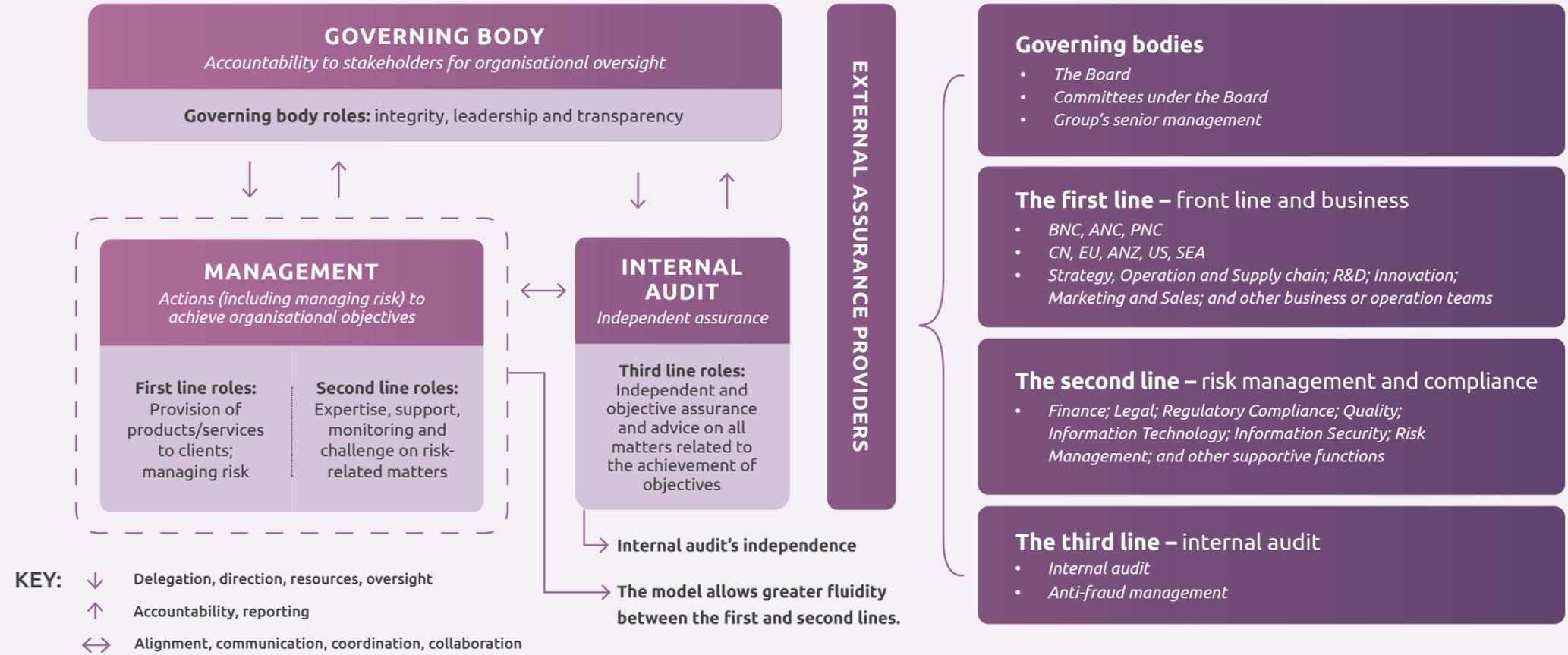
In 2023, 43 cases were reported to the Group's Internal Audit function via a variety of reporting channels, including 'HH Speak Up'. All cases have been investigated, and 23 employees were dismissed or disciplined due to their violation of the Group's rules and policies (including two confirmed incidents of corruption, where the relevant employees were dismissed). We also terminated our relationship with a business partner who engaged in a failed corruption attempt. We sought the support of our external consultants for five cases which significantly assisted these investigations. In regard to our BMS Policy derived from the WHO Code, we did not record any instance of alleged non-compliance with the policy on 'HH Speak Up'.

RISK GOVERNANCE

We attach great importance to effective risk management which can:

- enhance transparency
- support decision-making
- contribute to the continuous improvement of the Group.

Our risk management follows the Three Lines of Defence model. This model helps organisations identify structures and processes that best assist the achievement of objectives and facilitate strong governance and risk management.



We have a Group Risk Management Framework as a general guidance to our practice of risk management, which echoes the principles issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

The framework defines the organisation structure, roles and responsibilities, as well as the processes to identify, assess and mitigate risks. It also guides our risk management practices.

Periodic Group risk assessments

Our risk management function conducts semi-annual Group risk assessments.

Below is an overview of our semi-annual risk assessment process.

- Collection of risk opinion from our middle and top management team members across the Group and regions.

- Consultation with our internal experts.
- Consolidation of a comprehensive report showing the risk appetite of management, the Group's risk heat-map and mitigation suggestions, and other significant risk information.
- Presentation of a holistic mapping of H&H's major risks to H&H senior executives and the Audit Committee of the Board to support their strategic decision-making.

The trends of top risks are also continuously tracked by the Risk team and communicated to the appropriate management or governance body members.

In addition, every team is expected to identify and assess the risks which exist within their scope and deliver the material risk information to the Group Risk Management team on an ongoing and timely basis.

In 2023, we expanded our Group Annual Risk Assessment questionnaire to include climate change related risks.

Group Risk Management and Control Policies

In 2023, we made continuous improvements to our Group policy system, to better manage risk and address control deficiencies. We released the Group Trade Compliance Policy to guide our practices and assure the compliance in import and export, sanctions, anti-money-laundering, anti-monopoly, anti-bribery and anti-fraud. We updated and cascaded our two core policies in risk management, including the Group Risk Management Framework and Group Crisis Management Policy. The Group Risk Management Framework is updated with points of Risk Control Management Platform system, which is primarily used for risk and internal control management, as a new way for team members to report risk information,

and including climate change-related risks to H&H risk management framework. The Group Crisis Management Policy supersedes the former Group Incident Management Policy. This new policy emphasises principles of 'regional leadership', the Group's involvement in those critical crises and the PEARS principle when coping with any crisis.

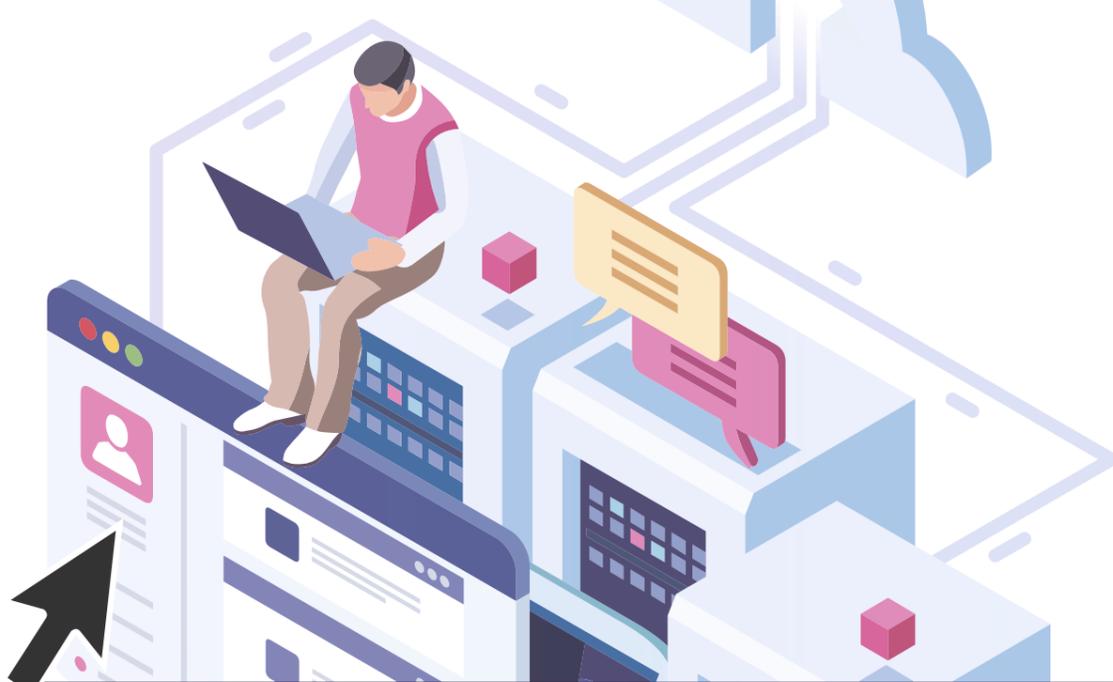
To enhance the communication of our internal control procedures, we created and disseminated to all our team members the Group Internal Control Manual. The manual systematically outlines H&H's ideology on internal control, including control environment, key internal control methods, internal control principles applied to Group activities, and the periodic internal control self-evaluation.

GOVERNMENT AFFAIRS

Our Government Affairs and Communication teams managed our engagement with government departments, policy-makers and industry associations in 2023, including participating in industry forums and events.

This aimed to strengthen our relationships and position the Company as a trusted industry leader on a range of important industry development issues.

H&H Group did not make any material financial or in-kind political contributions in 2023 (please refer to Appendix 5 for more details).



Globally, we had no incidents of non-compliance relating to privacy matters in 2023. We did not have any identified leaks, thefts, or losses of customer data.



DATA PRIVACY AND SECURITY

Data privacy and data protection concerns are critical factors in safeguarding the fundamental rights of individuals, including our customers and team members.

Our Personal Information Management System (PIMS), which has been utilised by our Global Information Security team since 2018, ensures H&H and our suppliers are stringent about protecting the information privacy of our relevant stakeholders, including customers, staff, and business partners.

All H&H Group brands fully comply with privacy legal requirements in the markets in which we operate. We ensure our customers first agree to clear terms and conditions at the point of data collection.

To provide some examples, in 2023, we remained compliant with the General Data Protection Regulation (GDPR) in the European Union, United Kingdom General Data Protection Regulation (UK-GDPR) and Data Protection Act 2018 (DPA 2018), the Privacy Act in Australia, the Personal Data (Privacy) Ordinance in Hong Kong SAR, the Personal Information Protection Law of the People's Republic of China, the California Consumer

Privacy Act (CCPA) in the United States, and the Personal Data Protection Bill in India. We follow the principle of 'Privacy and Security by Design and by Default' throughout our information systems.

We continued to use our Personal Data Breach Response Procedure and H&H Privacy Impact Analysis Procedure across markets to better respond to privacy challenges. We have specific consumer data protection and privacy policies in place and deploy Information Security Management Systems or equivalents to prevent breaches and resolve incidents. For example, in China, our team conducts periodic awareness training, annual compliance online training and testing, global risk assessments and penetration tests for the Group's key business processes and systems.

Globally, we had no incidents of non-compliance relating to privacy matters in 2023. We did not have any identified leaks, thefts, or losses of customer data.

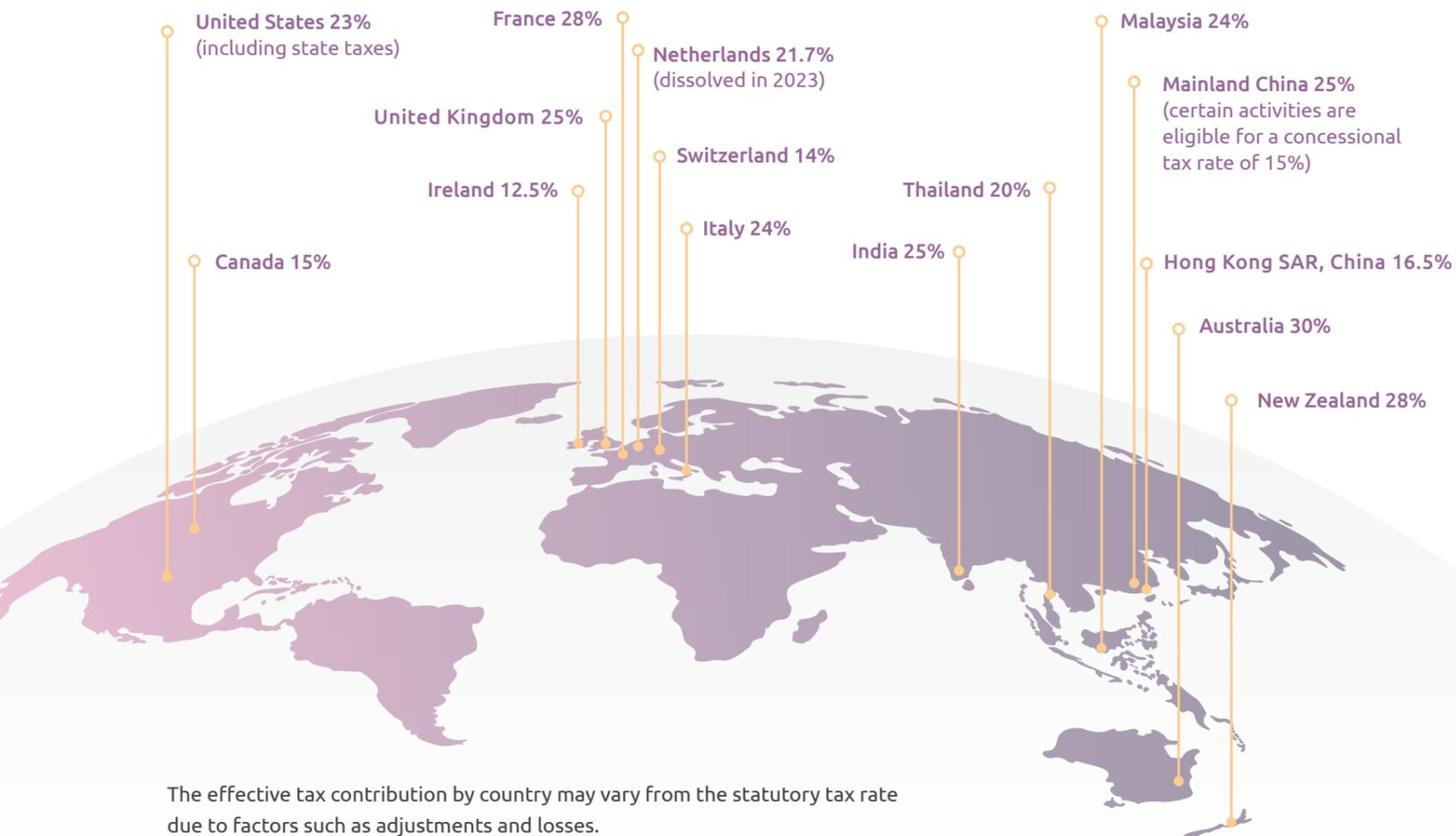
TAX TRANSPARENCY

H&H Group supports tax transparency to ensure the building of trust in the many tax jurisdictions in which we operate.

We pursue a proactive approach to tax strategy. Long-term tax planning seeks to enhance sustainability and shareholder value whilst having full regard to all relevant tax

laws and regulations. These principles are governed by the Group Tax Risk Management Policy.

The 2023 corporate income tax rates of the territories in which the Group operates are:



Effective tax rate

The effective tax rate is an accounting concept and reflects the income tax accrued on the profit for a particular year. It differs from the actual income tax payable in that year due to timing differences, where the timing of income and expense recognition differs for accounting and tax purposes.

H&H Group's effective tax rate (i.e. its accounting income tax expense expressed as a percentage of the profit before tax) was 37.7% in 2023 and reflects:

- non-deductible expenses
- tax losses not being recognised
- regional tax rate differential
- tax concessions.

Our tax contribution

H&H Group operates in numerous countries and as a corporate taxpayer contributes to the economies of the regions in which we operate. The distribution of taxes paid by the Group reflects the geographical spread of our business.

The Company is a Hong Kong SAR tax resident. The principal subsidiaries are disclosed in our 2023 Annual Report.

All related party transactions are conducted under arm's length methodologies prescribed by the Organisation of Economic Cooperation and Development (OECD) – at both normal market prices and on normal commercial terms – and in accordance with global transfer pricing laws.

During 2023, the key business dealings between related entities of the H&H Group concerned:

- sales of tangible goods
- provision of funds or loans for short-term or working capital requirements and investments
- licensing of brand names, trademarks and other intellectual property (IP) owned by H&H for use
- payment and receiving of dividends
- provision of contract R&D services
- provision of value-added services.

SUPPLY CHAIN GOVERNANCE

Our supply chain consists of contract manufacturers and raw material, packaging, transport and logistics, and warehouse suppliers.

We have direct relationships with suppliers across these categories, however our contract manufacturers manage the sourcing of many of our raw materials, and in some cases, packaging. Across our three business segments (BNC, ANC and PNC), we had approximately 230 suppliers including contract manufacturers at the end of 2023.

Supply Chain Governance, Relationships and Continuity is one of our most material topics. H&H's supply network plays a major role in the way we conduct our business

and, as such, every contributor and stage of our value chain is equally important and valued. Supply chain governance is at the crossroads with many other environmental and social topics, including GHG emissions, climate risks and labour rights. As reflected by our comprehensive carbon footprint which includes our Scope 3 emissions, our environmental impact mostly lies within our supply chain. The collaboration with our suppliers is crucial to enhance our sustainability performance.

OUR SUPPLIER CODE OF CONDUCT

Our Supplier Code of Conduct, which is publicly available on the Group website, outlines our values and the behaviours we expect our suppliers to strive for as well as the expectations they should have of their own respective supply chains. It covers a wide range of sustainability topics such as:

- human and labour rights
- health, safety and quality
- environmental issues.

Our Supplier Code of Conduct states our opposition to any form of slavery (including child labour) or trafficking of persons and specifies that we expect our suppliers to respect and champion human rights in all activities in accordance with the UN Universal Declaration of Human Rights. It is also our expectation that suppliers provide fair wages and working conditions to all employees (including equal pay for equal work, adequate rest periods, sufficient leave, freedom of association and collective bargaining). Suppliers shall also take responsibility to minimise adverse environmental impacts including but not

limited to emissions, non-renewable energy consumption, water and waste, through implementing environmental management systems.

The Supplier Code of Conduct applies to all direct suppliers, including upstream supply chain, raw material suppliers, manufacturing and packaging suppliers. It stipulates that it is the responsibility of direct suppliers to: disseminate to their supply base; and educate and exercise due diligence in implementing requirements equivalent or similar to those within this policy.

Since its launch, we have made it mandatory that all new significant suppliers in our supply chain (including notably our finished goods suppliers) sign or confirm their adherence to the Supplier Code of Conduct (or agreed equivalent) within the procurement process. This is a requirement for working with us. As at 31 December 2023, 100% of our significant suppliers in our supply chain have signed or confirmed their adherence to the terms of our Supplier Code of Conduct (or agreed equivalent). We have also included several clauses relating to ethics, and environmental and social responsibility in our standard template agreements.

Key contract manufacturers

North America



Europe



Asia



Mainland China



Australia and New Zealand



The above regional classification of our key contract manufacturers is based on the localisation of their respective group's headquarters.

Assessing the sustainability performance of our suppliers

We are committed to working towards achieving greater transparency and sustainability over our complex supply chain across our portfolio of products.

In addition to conducting environmental and social risk assessments of certain specific raw materials (please refer to the 'Raw materials sourcing' section of this Report), we have implemented a formal process for carrying out due diligence across our direct suppliers. This process covers contract manufacturers and direct suppliers of raw materials, packaging, transport, logistics, and warehouse services. Its aim is to ensure responsible practices among our direct suppliers and drive sustainability progress across our entire value chain. We also include any new significant direct supplier (within the categories listed above) who has become our partner during the assessed year in this screening process. This process involves the utilisation of our H&H Suppliers Sustainability Survey, that was developed in collaboration with SupplyShift, a leading cloud-based platform for end-to-end supply chain data management, responsible sourcing, and supplier engagement. The sustainability assessment is specifically tailored

to address the material environmental and social topics identified within the industries we operate, with a particular focus on The Sustainability Consortium's Thesis Industry hotspots relevant to our product categories.

The survey covers a wide range of themes, including governance, general corporate social responsibility (CSR) commitments and actions, social and labour policies and initiatives (including human rights and modern slavery topics such as child labour or forced labour), health and safety, environmental policies and initiatives, and supply chain management.

This comprehensive annual assessment enables us to identify high-risk or low-performing direct suppliers, analyse our suppliers' sustainability profile, and work with them to improve their ESG performance. Our primary focus is on supporting suppliers to enhance their practices and we strive to provide guidance, recommendations, and resources to foster meaningful improvements. However, we maintain a strong sense of accountability. If a supplier fails to make meaningful improvements within the agreed timeframe, and if their poor performance also impacts the business side, we may consider restricting business allocation or exploring alternative partnerships.

Our approach to supplier due diligence in 2023

In 2023, we undertook supplier due diligence based on the results of the 2022 Suppliers Sustainability Survey. We identified and prioritised high spend direct suppliers with areas for improvement, focusing our efforts on them. To begin, we verified the accuracy and completeness of their survey submissions, initiating a dialogue and sharing assessment results. This allowed suppliers to revisit their answers, provide new evidence, and enhance their initial scoring. Next, we developed tailored improvement plans for suppliers who still did not meet our sustainability standards. This engagement process and dialogue are essential for fostering collaboration and empowering suppliers to take ownership of their sustainability practices.

Training sessions for all our suppliers

To align our suppliers with our ESG goals, we hosted two online training sessions in collaboration with SupplyShift experts. These sessions, open to all suppliers, (raw material and packaging) contract manufacturers and third-party logistics partners from all regions, introduced our sustainability strategy and launched our annual supplier assessment on SupplyShift. We emphasised the importance of strong supply chain and sourcing systems, quality management in manufacturing and responsible marketing practices, to mitigate recalls or product safety concerns. We facilitated open discussion and Q&A throughout both sessions, offering suppliers the opportunity to ask questions about our sustainability goals. Building strong partnerships with our suppliers is crucial, and this training is a key step in engaging them on our shared sustainability journey.

2023 HIGHLIGHTS

132 suppliers (representing 98% of our supply chain spend) actively took part in our sustainability assessment and were assessed on their 2023 sustainability performance via our H&H Suppliers Sustainability Survey.



100%

of assessed suppliers adhere to our Supplier Code of Conduct or agreed equivalent



92%

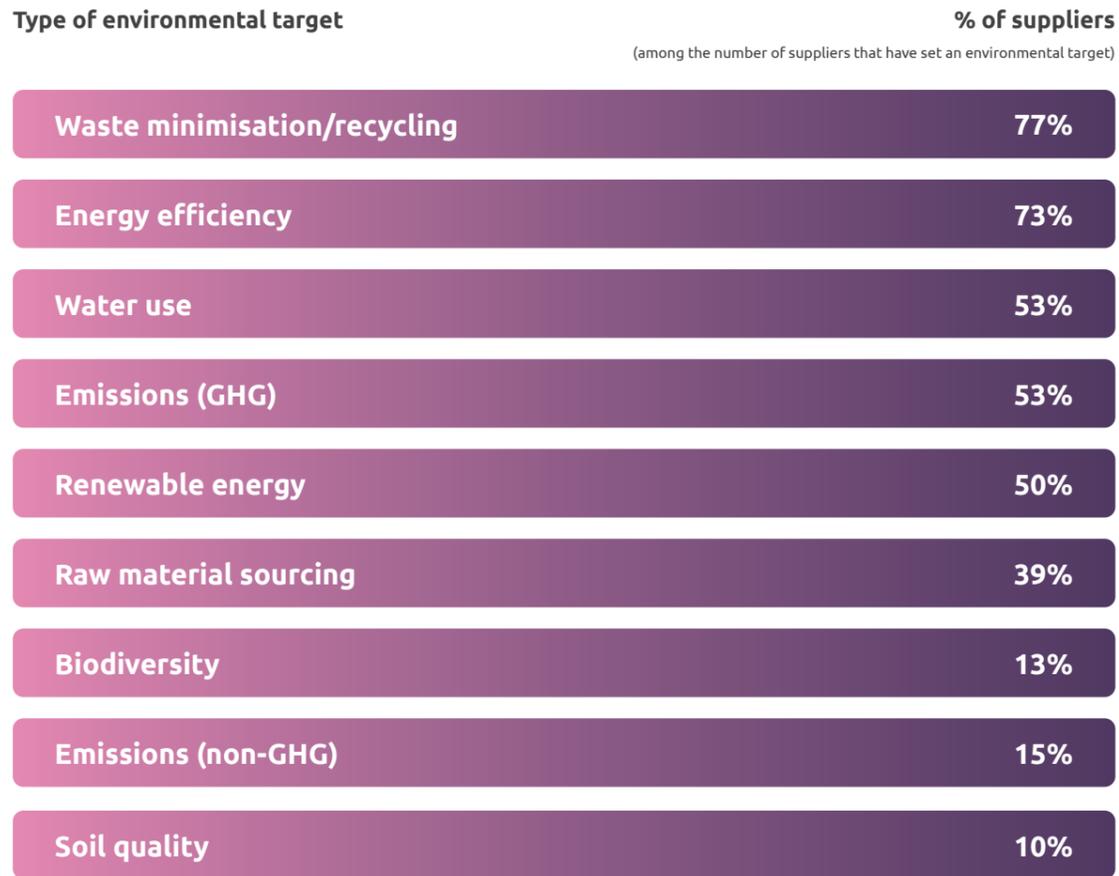
of assessed suppliers have confirmed their employees are free to join or form trade unions or worker organisations of their own choosing if permitted by law



74%

of assessed suppliers (representing 87% of our supply chain spend) have established environmental targets and reduction plans

In 2023, 74% of our suppliers* (representing 87% of our supply chain spend) had environmental targets. The breakdown of the environmental targets set by our suppliers in 2023 was as follows.



*Suppliers who completed the H&H Suppliers Sustainability Survey for 2023.

Involving our strategic suppliers in our Group's ambitions

At the heart of our sustainability strategy is the active involvement of our strategic suppliers in our Group's ambitions. We recognise the importance of collaborating with our suppliers to drive positive change and minimise our environmental footprint. To demonstrate our commitment, we have established a target to engage 52% of our suppliers by spend in establishing emissions reduction targets based on scientific principles

by 2027, as part of our Science-Based Targets initiative (SBTi). In line with this objective, we have provided support to the Isigny Sainte-Mère Cooperative, our main dairy partner, in conducting a comprehensive carbon footprint assessment – a crucial first step towards setting emissions reduction targets and developing an actionable plan. By partnering with our suppliers on these initiatives, we aim to foster a culture of sustainability throughout our value chain and contribute to a more responsible and resilient future.

At the heart of our sustainability strategy is the active involvement of our strategic suppliers in our Group's ambitions. We recognise the importance of collaborating with our suppliers to drive positive change and minimise our environmental footprint.



04

APPENDICES



APPENDIX 1 – SUSTAINABILITY PERFORMANCE DATA

ENVIRONMENTAL PERFORMANCE

	2023	2022
Energy consumption		
Total energy consumption (MWh)	21,962	20,937
Energy consumption intensity (per team member for our offices and laboratories (MWh/FTE))	2.27	1.62
Energy consumption intensity (per unit produced at manufacturing sites (kWh/unit))	0.29	0.24
Energy consumption intensity (per unit packed at packing sites (kWh/unit))	0.056	0.070 (restated data compared to 2022 Sustainability Report)
Indirect energy consumption (MWh)		
Electricity consumption from non-renewable sources	0	0
Electricity consumption from renewable sources	13,619	13,808
Direct energy consumption (MWh)		
Liquefied petroleum gas (LPG)	9	6
Natural gas	2,073	2,034
Diesel	2,681	2,977
Gasoline	3,404	2,111

	2023	2022
Greenhouse gas (GHG) emissions		
Direct GHG emissions (Scope 1) (tCO ₂ -e)	4,602	2,234
Indirect GHG emissions (Scope 2) (market-based methodology) (tCO ₂ -e)	0	0
Indirect GHG emissions (Scope 2) (location-based methodology) (tCO ₂ -e)	/	
Indirect GHG emissions (Scope 3) (tCO ₂ -e)	398,420 (market-based methodology) /	550,966
Indirect GHG emissions (Scope 3) (location-based methodology) (tCO ₂ -e)	399,325	
GHG emissions intensity (per team member for our offices and laboratories) (tCO ₂ -e/FTE)	189 (market-based methodology) /	216
GHG emissions intensity (per team member for our offices and laboratories) (location-based methodology) (tCO ₂ -e/FTE)	193	
GHG emissions intensity (per unit produced at manufacturing sites) (kgCO ₂ -e/unit)	7	8
GHG emissions intensity (per unit packed at packing sites) (kgCO ₂ -e/unit)	60 (market-based methodology) /	108
GHG emissions intensity (per unit packed at packing sites) (location-based methodology) (kgCO ₂ -e/unit)	61	
Other significant air emissions (tonnes)		
Nitrogen oxides (NOx)	0.366	0.349
Sulfur oxides (SOx)	0.002	0
Water withdrawal		
Total water withdrawal (kL)	54,204	56,905
Water withdrawal intensity (per team member for our offices and laboratories) (kL/FTE)	1.53	1.70
Water withdrawal intensity (per unit produced at manufacturing sites) (mL/unit)	865	757
Water withdrawal intensity (per unit packed at packing sites) (mL/unit)	67	43.11

APPENDIX 1 – SUSTAINABILITY PERFORMANCE DATA (continued)

ENVIRONMENTAL PERFORMANCE (continued)

	2023	2022
Waste Generated		
Hazardous waste generated (tonnes)	2	3
Hazardous waste intensity (per team member for our offices and laboratories) (g/FTE)	0	668
Hazardous waste intensity (per unit produced at manufacturing sites) (g/unit)	0.04	0.02
Hazardous waste intensity (Per unit packed at packing sites) (g/unit)	0	0
Non-hazardous waste generated (tonnes)	5,405	6,263
Non-hazardous waste intensity (per team member for our offices and laboratories) (kg/FTE)	371	594
Non-hazardous waste intensity (per unit produced at manufacturing sites) (g/unit)	64.69	66.74
Non-hazardous waste intensity (per unit packed at packing sites) (g/unit)	23.39	25
Total non-hazardous waste recycled (tonnes)	3,674	4,352
Packaging material		
Paper and cardboard (tonnes)	3,757	4,853
Plastic (tonnes)	4,086	4,883
Glass (tonnes)	394	164
Metal (tin and aluminium) (tonnes)	5,253	4,987
Revenue for every kilo of packaging generated (Revenue in RMB/1 kg of packaging)	1,034	858
Packaging produced for every RMB1,000 in revenue (kg/RMB'000 in revenue)	0.967	1.16

SOCIAL PERFORMANCE

Workforce

Breakdown of team members by gender

FTEs	2023		2022	
	Male	Female	Male	Female
Total workforce	1,082	2,092	1,200	2,172
By employment type				
Full-time	1,077	2,059	1,195	2,133
Part-time	5	33	5	39
By contract type				
Permanent	1,068	2,050	1,185	2,131
Temporary	14	42	12	40
Non-guaranteed hours	0	0	3	1
By position level				
Executives	36	23	27	14
Management	464	647	233	251
Non-management	582	1,422	940	1,907

APPENDIX 1 – SUSTAINABILITY PERFORMANCE DATA (Continued)

Breakdown of team members by region

2023

FTEs	Australia and New Zealand	Mainland China	Asia excluding Mainland China	North America	Europe	Total
Total	277	2,417	78	145	257	3,174
Permanent	249	2,417	77	141	234	3,118
Temporary	28	0	1	4	23	56
Non-guaranteed hours	0	0	0	0	0	0
Full-time	248	2,417	78	144	249	3,136
Part-time	29	0	0	1	8	38

2022

FTEs	Australia and New Zealand	Mainland China	Asia excluding Mainland China	North America	Europe	Total
Total	283	2,621	73	130	265	3,372
Permanent	245	2,621	72	128	250	3,316
Temporary	34	0	1	2	15	52
Non-guaranteed hours	4	0	0	0	0	4
Full-time	245	2,621	73	130	259	3,328
Part-time	38	0	0	0	6	44

Breakdown of team members by position level and age group

Age group	2023			2022
	Executives	Management	Non-management	
Under 25	0	1	80	The 2022 data for breakdown of team members by position level and age group are not applicable for comparison due to the change of age group categorisation in 2023.
25–39	18	831	1,538	
40–55	36	268	366	
Over 55	5	11	21	

Employee new hires

	2023	2022
Total new hires		
Total new hires	734	Not disclosed in 2022
New hire rate	23%	
By gender		
Male	264	Not disclosed in 2022
	24%	
Female	470	
	22%	
By age group		
Under 25	70	Not disclosed in 2022
	87%	
25–39	585	
	25%	
40–55	75	
	11%	
Over 55	4	
	11%	
By geographical location		
Australia and New Zealand	50	Not disclosed in 2022
	18%	
China	527	
	22%	
Asia (excluding Mainland China)	26	
	33%	
North America	51	
	35%	
Europe	80	
	31%	

APPENDIX 1 – SUSTAINABILITY PERFORMANCE DATA (Continued)

Employee turnover

	2023	2022
Total turnover and turnover rate		
Total turnover	950	849 Only the turnover percentage was disclosed in the 2022 Sustainability Report
Total turnover rate	29.9%	25.2%
By gender		
Male	384	345 Only the turnover percentage was disclosed in the 2022 Sustainability Report
	35.5%	28.7%
Female	566	504 Only the turnover percentage was disclosed in the 2022 Sustainability Report
	27%	23.2%
By age group		
Under 25	61	The 2022 data for breakdown of team members by position level and age group are not applicable for comparison due to the change of age group categorisation in 2023.
	76%	
25-39	737	
	31%	
40-55	136	
	20%	
Over 55	16	
	43%	

	2023	2022
By geographical location		
Australia and New Zealand	39	48 Only the turnover percentage was disclosed in the 2022 Sustainability Report
	14%	17%
China	731	618 Only the turnover percentage was disclosed in the 2022 Sustainability Report
	30%	24%
Asia (excluding Mainland China)	17	22 Only the turnover percentage was disclosed in the 2022 Sustainability Report
	22%	30%
North America	53	39 Only the turnover percentage was disclosed in the 2022 Sustainability Report
	37%	30%
Europe	110	122 Only the turnover percentage was disclosed in the 2022 Sustainability Report
	43%	46%

Employees with promotion

FTEs	2023	2022
Male	96	Not disclosed in 2022
Female	201	

APPENDIX 1 – SUSTAINABILITY PERFORMANCE DATA (Continued)

Employees in IT and R&D/engineering related positions

FTEs	2023	2022
IT position		
Male	63	Not disclosed in 2022
Female	51	
R&D/engineering position		
Male	50	Not disclosed in 2022
Female	103	

Parental leave

	Number of weeks of fully paid primary parental leave offered	Number of weeks of fully paid secondary parental leave offered
ANZ	16	6
China	25.4	2
Asia*	15-26	0.3-4
North America	4	3
Europe**	6-21	2-4

*For both primary and secondary parental leave, data excluding Hong Kong. We currently offer 1 additional week of primary parental leave beyond statutory requirement and 5 days secondary parental leave according to statutory requirement. For secondary parental leave, data excluding Malaysia and Thailand as there are currently no statutory requirement for fully paid secondary parental leave.

**For both primary and secondary parental leave, data excluding Ireland and Switzerland. In Ireland, we currently offer 14 weeks of parental leave according to statutory requirement. In Switzerland, we currently offer 14 weeks and 2 weeks of primary and secondary parental leave respectively according to statutory requirement.

Occupational health and safety

	Unit	2023	2022
Work-related injuries and fatalities			
Fatalities	Number (no.)	0	0
	no./per 200,000 hours worked	0	0
High-consequence work-related injuries	no.	0	0
	no./per 200,000 hours worked	0	0
Recordable work-related injuries	no.	0	0
	no./per 200,000 hours worked	0	0

	Unit	2023	2022
Lost days due to work injuries	days	0	0
	no./per 200,000 hours worked	0	0

Employee development and training

	2023	2022
Total number of employees trained		

By gender

Male	633	532
	59%	44%
Female	1,397	1,238
	67%	57%

By position level

Executives	40	39
	68%	95%
Management	646	445
	58%	92%
Non-management	1,345	1,284
	67%	45%

Average hours of training of employees

Total	19.93 (19 hours 55 minutes)	10.87 (10 hours 52 minutes)
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By gender

Male	18.82 (18 hours 49 minutes)	7.98 (7 hours 58 minutes)
	20.50 (20 hours 30 minutes)	12.47 (12 hours 28 minutes)

By position level

Executives	25.36 (25 hours 21 minutes)	31.12 (31 hours 7 minutes)
	18.71 (18 hours 42 minutes)	22.47 (22 hours 28 minutes)
Non-management	20.19 (20 hours 11 minutes)	8.61 (8 hours 36 minutes)

APPENDIX 1 – SUSTAINABILITY PERFORMANCE DATA (Continued)

Gender pay gap

Ratio of remuneration (%)		
Australia and New Zealand	+7.8% (ratio in favour of men)	Not disclosed in 2022
China	+0.8% (ratio in favour of men)	
Asia (excluding Thailand, India, Indonesia and Malaysia)	-12.45% (ratio in favour of women)	
North America	-2.2% (ratio in favour of women)	
Europe	+1.9 (ratio in favour of men)	
Global weighted average	+1.13% (ratio in favour of men)	

Supply chain management

	2023	2022
Total number of suppliers		
Total number of suppliers	227	225*
Total number of suppliers by geographical location		
Australia and New Zealand	37	Only percentages by geographical location were disclosed in 2022
China	79	
Asia (Excluding Mainland China)	14	
North America	18	
Europe	79	

*The number of suppliers in 2022 is presented as an approximate number.

Product responsibility

	2023	2022
Product-related health and safety issue		
Percentage of recalled products for safety and health reasons (%)	0	1 out of 9 batches (11.11%) of Swisse Ultiboost B+ Energy Gummies (New Zealand) 1 out of 25 batches (4%) of the Swisse Beauty Collagen Glow Gummies (Australia)
Number of product and service complaints	32,820	49,547
Percentage of complaints responded to (%)	100%	100%
Percentage of complaints resolved (%)	>99%	>99%

Community investment

	2023	2022
Resources contributed		
Total cash donations (USD)	1,312,350	1,420,552
Total in-kind donations* (USD)	1,516,786	387,850
Total employees involved in community activities during company working hours (FTEs)	2,922	2,501
Total volunteer hours	11,778	15,127
Total value of volunteer hours* (USD)	295,241	983,531
Total management cost (USD)	270,656	217,842
Total investment (USD)	3,395,032	3,009,775

*In 2023, we incorporated the value of in-kind donations from the Biostime China Foundation for Mother and Child into the overall sum of in-kind donations. Furthermore, we conducted a reassessment of the value of team members' time to ensure it accurately reflected the time value specific to each region.

APPENDIX 2 – MATERIAL TOPICS



Advancing the Story of Good Health

Product Safety and Quality

Ensuring our products and all ingredients and processes are tested, safe for consumers, and of the highest quality. This includes enabling traceability throughout the supply chain to prevent counterfeiting and protect consumers' safety.

Consumer Engagement

Connecting with our consumers to engage and educate them on H&H's brands, products (and benefits), and how they may embark on their broader wellness journey. This includes developing trusting and lasting relationships between our brands and consumers, to support business growth across international markets. A focus on digitalisation will be a key means for H&H to do so.

Innovation for Consumer Health Outcomes

Investing in the research and development of new products, and the continuous improvement of the nutrition and efficacy of our existing products. Focusing on serving the health and wellbeing needs of our consumers, and utilising the power of digital technology to do so.

Responsible Marketing (and Labelling)

Transparently communicating the effects, benefits, limitations and alternatives for H&H's products. This includes ensuring products are accurately and transparently labelled with product ingredients, the nutritional profile and sourcing information to be easily understandable for consumers and empower them to make better health decisions.

Nutritional Quality of Product Portfolio

Developing and offering products with higher nutritional quality and health benefits, tailored to meet the various nutrition and

health needs of all family members (including pets) and all life stages.

Access and Affordability of Products

Considering whether our products are accessible and affordable to meet communities' health and nutrition needs. Helping to address inequality and potential food scarcity resulting from geo-political, social or environmental disruption, and use of digital platforms to do so.

Animal Welfare

Actively managing animals' quality of life and welfare in the production of animal-derived ingredients, research and development and testing of products in H&H's brands



Reducing our Footprint on the Planet

Sustainable Packaging

Designing our packaging to reduce energy consumption in production and transportation, reduce waste and facilitate recycling. Partnering with suppliers and research institutions to understand and manage life cycle impacts.

GHG Emissions and Energy

Actively working to reduce the GHG emissions and energy consumption of our operations and value chain, including from raw ingredients and transportation as well as manufacturing. Increasing our use of low-impact, renewable sources of energy.

Land Management and Biodiversity

Understanding and working to reduce the impacts of our supply chain on land, soils and biodiversity, especially where ingredients are scarce, drawn from vulnerable ecosystems and/or ecosystems which support endangered species. Supporting sustainable agriculture practices that will in turn, ensure long-term, high-quality supply.

Waste Management

Our aim to reduce waste sent to landfill and increase resource recovery. This includes a focus on managing waste outputs in our supply chain and operations, with both partners and suppliers.

Water Stewardship

This encompasses both our water consumption and wastewater practices.

Water consumption focuses on our operations and supply chain, and working with our supply chain to reduce usage. Our focus on wastewater aims to ensure that water used in our production operations is treated responsibly and does not contribute to water pollution, or adversely affect local communities or environments. Plus, designing our products to avoid water pollution from use or disposal.

Climate Risk

Understanding and managing our exposure to climate-related risks and opportunities throughout our value chain. This includes considering the impacts of the transition to a zero-carbon economy and the physical impacts of climate change.

APPENDIX 2 – MATERIAL TOPICS (Continued)



Honouring Human Rights and Fairness

Health, Safety and Wellbeing

Actively managing and monitoring the health and safety risks for our own employees and in our supply chain. Creating supportive policies, procedures and an environment that supports health, safety and wellbeing.

Labour Rights and Modern Slavery

Ensuring consistent, fair and attractive remuneration and working conditions for own employees in the workplace and in our supply chain. Respecting and protecting the rights of all contributing to the value of H&H's business. This includes actively identifying and managing modern slavery risks within our supply chain.

Diversity and Inclusion

Embracing and being inclusive of the diversity of staff at all levels and in all regions of our organisation. Recognising the value this brings to our organisation. Supporting diversity and inclusion in our supply chain and local communities.

Community Impact and Investment

H&H's contribution to community impact, engagement, investment in social solutions and inclusive growth. This includes for communities across our value chain, from upstream suppliers to consumers and end-of-life management.



Supporting Good Governance

Supply Chain Governance, Relationships and Continuity

Ensuring our supplier partnerships and relationships are governed to ensure high-quality, reliable supply; and to manage social and environmental impacts (especially those highlighted in our material topics). This includes not only raw material sourcing, but also R&D relationships, manufacturing and packaging processes.

Compliance and Government Relations

Actively participating in policy and engaging with government at all levels on behalf of the industry and to ensure regulatory compliance. Increasingly, positive relationships with governments are pertinent to enable the long-term security of trade and the business future.

Ethics, Integrity and Trust

Ensuring our business operates to clear and high ethical, legal and moral standards, both internally and when managing external relationships with our suppliers, partners, and engagement with customers. Includes having policies and procedures in place to combat bribery and corruption.

Strategy and Vision

Global integration of strategy and vision including integrating and managing H&H's strategy across multiple brands, countries and varied cultures. Managing the risks and challenges of a fast-paced strategy in a young company assimilating multiple acquisitions. This includes integrating our ways of working and communication and leveraging our diversity for business success.

Data Privacy and Security

Ensuring the compliance of H&H's partners and employees with data protection, cyber security laws and internal policies. Beyond compliance, this is a focus on the robustness of our systems to protect customer, employee and partner data.

Risk Governance

Identifying and managing H&H's existing and emerging risks, and their possible associated impacts, which are critical to our long-term value, growth and sustainability.

APPENDIX 3 – STAKEHOLDER ENGAGEMENTS

Stakeholder group	How we engage
 Team members	<ul style="list-style-type: none"> • Townhalls on our financial results and other topics localised to regions with Q&A opportunities • Internal site to access H&H-branded assets, policies and materials to communicate internally • Virtual company briefings via Zoom and Microsoft Teams • Company messaging platform Corporate WeCom • Structured performance reviews • H&H website and individual brand websites kept up-to-date • Internal training and activities (including, but not limited to, World Quality Week, World Community Day, World Wellness Week, H&H Academy for Change) • Emails or other messages to provide up-to-date news
 Consumers	<ul style="list-style-type: none"> • Social media accounts including LinkedIn, Facebook, Instagram, Douyin/TikTok and/or Twitter • Consumer feedback and service phone lines • Customer satisfaction surveys • H&H website and individual brands websites • In-store advertisements and eDMs • Trade shows
 Distributors and retailers	<ul style="list-style-type: none"> • Educational events and training on brand products • Trade shows • Physical visits to stores

Stakeholder group	How we engage
 Shareholders, investors and financiers	<ul style="list-style-type: none"> • Annual General Meeting and roadshows • Annual and Interim Report presentations and webcasts • Sustainability Report • HKEx updates
 Suppliers	<ul style="list-style-type: none"> • Regular emails, phone calls or visits • Audits • Trade shows – displaying and attending • Supplier Code of Conduct • Sharing annual results and sustainability reports and updates • Distribution of surveys and reporting documentation
 Brand ambassadors	<ul style="list-style-type: none"> • Sharing updates on Company performance and developments
 Local communities	<ul style="list-style-type: none"> • H&H Foundation and Biostime China Foundation for Mother and China community programmes and partnerships
 Government, regulatory agencies and industry organisations	<ul style="list-style-type: none"> • Sponsoring, presenting at and/or attending industry association meetings, events and conferences • Regular communication to understand current and anticipated regulatory developments
 Media	<ul style="list-style-type: none"> • Distribute media releases on Company performance • Invite media to brand announcements

APPENDIX 4 – METHODOLOGY

1. ENVIRONMENTAL DATA

1.1. Greenhouse gas (GHG) emissions methodology

H&H's carbon footprint was calculated with the assistance of EcoAct following the guidance of the Greenhouse Gas Protocol international standard. Within this framework, emissions are broken down into three Scopes: Scope 1, 2, and 3.

Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. The emissions in each category which were taken into account in H&H's carbon footprint are summarised in the table below.

Scope 1, 2, and 3 emission boundary

Scope 1	Scope 2	Scope 3
Refrigerants	Electricity	Purchased goods and services
Natural gas		Upstream transportation and distribution
Diesel generators		Capital goods
Fuel from operated vehicles		Emissions linked to fuel and energy (not included in Scope 1 and 2)
LPG		Waste
		Business travel
		Employee commuting
		End of life of sold products

For Scope 1, a full perimeter was considered as detailed above. For Scope 2, emissions related to electricity were set to 0 as H&H purchases Renewable Energy Certificates adhering to a market-based approach. For Scope 3 emissions, we considered a full perimeter for the listed compulsory categories and we calculated emissions based on physical data reported by each of H&H's entities. For the end-of-life of sold products, we estimated the proportion of waste generated by the packaging of H&H's sold products. Some optional categories were not calculated due to lack of relevance or lack of reporting. These include franchise and investment information.

The general approach for the carbon footprint

was to collect physical data to which we applied emission factors sourced primarily from the "Base Empreinte" database by ADEME, the French Ministry for Ecological Transformation. When primary data was reported in monetary value, we employed conversion factors to ensure consistency, accounting for variances in purchasing power across different countries where expenses were incurred.

Where data was not available, extrapolations were made based on information available from previous reporting years or ratios based on number of FTE or other indicators, this is detailed below with the assumptions used.

The GHG category "use of sold products" has been excluded from our carbon footprint reporting. This approach aligns with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard ("GHG Protocol Corporate Standard"), where it is considered an optional category. We recognise that during the use phase of products, indirect emissions are typically generated. However, obtaining reliable data on consumer behaviour poses challenges. Because such emissions occur outside of the company's direct operational control, there is limited potential for the company to take direct action to mitigate them. By focusing on emissions within our operational boundaries, we can prioritise actions where we have the greatest influence. This approach ensures a more effective allocation of resources toward emission reduction efforts.

In 2023, the assessment of the "end of life" phase for sold products has been conducted by isolating the packaging component from the full Life Cycle Assessments (LCAs) used for the procurement of finished goods. By specifically focusing on the packaging aspect, we can accurately quantify the emissions associated with its disposal or recycling processes, providing a measure of the environmental impact at the end of a product's life cycle.

Methodology and assumptions used for preparing the carbon footprint

The 2023 GHG account is mostly based on actual activity, except as mentioned below where the data has been modelled by extrapolation. The H&H Group regions of operation include Australia and New Zealand, mainland China, Asia (excluding mainland China), Europe and North America. Organisation types represented include factories, laboratories, packing facilities and offices. Where there was insufficient information, we used the next most comparable option that resulted in the smallest uncertainty possible. All data for employee commuting was estimated using standard calculator. Our GHG inventory is based on the GHG Protocol Corporate

Standard and its additional applicable guidance.

Total FTEs across all sites equal to 3,174 FTEs in 2023 (however, for the purposes of the carbon footprint, we did not take into account the FTEs who are working remotely entirely).

The split between all regions regarding the global data was modelled using the procurement destination country provided by the global procurement team.

1.2. Intensity metrics methodology

We strive for meaningful environmental performance indicators, which is why we report both total values and intensity metrics for GHG emissions, energy, water, and waste. It is important to note that these intensity metrics vary significantly from year to year due to the underlying modeling assumptions used in the inventory.

In 2023, we used the following calculation methods for the intensity metrics related to energy, water and waste:

- to determine the intensity per team member, we divided the total energy, water or waste specifically derived from laboratory and office facilities by the total FTEs in those facilities, excluding the workers in remote working
- for the intensity per unit produced at manufacturing sites, we divided the total energy, water or waste generated by in-house factory sites by the total units produced in such in-house manufacturing facilities
- the intensity per unit packed at packing sites was determined by dividing the total energy, water or waste associated with packing sites by the total number of units packed at those specific packing sites.

Regarding the intensity metrics for GHG emissions, we divided the entire GHG footprint by the relevant metric (FTEs, units produced and units packed). This approach was necessary because our GHG footprint includes Scope 3 emissions, such as those from purchased goods and services. Allocating GHG emissions per office worker or manufactured

APPENDIX 4 – METHODOLOGY (Continued)

product would have been misleading because certain emissions categories are challenging to allocate and would have been excluded from the calculation. For example, emissions from the procurement of finished products from co-manufacturers would have been entirely omitted from the scope of office workers' emissions, even though the office workers may have control over production orders sent to co-manufacturers. Unfortunately, our current data granularity and methodology do not allow for the calculation of other types of intensity metrics.

1.3. Other significant air emissions data methodology

In 2023, we have extended our scope to collect the production of nitrogen oxides (NOx) and the possible emission of sulfur oxides (SOx) at our Guangzhou factory, in addition to our Changsha factory in China. Both emission results are below stipulated emissions allowances by the local government.

1.4. Packaging materials data methodology

In 2023, we collected packaging data from H&H facilities and contract manufacturers that produced products of all our ANC, BNC and PNC brands. We expanded the scope from 2022 with the full integration of Solid Gold volumes. The data is expressed in tonnes of material and covers the life cycle of our finished goods, except for France where calculations are based on the CITEO Declaration.

1.5. Water data methodology

In 2023, we proactively gathered water usage data from our operational sites wherever possible. However, in instances where direct data collection was not feasible, such as in shared office spaces, we employed a modeling approach. In cases where historical water consumption data was accessible, we applied a proportional ratio based on the fluctuation in full-time equivalent (FTE) staff numbers between 2023 and the reporting year to estimate consumption accurately.

In 2023, we have renamed the presentation of water data from water consumption to water withdrawal in order to reflect the water usage data for our operation during the reporting

period. The scope of data we collected during the reporting period remains the same as 2022.

1.6. Waste data methodology

In 2023, we proactively gathered waste management data from the operational sites wherever possible, encompassing waste generated, including waste disposed to landfill, recycled or incinerated. When the detail on waste treatment was known, it was included. In cases where specific treatment details were unavailable, an average "disposal" method was applied.

Furthermore, the scope of waste data included ordinary waste from both factory and office sites. It is noteworthy that the reported hazardous waste from factory sites was minimal.

In instances where direct data collection was not feasible, such as in shared office spaces, we employed a modeling approach to estimate waste generation and management. When historical waste management data was accessible, we applied a proportional ratio based on the fluctuation in FTE staff numbers between 2023 and the reporting year to ensure accurate estimation of waste generation and track progress in waste reduction efforts.

2. Social data

2.1. Team members data methodology

In 2023, unless otherwise specified, the numbers related to team members in the Report are reported in terms of FTE at the end of the reporting period. The use of the FTE methodology aligns with our internal reporting practices and allows us to present more accurate data. FTE data presented is rounded to the nearest whole number.

Team members employed under China's three-year standard employment contract system are classified as permanent for reporting purposes, as this is the standard system.

In 2023, there were 1,025 individuals (compared to 428 workers in 2022) who were not employees but whose work was controlled by the Group at the end of the reporting period. These individuals are predominantly

hired to work in our operational facilities (manufacturing and packing), provide sales support, or serve as interns.

In 2023, we have updated the age groups compared with the previous reporting period as follows:

- under 25
- 25–39
- 40–55
- over 55.

2.2. Employee new hires data methodology

The new hire rate is calculated using the total number of FTE new hires by category (i.e. gender, age group, and geographical location) divided by the total number of FTE by category (i.e. gender, age group, and geographical location) as of 31 December 2023. Employee new hires presented in FTE is rounded to the nearest whole number.

2.3. Employee turnover data methodology

The turnover rate is calculated using the total number of FTE turnover by category (i.e. gender, age group, and geographical location) divided by the total number of FTE by category (i.e. gender, age group, and geographical location) as of 31 December 2023. Team member turnovers presented in FTE is rounded to the nearest whole number.

Team member turnover reflects the number of team members who leave employment with the issuer voluntarily or due to dismissal, retirement, or death in service during the reporting period.

2.4. Work-related injuries data methodology

The fatalities rate, high-consequence work-related injuries rate, recordable work-related injuries rate and lost day rate are calculated based on the number of days lost per 200,000 hours worked.

High-consequence work-related injuries are defined as work-related injuries that are expected to require a recovery period longer than six months, excluding fatalities.

Recordable work-related injuries refer to work-related injury that results in death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

2.5. Employee development and training data methodology

The total training hours in 2023 is calculated based on the training hours received by FTE throughout the year.

The average training hours in 2023 is calculated based on the total training hours provided to FTE by category (i.e. gender and position level) throughout the year divided by the full FTE employees by category (i.e. gender and position level) as of 31 December 2023.

The training and development information developed in the data table does not include the data relating to the Annual Compliance Training and other mandatory trainings for China.

2.6. Gender pay gap data methodology

In 2023, the ratio of the actual remuneration of women to men is disclosed by the locations of operation. For each region and different categories of employees, the gender pay gap was calculated as follows: (average annual remuneration of men minus average annual remuneration of women) divided by average annual remuneration of men. A positive figure indicates that the annual remuneration of men is higher than that of women. Relevance thresholds were applied.

In order to calculate the weighted average global pay gap, the pay gap of each region was multiplied by the number of team members in that region. The sum of these values was then divided by the total number of team members, excluding those in Thailand, India, Indonesia, and Malaysia. This approach takes into account both the pay gap and the relative number of team members in each region, providing an average global pay gap figure that is representative of the overall organisation.

Remuneration refers to the basic salary (fixed, minimum amount paid to an employee for performing his or her duties) plus additional amounts paid to an employee.

2.7. Product responsibility data methodology

The percentage of recalled products for safety and health reasons is calculated using the number of products sold or shipped subject to recalls for safety and health reasons solely divided by the total number of products sold or shipped as of 31 December 2023.

2.8. Community investment data methodology

Our community investment is measured using the Business for Social Impact (B4SI) framework and includes cash, in-kind and time contributions as well as managements costs.

APPENDIX 5 – DISCLOSURE INDEX

(including GRI content index, HKEx reporting ESG guide index)

H&H has reported in accordance with the GRI Standards for the period of 1 January 2023 to 31 December 2023.

Reporting Principles: GRI 1: Foundation 2021 and HKEx ESG Reporting Guide.

The 2023 Annual Report can be found on our [Group's corporate website](#).

GRI Standard title	GRI Disclosure number	HKEx Disclosure number	Topic	Location	Notes
The Group and its Reporting Practice					
GRI 2: General Disclosures 2021	2-1		Organisational details	About this Report Our global presence and markets	
	2-2	Mandatory Disclosure requirements > Reporting boundary	Entities included in the organisation's sustainability reporting	About this Report 2023 Annual Report > Notes to financial statements	
	2-3		Reporting period, frequency and contact	About this Report	
	2-4		Restatements of information	Appendix 1 – Sustainability performance table	
	2-5		External assurance	About this Report Appendix 7 – Assurance Statement	
Activities and Workers					
GRI 2: General Disclosures 2021	2-6		Activities, value chain and other business relationships	Our global presence and markets Our value chain Our community support and engagement	
	2-7	B1-1	Employees	Our people (Welcome to the world of H&H) Our people (Honouring Human Rights and Fairness) Appendix 1 – Sustainability performance table	
	2-8		Workers who are not employees	Appendix 4 – Methodology	

APPENDIX 5 – DISCLOSURE INDEX

(Continued)

GRI Standard title	GRI Disclosure number	HKEx Disclosure number	Topic	Location	Notes
Governance					
GRI 2: General Disclosures 2021	2-9	Mandatory Disclosure Requirements > Governance structure	Governance structure and composition	Sustainability governance 2023 Annual Report > Corporate Governance Report	
	2-10		Nomination and selection of the highest governance body	2023 Annual Report > Corporate Governance Report	
	2-11		Chair of the highest governance body	Sustainability governance 2023 Annual Report > Biography of Directors and senior management	
	2-12		Role of the highest governance body in overseeing the management of impacts	Sustainability governance	
	2-13		Delegation of responsibility for managing impacts	Sustainability governance	
	2-14		Role of the highest governance body in sustainability reporting	Sustainability governance	
	2-15		Conflicts of interest	Ethics, integrity and trust 2023 Annual Report > Corporate Governance Report	
	2-16		Communication of critical concerns	Ethics, integrity and trust	
	2-17		Collective knowledge of the highest governance body	Message from our Chairman Sustainability Governance 2023 Annual Report > Corporate Governance Report	
	2-18		Evaluation of the performance of the highest governance body		We comply with the Corporate Governance Code of the Listing Rules of Hong Kong Stock Exchange. The company is willing to explore the approach to pursue higher standard on this matter in the future.
	2-19		Remuneration policies	Sustainability Governance 2023 Annual Report > Corporate Governance Report	
	2-20		Process to determine remuneration	Sustainability Governance 2023 Annual Report > Corporate Governance Report	
2-21		Annual total compensation ratio	Our people (Honouring Human Rights and Fairness)		

APPENDIX 5 – DISCLOSURE INDEX

(Continued)

GRI Standard title	GRI Disclosure number	HKEx Disclosure number	Topic	Location	Notes
Strategy, Policies, and Practices					
GRI 2: General Disclosures 2021	2-22	Mandatory Disclosure Requirements > Governance structure > Statement from the Board	Statement on sustainable development strategy	Message from our Chairman Message from our CEO	
	2-23		Policy commitments	Our sustainability impact areas Our sustainability-related policies Supply chain governance	
	2-24		Embedding policy commitments	Our sustainability impact areas Our sustainability-related policies Supply chain governance	
	2-25		Processes to remediate negative impacts	Ethics, integrity and trust	
	2-26		Mechanisms for seeking advice and raising concerns	Ethics, integrity and trust	
	2-27		Compliance with laws and regulations	2023 Annual Report > Material legal proceedings	During the year ended 31 December 2023, the Group has complied with all the relevant laws and regulations in the jurisdictions where it operated.
	2-28		Membership associations	Our membership associations in 2023	
Stakeholder Engagement					
GRI 2: General Disclosures 2021	2-29	Mandatory Disclosure requirements > Reporting principles > Materiality	Approach to stakeholder engagement	Keeping our materiality up to date Appendix 3 – Stakeholder engagement	
	2-30		Collective bargaining agreements	Our people (Honouring Human Rights and Fairness)	
Material Topics					
GRI 3: Material Topics 2021	3-1	Mandatory Disclosure requirements > Reporting principles	Process to determine material topics	Keeping our materiality up to date	
	3-2		List of material topics	Appendix 2 – Material topics	
	3-3		Management of material topics	Keeping our materiality up to date	

APPENDIX 5 – DISCLOSURE INDEX (Continued)

GRI Standard title	GRI Disclosure number	HKEx Disclosure number	Topic	Location	Notes
Advancing the Story of Good Health					
Innovation for Consumer Health Outcomes					
GRI 3: Material Topics 2021	3-3		Management of material topics	H&H science and innovation powerhouse within	
Other			Number of new products launched	H&H science and innovation powerhouse within	
			Spend on R&D	H&H science and innovation powerhouse within	
Product Safety and Quality					
GRI 3: Material Topics 2021	3-3	B6, B6-4	Management of material topics	Quality management	
GRI 416: Customer Health and Safety 2016	416-1	B6-1, B6-2	Assessment of the health and safety impacts of product and service categories	Quality management Raw material sourcing	
	416-2	B6	Incidents of non-compliance concerning the health and safety impacts of products and services	Quality management	In 2023, there was no incident related to product quality resulting in fines, penalties, or warnings.
Access and Affordability of Products					
GRI 3: Material Topics 2021	3-3		Management of material topics	Nutrition and inclusive products	
Other			Expansion of product availability in existing markets	Nutrition and inclusive products	
			New countries where H&H products are available	Our global presence and markets Nutrition and inclusive products	
Consumer Engagement					
GRI 3: Material Topics 2021	3-3		Management of material topics	Marketing	
Other			Premium, Proven, Aspirational and Engaging (PPAE) approach and consumer engagement initiatives	Marketing	
Responsible Marketing (and Labelling)					
GRI 3: Material Topics 2021	3-3	B6	Management of material topics	Marketing	
GRI 417: Marketing and Labeling 2016	417-2		Incidents of non-compliance concerning product and service information and labeling	Quality management	
	417-3		Incidents of non-compliance concerning marketing communications	Appendix 5 – Disclosure index	In 2023, we had no incidents relating to marketing communication, including advertising, promotion, and sponsorship.

APPENDIX 5 – DISCLOSURE INDEX

(Continued)

GRI Standard title	GRI Disclosure number	HKEx Disclosure number	Topic	Location	Notes
Nutritional Quality of Product Portfolio					
GRI 3: Material Topics 2021	3-3		Management of material topics	Nutritional and inclusive products	
Other			Vegan-friendly products	Nutritional and inclusive products	
			Low sugar and no sugar added products	Nutritional and inclusive products	
			No artificial ingredients	Nutritional and inclusive products	
Animal Welfare					
GRI 3: Material Topics 2021	3-3		Management of material topics	Raw material sourcing	
Other			Animal welfare at our largest dairy supplier	Raw material sourcing	
			Cruelty-free certification	Raw material sourcing	
			Vegan-friendly products across H&H brands	Nutritional and inclusive products	
Reducing our Footprint on the Planet					
GHG Emissions and Energy					
GRI 3: Material Topics 2021	3-3	A1, A1-5, A2, A2-3, A3, A3-1	Management of material topics	Our climate action Our operations	
GRI 305: Emissions 2016	305-1	A1-2	Direct (Scope 1) GHG emissions	Our climate action Appendix 1 – Sustainability performance data	
	305-2	A1-2	Energy indirect (Scope 2) GHG emissions	Our climate action Appendix 1 – Sustainability performance data	
	305-3		Energy indirect (Scope 3) GHG emissions	Our climate action Appendix 1 – Sustainability performance data	
	305-4	A1-2	GHG emissions intensity	Our climate action Appendix 1 – Sustainability performance data	
	305-7	A1-1	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Appendix 1 – Sustainability performance data	

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(Continued)

GRI Standard title	GRI Disclosure number	HKEx Disclosure number	Topic	Location	Notes
GRI 302: Energy 2016	302-1	A2-1	Energy consumption within the organisation	Our climate action Appendix 1 – Sustainability performance data	
	302-3	A2-1	Energy intensity	Our climate action Appendix 1 – Sustainability performance data	
	302-4	A2-3	Reduction of energy consumption	Our climate action Appendix 1 – Sustainability performance data	
Water Stewardship					
GRI 3: Material Topics 2021	3-3	A2, A2-4	Management of material topics	Our climate action Appendix 1 – Sustainability performance data	
GRI 303: Water and Effluents 2018	303-1	A2, A2-4	Interactions with water as a shared resource	Our operations	
	303-2	A2, A2-4	Management of water discharge-related impacts	Our operations	
	303-5	A2-2	Water usage	Our operations Appendix 1 – Sustainability performance data	
Waste Management					
GRI 3: Material Topics 2021	3-3	A1, A1-6, A2, A3	Management of material topics	Our operations	
GRI 306: Waste 2020	306-1	A1, A1-6, A2, A3	Waste generation and significant waste-related impacts	Our operations	
	306-2	A1, A1-6, A2, A3	Management of significant waste-related impacts	Our operations	
	306-3	A1-3, A1-4	Waste generated	Our operations Appendix 1 – Sustainability performance data	
	306-4		Waste diverted from disposal	Our operations Appendix 1 – Sustainability performance data	We report the total weight of waste diverted from disposal through recycling.
	306-5		Waste directed to disposal	Our operations Appendix 1 – Sustainability performance data	We report the total weight of waste directed to landfill or incineration. We do not currently have the resources or systems in place to provide additional details. We are working to include relevant details in future reporting.

APPENDIX 5 – DISCLOSURE INDEX

(Continued)

GRI Standard title	GRI Disclosure number	HKEx Disclosure number	Topic	Location	Notes
Climate Risk					
GRI 3: Material Topics 2021	3-3	A4, A4-1	Management of material topics	Climate-related risks and opportunities	
GRI 201: Economic Performance 2016	201-2	A4, A4-1	Financial implications and other risks and opportunities due to climate change	Climate-related risks and opportunities	
Land Management and Biodiversity					
GRI 3: Material Topics 2021	3-3	A2, A3, A3-1	Management of material topics	Our approach to biodiversity conservation	
GRI 304: Biodiversity 2016	304-2	A3-1	Significant impacts of activities, products, and services on biodiversity	Our approach to biodiversity conservation	We do not currently have the resources or systems in place to provide additional details but are working to include relevant data for future reporting.
Sustainable Packaging					
GRI 3: Material Topics 2021	3-3		Management of material topics	H&H science and innovation powerhouse within Our approach to packaging resource management	
GRI 301: Materials 2016	301-1	A2-5	Materials used by weight or volume	Our approach to packaging resource management Appendix 1 – Sustainability performance data	Not reported for input materials – only for packaging materials, which is a H&H material topic. The Report provides a breakdown of packaging by material type.
	301-2		Recycled input materials used	Our approach to packaging resource management	Not reported for input materials – only for packaging materials, which is a H&H material topic.

APPENDIX 5 – DISCLOSURE INDEX (Continued)

GRI Standard title	GRI Disclosure number	HKEx Disclosure number	Topic	Location	Notes
Honouring Human Rights and Fairness					
Diversity and Inclusion					
GRI 3: Material Topics 2021	3-3	B1	Management of material topics	Our people (Honouring Human Rights and Fairness)	
GRI 401: Employment 2016	401-1	B1-2	New employee hires and employee turnover	Appendix 1 – Sustainability performance data	
	404-1	B3-2	Average hours of training per year per employee	New employee hires and employee turnover	
GRI 405: Diversity and Equal Opportunity 2016	405-1	B1-1	Diversity of governance bodies and employees	Our people (Welcome to the world of H&H) Sustainability governance Appendix 1 – Sustainability performance data	
	405-2		Ratio of basic salary and remuneration of women to men	Our people (Honouring Human Rights and Fairness) Appendix 1 – Sustainability performance data	
GRI 406: Non-discrimination 2016	406-1		Incidents of discrimination and corrective actions taken	Appendix 5 – Disclosure Index	In 2023, we had no incident of non-compliance relating to anti-discrimination.
		B3, B3-1	Training and development	Our people (Honouring Human Rights and Fairness) Appendix 1 – Sustainability performance data	
Other			Parental leave	Our people (Honouring Human Rights and Fairness)	
Health, Safety and Wellbeing					
GRI 3: Material Topics 2021	3-3	B2, B2-3	Management of material topics	Our people (Honouring Human Rights and Fairness)	
GRI 403: Occupational Health and Safety 2018	403-1	B2-3	Occupational health and safety management system	Our people (Honouring Human Rights and Fairness)	
	403-4		Worker participation, consultation, and communication on occupational health and safety		We currently do not report on this topic.
	403-5		Worker training on occupational health and safety	Our people (Honouring Human Rights and Fairness)	
	403-6		Promotion of worker health	Our people (Honouring Human Rights and Fairness)	
	403-8		Workers covered by an occupational health and safety management system	Our people (Honouring Human Rights and Fairness)	
	403-9	B2-2	Work-related injuries	Our people (Honouring Human Rights and Fairness) Appendix 1 – Sustainable performance data	
		B2-1	Work-related fatalities	Our people (Honouring Human Rights and Fairness) Appendix 1 – Sustainable performance data	

APPENDIX 5 – DISCLOSURE INDEX (Continued)

GRI Standard title	GRI Disclosure number	HKEx Disclosure number	Topic	Location	Notes
Labour Rights and Modern Slavery					
GRI 3: Material Topics 2021	3-3	B1, B4, B4-1, B4-2	Management of material topics	Our sustainability-related policies Our people (Honouring Human Rights and Fairness) Supply chain governance	In 2023, we had no incidents of non-compliance relating to compensation, recruitment, promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare and national labour laws and standards. In 2023, we had no cases of unfair dismissal.
GRI 407: Freedom of association and collective bargaining 2016	407-1		Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Our People Supply chain governance	
GRI 408: Child Labor 2016	408-1		Operations and suppliers at significant risk for incidents of child labor	Supply chain governance	In 2023, no instances of child labour practices were discovered in H&H's own operations.
GRI 409: Forced or Compulsory Labor 2016	409-1		Operations and suppliers at significant risk for incidents of forced or compulsory labor	Supply chain governance	In 2023, no instances of child labour practices were discovered in H&H's own operations.
Community Impact and Investment					
GRI 3: Material Topics 2021	3-3	B8, B8-1	Management of material topics	Our community support and engagement Appendix 1 – Sustainability performance data	
GRI 201: Economic Performance 2016	201-1	B8-2	Direct economic value generated and distributed	Our global presence and markets Our community support and engagement	Details on the financial performance of the Group can be found in the 2023 Annual Report.
GRI 203: Indirect Economic Impacts 2016	203-1	B8-2	Infrastructure investments and services supported	Our community support and engagement	
	203-2	B8-1	Significant indirect economic impacts	Our community support and engagement	
GRI 413: Local Communities 2016	413-1		Operations with local community engagement, impact assessments, and development programmes	Our community support and engagement	

APPENDIX 5 – DISCLOSURE INDEX

(Continued)

GRI Standard title	GRI Disclosure number	HKEx Disclosure number	Topic	Location	Notes
Supporting Good Governance					
Strategy and Vision					
GRI 3: Material Topics 2021	3-3		Management of material topics	Our business strategy and vision	
Other			Qualitative disclosure on strategic initiatives	Our business strategy and vision	
Ethics, Integrity and Trust					
GRI 3: Material Topics 2021	3-3	B7, B7-2, B7-3	Management of material topics	Ethics, integrity and trust	
GRI 205: Anti-corruption 2016	205-1		Operations assessed for risks related to corruption	Ethics, integrity and trust	
	205-2	B7-3	Communication and training about anti-corruption policies and procedure	Ethics, integrity and trust	
GRI 205: Anti-corruption 2016	205-3	B7-1	Confirmed incidents of corruption and actions taken	Ethics, integrity and trust	
		B6-3	Practices relating to observing and protecting intellectual property rights	Appendix 5 – Disclosure Index	<p>We maintain a central, Group-wide intellectual property (IP) and trademark register, which is administered by the Group's Legal department with support from external law firms. Each brand also monitors the market for local infringements on IP rights and trademarks, and escalates issues to the Legal department for their region.</p> <p>We had no incidents of non-compliance related to IP across our regions.</p>
Risk Governance					
GRI 3: Material Topics 2021	3-3		Management of material topics	Risk governance	
Others			Description of risk management system	Risk governance 2023 Annual Report > Corporate governance report	

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(Continued)

GRI Standard title	GRI Disclosure number	HKEx Disclosure number	Topic	Location	Notes
Compliance and Government Relations					
GRI 3: Material Topics 2021	3-3	B7	Management of material topics	Government affairs	
GRI 415: Public Policy 2016	415-1		Political contributions	Government affairs	H&H discloses any financial or in-kind political contributions made during the reporting period. In 2023, we contributed four wellness baskets valued at AUD4000 to the Federal Labor Business Forum in Australia.
Data Privacy and Security					
GRI 3: Material Topics 2021	3-3	B6, B6-5	Management of material topics	Data privacy and security	
GRI 418: Customer Privacy 2016	418-1		Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data privacy and security	
Supply Chain Governance, Relationships and Continuity					
GRI 3: Material Topics 2021	3-3	B5, B5-2, B5-3, B5-4	Management of material topics	Supply chain governance	
GRI 308: Supplier Environmental Assessment 2016	308-1	B5-2	New suppliers that were screened using environmental criteria	Supply chain governance	
	308-2	B5-3	Negative environmental impacts in the supply chain and actions taken	Supply chain governance	
GRI 414: Supplier Social Assessment 2016	414-1	B5-2	New suppliers that were screened using social criteria	Supply chain governance	
	414-2	B5-3	Negative social impacts in the supply chain and actions taken	Supply chain governance	
		B5-1	Number of suppliers by geographical region	Appendix 1 – Sustainability performance data	

APPENDIX 6 – TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES RECOMMENDATIONS DISCLOSURE INDEX

The following table describes how we assess and manage climate-related risks and opportunities for our business in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework.

TCFD pillar	Recommended disclosures	Location
Governance Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	Message from our Chairman Sustainability governance
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Sustainability governance
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Climate-related risks and opportunities
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Climate-related risks and opportunities
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Climate-related risks and opportunities
Risk Management Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks,	Climate-related risks and opportunities Risk governance
	b) Describe the organisation's processes for managing climate-related risks.	Climate-related risks and opportunities Our climate action
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Sustainability governance Risk governance
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Appendix 1 – Sustainability performance data
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Our climate action
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Our climate action

APPENDIX 7 – ASSURANCE STATEMENT

CECEP (HK) Advisory Company Limited (“**CECEPAC (HK)**” or “**We**”) has been engaged by Health and Happiness (H&H) International Holdings Limited (“**H&H Group**”) to conduct an independent limited assurance engagement (“**Assurance Engagement**”) on the information and data related to sustainable development in the 2023 Sustainability Report (the “**Sustainability Report**”) of H&H Group, providing assurance conclusions to users of *Sustainability Report* through the independent assurance statement.

CECEPAC (HK) has been engaged to assure H&H Group’s adherence to the four AA1000 Accountability Principles (Inclusivity, Materiality, Responsiveness, and Impact) set out in the *AA1000 Assurance Standard v3* (“**AA1000AS v3**”). Moreover, CECEPAC (HK) has also been engaged to conduct limited Assurance Engagement on the reliability and quality of specified performance information disclosed in the *Sustainability Report* in accordance with the *Environmental, Social and Governance Reporting Guide* (“**ESG Reporting Guide**”) published by the Stock Exchange of Hong Kong Limited (“**SEHK**”).

This independent assurance statement has been prepared in Chinese and English versions. Should there be any discrepancies between these versions, the English version shall prevail.

I. Independence and Competence

CECEPAC (HK) was not involved in collecting and calculating data or in the development of the *Sustainability Report*. CECEPAC (HK)’s activities are independent of H&H Group. There is no relationship between CECEPAC (HK) and H&H Group beyond the contractual agreement for providing this Assurance Engagement.

The assurance team of CECEPAC (HK) is composed of experienced consultants in the

industry who have had professional training in standards related to sustainable development, including *GRI Standards* issued by Global Reporting Initiative, AA1000AS v3, *ESG Reporting Guide* issued by SEHK, ISO 14064, ISO 9001, etc.

The assurance team of CECEPAC (HK) has extensive experience in conducting Assurance Engagement and has sufficient understanding and capabilities of implementation of AA1000AS v3. Moreover, the Assurance Engagement related to sustainable development issues is carried out in line with CECEPAC (HK)’s internal assurance protocol.

II. H&H Group’s Responsibilities

H&H Group is responsible for the preparation and presentation of the *Sustainability Report* in accordance with the *ESG Reporting Guide* published by SEHK. H&H Group is also responsible for implementing relevant internal control procedures to ensure that the contents of the *Sustainability Report* are free from material misstatement, whether due to fraud or error.

III. Assurance Provider’s Responsibilities

CECEPAC (HK) is responsible for issuing an independent assurance statement according to AA1000AS v3 and the *ESG Reporting Guide* by SEHK to the Board of H&H Group. This independent assurance statement applies solely to the *Sustainability Report* in the specified scope, expresses a conclusion on the assurance work, and does not serve any other intents or purposes.

CECEPAC (HK) ensures that all personnel involved in the Assurance Engagement meet the professional qualification, training, and relevant work experience requirements, and are demonstrably competent in conducting assurance engagements. All results of assurance are internally reviewed by senior

staff to ensure that methodologies used in the process are sufficiently stringent and transparent.

IV. Scope of the Assurance Engagement

- The scope of the Assurance Engagement is limited to information and data in the *Sustainability Report* that relate to H&H Group and its subsidiaries only and does not include H&H Group’s suppliers, contractors, and information or data provided by other third parties.
- A Type 2 Moderate Level of Assurance was adopted by CECEPAC (HK) to evaluate the nature and extent of H&H Group’s adherence to the four AA1000 Accountability Principles (Inclusivity, Materiality, Responsiveness, and Impact) in accordance with AA1000AS v3.
- Specified performance information disclosed in the *Sustainability Report* was agreed upon and selected between H&H Group and CECEPAC (HK) for assurance. The specified performance information is as follows:
 - Total water usage in mainland China
 - Total natural gas consumption in mainland China
 - Total amount of waste to recycle
 - Turnover rate in Asia (excluding mainland China)
 - The number of product recall due to safety and health reasons related to Biostime®
 - The number of tier 1 suppliers who have set up environmental targets and reduction plans
- CECEPAC (HK)’s assurance work was with respect to information disclosed from 1 January 2023 to 31 December 2023 only. We have not performed any procedures with respect to earlier periods or any other elements included in the

Sustainability Report, and therefore, these do not constitute a part of our conclusions.

- The scope of the Assurance Engagement is confined to the information and data provided by H&H Group only. Any queries regarding the content or related matters within this independent assurance statement should be addressed to H&H Group only.

V. Methodology of the Assurance Engagement

CECEPAC (HK) conducted Assurance Engagement only within the scope of H&H Group’s headquarters as well as its offices and factories located in Guangzhou and Changsha in China, and the assurance work included:

- An assessment on the suitability of H&H Group’s stakeholder engagement participation process;
- Online interviews with sustainability management and relevant operation sites involved in the preparation and provision of the content and information in the *Sustainability Report*;
- An assessment of whether the reporting and management approach disclosed in the *Sustainability Report* responded to the principles of Inclusivity, Materiality, Responsiveness, and Impact as defined in the AA1000AS v3;
- An assessment of the supporting evidence for selected specified performance information. A random sampling of evidence pertaining to data reliability and quality for selected specified performance information;
- Recalculation of selected specified performance information;
- An assessment of the degree of conformity of the *Sustainability Report* with the *ESG Reporting Guide*; and
- Other procedures we deemed necessary.

APPENDIX 7 – ASSURANCE STATEMENT

Assurance work was performed and the conclusions within were based upon information and data provided by H&H Group to CECEPAC (HK), and on assumptions that the information provided was complete and accurate.

VI. Limitations

The absence of on-site interviews may lead to inadequate assurance of the implementation of policies learned in online interviews.

VII. Conclusions

In accordance with the principles of Inclusivity, Materiality, Responsiveness, and Impact in the AA1000AS v3, the specified performance information and the *ESG Reporting Guide* published by SEHK, our conclusions are as follows:

Inclusivity

H&H Group has identified key stakeholders and regularly engaged with them through ongoing engagement channels. On this basis, H&H Group has fully considered the expectations and concerns of stakeholders in formulating its sustainability strategy. In our professional opinion, H&H Group adheres to the Principle of Inclusivity.

Materiality

H&H Group has conducted a formal materiality review in 2023. Proper methods including industry analysis, regular board and executive meetings, and key stakeholder engagement were used to reevaluate material issues. In our professional opinion, H&H Group adheres to the Principle of Materiality.

Responsiveness

H&H Group has established channels for its stakeholders to understand their expectations and concerns and has relevant mechanisms in place to respond to the issues concerned by stakeholders. Moreover, through the *Sustainability Report*, H&H Group has disclosed its sustainability commitments and strategies, management systems, as well as stakeholder engagement activities, and has responded to stakeholders on the material topics related to sustainable development. In our professional opinion, H&H Group adheres to the Principle of Responsiveness.

Impact

H&H Group has identified, monitored, measured and evaluated its impacts in relation to sustainable development. Assessments including diversity, equity and inclusion footprint, carbon footprint, annual employee survey and investor perception study have been conducted to evaluate the impacts. Besides, the significance of impacts on the economy, the environment, and people have also been incorporated into the results of the materiality assessment. Those identified impacts contribute to the revised sustainability strategy for the coming years and how H&H Group defines its commitments and associated key performance indicators. In our professional opinion, H&H Group adheres to the Principle of Impact.

Specified Performance Information

Based on the assurance procedures that CECEPAC (HK) has performed and the evidence we have obtained, no specific issue has come to our attention that causes us to believe that the disclosures of selected specified performance information in the *Sustainability Report* are unreliable or unqualified.

SEHK's ESG Reporting Guide

Disclosures for general disclosures of environmental and social subject areas and key performance indicators in the *Sustainability Report* have been provided in accordance with the "Comply or Explain" provision, in all material aspects, in alignment with the *ESG Reporting Guide* issued by SEHK. Disclosures of governance structure, reporting principles, and reporting boundaries have also been provided in accordance with the mandatory disclosure requirements in alignment with the *ESG Reporting Guide*. H&H Group has disclosed the review process and the result of the materiality assessment; impacts caused by the business are objectively disclosed; relevant environmental and social data are calculated and disclosed. Our assurance findings and comments for the *Sustainability Report* have been adopted or responded to by H&H Group before the issuing of this independent assurance statement.



10th April 2024

Hong Kong SAR, China