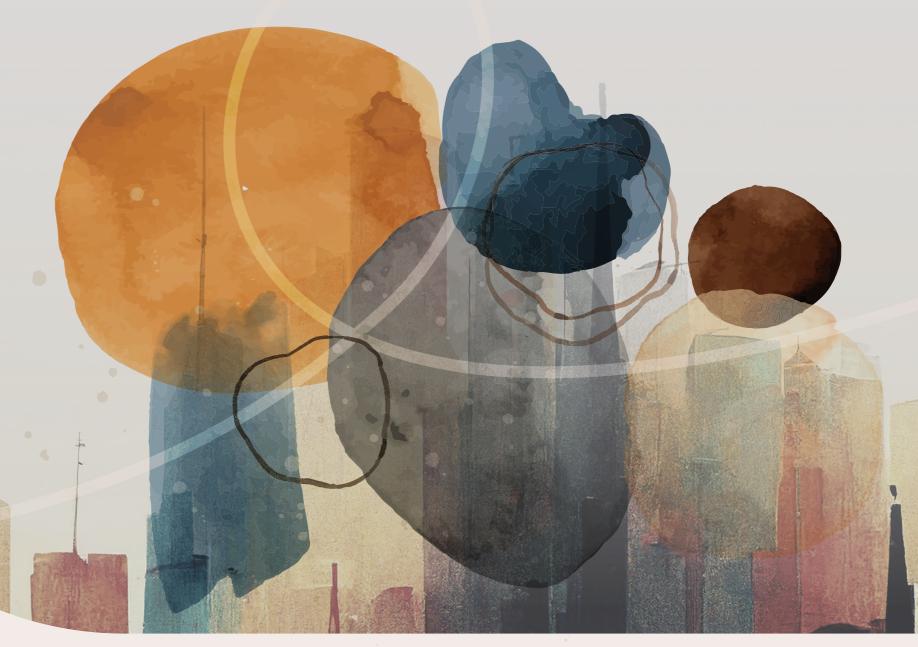


2022
H&H GROUP
MODERN SLAVERY
STATEMENT



H&H GROUP MODERN SLAVERY STATEMENT 2022

At H&H, we protect human rights as the foundation of health and happiness and 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 are committed to ensuring that all our business activities are conducted in an ethical and responsible manner.

This statement sets out our approach to preventing modern slavery in our operations and supply chain.

















ENTITY STRUCTURE, OPERATIONS AND SUPPLY CHAIN

This Statement covers Health and Happiness (H&H) International Holdings Limited, incorporated in the Cayman Islands with limited liability ("H&H Group" or the "Group") and its fully owned entities listed in Appendix A to this statement.

H&H Group is a global health and nutrition company, publicly listed on the Hong Kong Stock Exchange (HKEx) since 2010. Dynamic, courageous and ambitious in our mission to make people healthier and happier, the Group strives to inspire wellness while contributing positively to the needs of society and the planet. The Group's premium brands¹ - 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). These brands sell products including infant milk formula; probiotics; pregnancy and post-partum supplementation; vitamins, minerals and supplements; sports nutrition; dog and cat nutrition and supplements; infant and children's meals, fruit pouches, biscuits and other snacks; baby nappies, dummies and other accessories; mothers' breastmilk pumps; and skincare and beauty products. They are divided into three key business segments – Baby, Adult and Pet Nutrition and Care, known as BNC, ANC and PNC.

¹Our ANC business segment is also comprised of CBII (CBD oils and lifestyle products, such as candles). We do not sell CBD products in any markets where it is banned. In 2022, our CBII products were only available to consumers in the UK and the United States aged over 18.

Our Worldwide Presence and Employees

The Group is globally headquartered in Hong Kong SAR. We established a second head office in London in the first quarter of 2022 to support our strategy to grow and globalise our business.

In 2022, we directly employed 3,372 team members 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.



Australia and New Zealand	Asia excluding mainland China	Mainland China	Еигоре	North America	Total		
Number of employees							
283	73	2,621	265	130	3,372		
Number of permanent employees							
245 (86.6%)	72 (98.6%)	2,621 (100%)	250 (94.3%)	128 (98.5%)	3,316 (98.3%)		
Number of temporary employees							
34 (12.0%)	1 (1.4%)	0 (0%)	15 (5.7%)	2 (1.5%)	52 (1.6%)		
Number of non-guaranteed hours employees							
4 (1.4%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	4 (0.1%)		
Number of full-time employees							
245 (86.6%)	73 (100%)	2,621 (100%)	259 (97.7%)	130 (100%)	3,328 (98.7%)		
Number of part-time employees							
38 (13.4%)	0 (0%)	0 (0%)	6 (2.3%)	0 (0%)	44 (1.3%)		

Mainlaind China	68 sites	1	2,621 team members (77.7%)
Australia and New Zealand	4 sites	I	283 team members (8.4%)
Еигоре	7 sites	1	265 team members (7.9%)
North America	2 sites	1	130 team members (3.9%)
Asia excluding mainland China	5 sites	1	73 team members (2.1%)

H&H Group

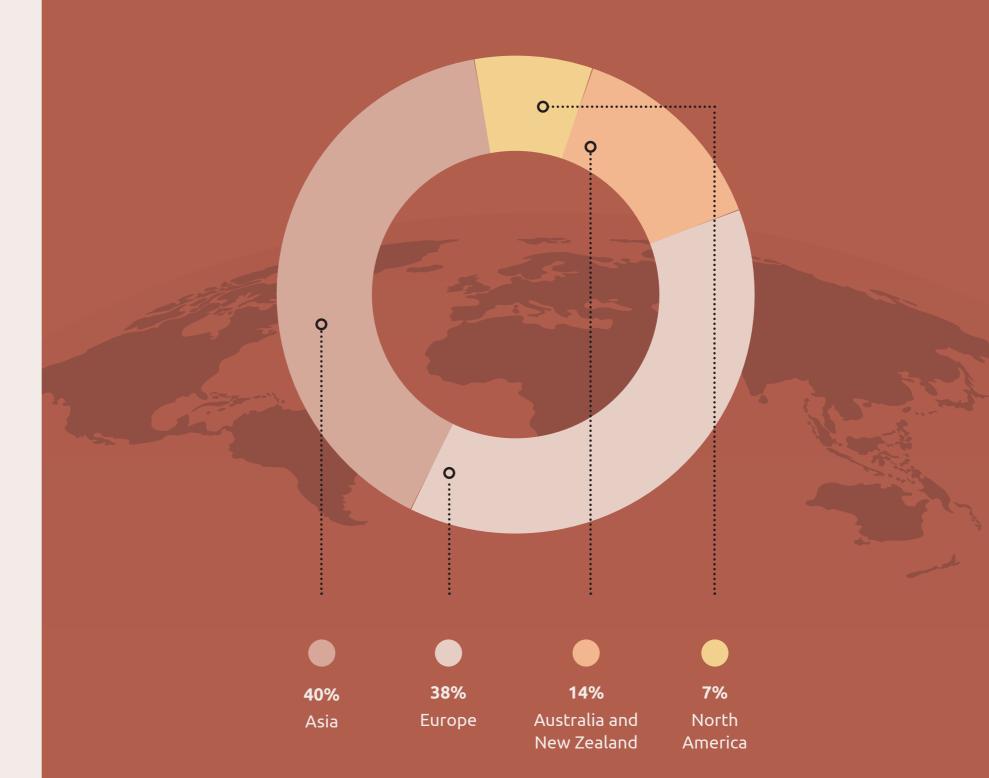
Mapping of our suppliers

Percentage of suppliers per geographical region

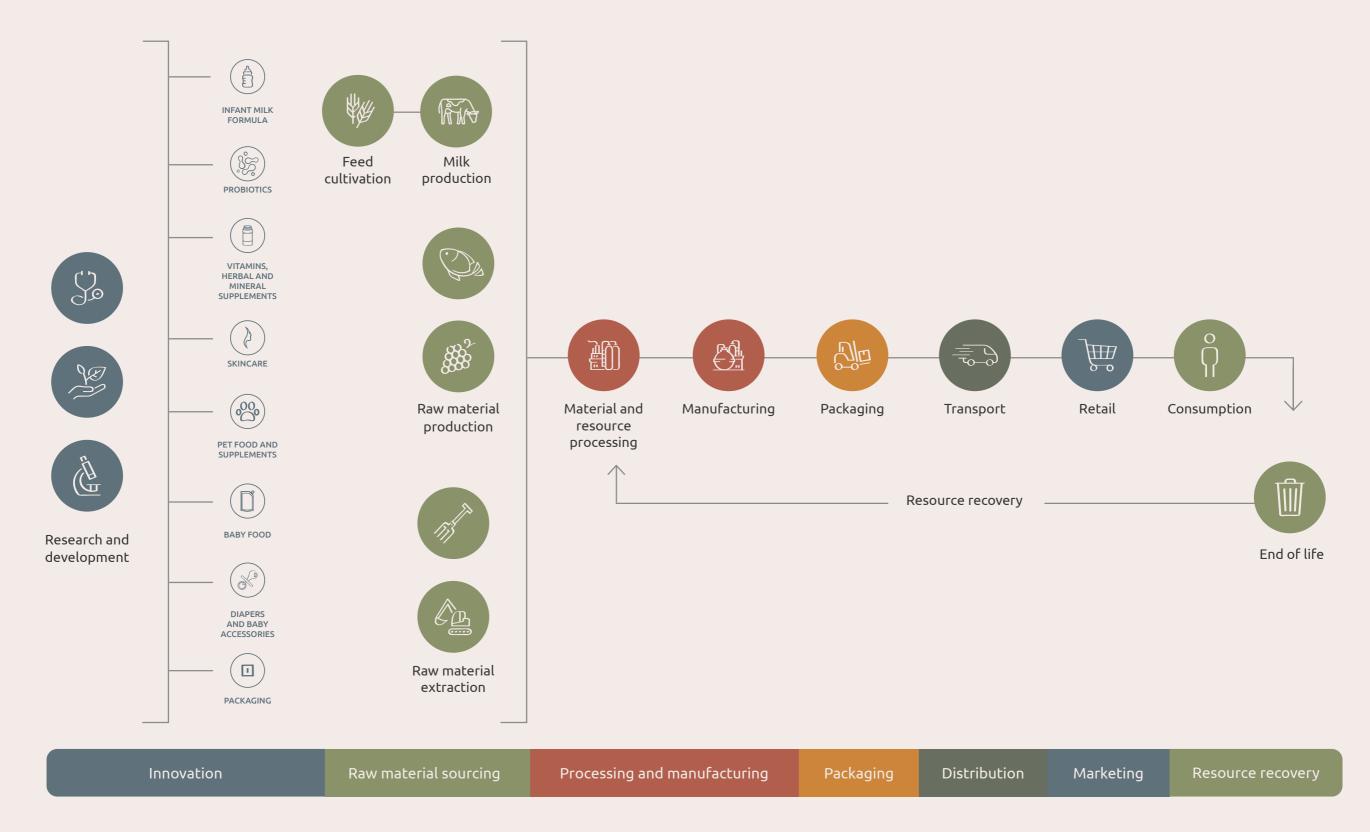
Our Value Chain

Our supply chain is made up of contract manufacturers, raw material suppliers, packaging suppliers, transport and logistic suppliers and warehouse suppliers. As at the end of 2022, across our three H&H Group business segments (Baby, Adult and Pet Nutrition and Care), we had approximately 225 suppliers located in four main geographical regions (40% Asia, 38% Europe, 14% Australia and New Zealand and 7% North America). Our contract manufacturers manage the sourcing of many of our raw materials, and in some cases, packaging.

Supply Chain Governance, Relationships and Continuity is one of the Group's most material topics, as identified by stakeholders in our most recent materiality assessment. H&H's supply chain 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.



Our Value Chain (continued)



MODERN SLAVERY RISKS IN THE GROUP'S OPERATIONS AND SUPPLY CHAIN

Honouring Human Rights and Fairness is one of our four sustainability impact areas – others include Advancing the Story of Good Health, Reducing our Footprint on the Planet, and Supporting Good Governance. 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 United Nations (UN) Global Compact, we recognise the commitment we have made to the Ten Principles, including those regarding human rights and labour. In addition, our four sustainability impact areas are closely linked to eight of the UN Sustainable Development Goals (SDGs) that we have particularly identified as priority areas of focus and where our Group can have the most impact. In particular, SDG No 8 - 'Decent Work and Economic Growth' is a focus in our Honouring Human Rights and Fairness sustainability impact area.

Within our internal operations – that is, those areas within our direct control – we consider that the risk of modern slavery is low due to our commitment to respecting and enhancing human life in our workplaces, our adherence to The Universal Declaration of Human Rights and our compliance with relevant local laws. Our People and Culture teams across the business units manage employee working conditions, remuneration and wellbeing as well as compliance with relevant regulations. They are committed to promoting diversity, inclusiveness, fair recruitment, employee retention and development.

However, we recognise that human rights abuses exist in the industries and markets in which we operate – and that these may extend to our supply chain, where we do not have full visibility or control. Our infant formula and supplement products require the most stringent of quality and safety standards, due to the nature of the industries and the regulatory systems that protect the safety of consumers. For this reason, ingredient sourcing is often niche and stretches all corners of the world. We recognise the challenges this brings in operating across different regulatory and risk environments and have prioritised the governance of our supply chains to ensure our suppliers are operating responsibly and honouring human rights and fairness. The main risk lies in the ingredients which are sourced on our behalf by our contract manufacturers and of which we do not currently have full visibility.



Identifying material risks and topics

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.

In 2022, we conducted a formal materiality assessment that applied the concept of 'double materiality', which considers both financial materiality and impact materiality. The approach determines topics that positively or negatively influence enterprise value (financial materiality), as well as those that reflect the impacts our Group has on the economy, environment and people, including their human rights (impact materiality).

Our 2022 materiality assessment review ranked 'Supply Chain Governance, Relationships and Continuity' as one of our highest priority topics. 'Labour Rights and Modern Slavery' and 'Ethics, Integrity and Trust' were also topics that we identified as highly material for the Group.

This demonstrates the importance of addressing modern slavery to both our internal and external stakeholders, as well as the significance of impact of these topics.

Our Board has ultimate responsibility for the risk management framework. It was involved in the materiality assessment process and validated the final set of material topics.

Enhancing our sustainability governance

At H&H Group, we are committed to continuously improving our sustainability governance. On 29 August 2022, the H&H Board of Directors established the ESG Committee, which is dedicated to leading the Group's sustainability strategy and tracking our commitments and targets on all ESG matters, including human rights. The ESG Committee is composed of:

- Laetitia Albertini (Non-executive Director),
 Chairwoman of the ESG Committee
- Luo Fei (H&H Group Chairman and Executive Director)
- Pascale Laborde (Chief Sustainability Officer, Director of Global Marketing and Communication).

The newly established ESG Committee is a cornerstone in the Group's sustainability strategy and its management of impacts. Even though its focus extends beyond human rights, it is set to play a critical role in our efforts to prevent modern slavery. The ESG Committee is responsible for clearly defining the Group's vision, objectives, targets and strategies on sustainability, including human rights. It will also ensure that we better implement sustainability policies and procedures, more effectively deal with significant sustainability issues and relevant circumstances, maintain a solid grip on major trends in sustainability, properly manage the risks associated with the sustainable development of the Group, and improve the quality of sustainability information disclosure.

The ESG Committee is assisted by an ESG Working Group who supports the ESG Committee in implementing its various sustainability-focussed missions.

The establishment of these dedicated governance bodies has been a major step in the improvement of our governance of all aspects of sustainability, including human rights and the prevention of modern slavery in our operations and supply chain. We are committed to ensuring that our sustainability governance remains robust and effective in preventing modern slavery, and we will continue to work with our ESG Committee and ESG Working Group to drive progress towards this goal.

Embedding the protection of human rights in our policy commitments

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. They are available and easily accessible both on our corporate website and on a dedicated portal in our Group's internal system.

Our H&H Code of Conduct

Our mission to make billions of healthy and happy people around the world starts with how we treat our people. We take our employment obligations seriously. Our H&H Code of Conduct states our commitment to honouring human rights, providing equal opportunities and safe working environments. We are dedicated to maintaining fair work practices and treating everyone, from our people to our external business partners, fairly, with integrity, dignity, and respect.

Our team members are expected to know and abide by laws regarding compensation, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare.

Our Supplier Code of Conduct

Our Supplier Code of Conduct states our opposition to any form of slavery 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).

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, educate and exercise due diligence in implementing requirements equivalent or similar to those within the Supplier Code of Conduct.

Since its launch, we have made it mandatory that all new suppliers sign the Supplier Code of Conduct within the procurement process. Compliance with the policy is also required by the terms of our major supply agreements. Examples of the clauses we include in our standard template agreements are set out in Appendix B.



Raw material sourcing policy and assessment

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 from which 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.

The Group's Raw Material Sourcing Policy, which was developed in 2019 in partnership with The Sustainability Consortium, 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 are sourced for our products. Some of the known sustainability hotspots relating to social and human rights for our industry notably include health and safety in relation to chemicals used in the production process, and human rights violation risks.

At the start of 2021, we developed a systematic environment and social risk assessment process for the raw materials of our Swisse products sourced for Australian manufacturing (representing approximately 90% of the production for Swisse) to address and mitigate the environmental, social and animal welfare-related risks of our existing ingredients, as well as any new ingredients to be used in our new product developments. We categorised our ingredients as high, medium, or low environment and social risk and implemented a mitigation plan when appropriate.

As part of this raw material risk assessment process, we created a checklist which includes questions relating to the origin, processing, and packaging of our raw materials. We also request our contract manufacturers and raw material suppliers to provide supporting documentation for each of the ingredients that they source for us. The aim of the supporting documentation/accreditation is to demonstrate that our contract manufacturers and raw material suppliers are aware of the risks, including social risks, associated with their ingredients and are addressing them appropriately.

We have also incorporated a systematic raw material risk assessment as part of our new product development 'stage-gate' process to ensure that any new raw materials added to our products are properly risk assessed and will be compliant with our Raw Material Sourcing Policy.

The raw material risk assessment process has allowed us to increase our control and visibility over our supply chain.

Supply systems due diligence / H&H sustainability suppliers assessment

We have implemented a formal process for carrying out due diligence within our existing supply base across our direct suppliers of our product producing brands and entities. The H&H Sustainability Suppliers Assessment, developed and delivered via SupplyShift, which is an end-to-end supply chain data management, responsible sourcing, and supplier engagement cloud-based platform, is tailored to the topics specifically identified as material for the industries we operate in. The assessment is largely focused on The Sustainability Consortium's Thesis Industry hotspots for our relevant product categories. It includes themes such as 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 process allows us to analyse the sustainability profile of our direct suppliers, identify those who do not meet our sustainability and social responsibility standards and work with them to improve by monitoring their compliance with our requirements.

B CORP journey

In the process of becoming a certified B Corporation, H&H has adopted guidance on benchmarks, standards and practices from the workers and community sections related to supply chains of the B Impact Assessment in line with our commitment to become certified by 2025. The assessment covers topics such as freedom of association, collective bargaining, child labour, forced labour, migrant workers, wages, health and safety and diversity and inclusion as well as other environmental, social and governance practices.

Whistleblower system

Our independently managed whistleblowing platform, 'HH Speak Up', has been on offer to both internal and external individuals as a channel for raising concerns confidentially since the beginning of 2019.

We have promoted our HH Speak Up channel with supply partners to ensure individuals touched by our business, including those working for our contractors and suppliers, have a channel to freely raise concerns regarding actual or suspected unethical, unlawful or undesirable conduct.

In 2019 we began publicly disclosing the number of cases raised through the HH Speak Up channel. We will continue to transparently share with our stakeholders any cases of suspected or actual breaches of either our internal or external policies and standards in our annual Sustainability Reports published on our <u>H&H Group website</u>.

Transparency and reporting

In our annual Sustainability Report we disclose the elements of our supply chain and our current performance in building supply chain transparency and governance into our systems.

We do this in line with both the requirements of Appendix 27 of the Hong Kong Stock Exchange Listing Rules as well as the Global Reporting Initiative (GRI) standards whose revised Universal Standards, which are in effect for reporting from 1 January 2023, reflect higher focus on human rights reporting.

We use international frameworks and indexes to identify where our risks lie in our supply chain and are benchmarked on several external indexes and assessments.



2022 Progress

In 2022, we continued to progress on our journey to full transparency and governance over our complex supply chain across our portfolio of products, including:

- continuing our Supplier Code of Conduct roll out with our new and existing suppliers;
- engaging and training the sustainability and supply team members on the H&H Sustainability Suppliers Assessment and the raw material sourcing policy and assessment;
- analysing the sustainability scoring of our suppliers and identifying our high-risk suppliers;
- presenting the results of our 2021 H&H
 Sustainability Suppliers Assessment to some of
 our suppliers and engaging conversations on
 how to work with them on several sustainability
 aspects; and
- engaging more suppliers in our 2022 H&H
 Sustainability Suppliers Assessment. We
 recorded an increase of 33% in the number of
 participating suppliers in 2022 compared to 2021.

As at the end of 2022:

- of our top 95% of suppliers (in purchase value) who have completed our sustainability assessment in 2022²:
 - 100% have signed our Supplier Code of Conduct
 - 97% have confirmed their employees are free to join or form trade unions or worker organisations of their own choosing if permitted by law
- we assessed the environmental and social risks of our Top 100 raw materials and of 80% of the raw materials (by spend and volume) of our Swisse products³. All these ingredients have been approved and deemed compliant with our Raw Material Sourcing Policy.

Over the last two years (2021 and 2022), 77% of our tier 1 suppliers received at least one ethical or social audit carried out by a third party and 81% of them used the SMETA (SEDEX Members Ethical Trade Audit) audit referential

Looking ahead, we have committed to developing an overarching human rights policy statement for the Group and will continue to collaborate with our supply chain to improve its transparency and ensure it is operating responsibly and honouring human rights and fairness.

We recognize this is a journey – our performance will evolve as we mature our practices, and we will continuously seek to improve our efforts.

²Representing 78% of our top 95% suppliers ³Sourced for Australian manufacturing

MEASURING THE EFFECTIVENESS OF OUR ACTIONS TO REDUCE THE LIKELIHOOD OF MODERN SLAVERY

We use a multi-faceted approach that includes stakeholder engagement (including our supplier sustainability assessment), ESG ratings, the reporting standards and frameworks we comply with, and our B Corp process to continuously monitor our progress on relevant material topics including 'Supply Chain Governance, Relationships and Continuity', 'Labour Rights and Modern Slavery' and 'Ethics, Integrity and Trust' and track the effectiveness of the measures taken to improve our sustainability performance.

Informed by those engagements, mappings and gap analyses, and in line with the sustainability strategy developed by our Board of Directors and the ESG Committee, we set commitments for the Group with associated action plans and objectives for the senior executives and senior managers who lead and drive the relevant projects. We track the advancement of those commitments and goals regularly with the relevant senior executives and their teams.

The newly established ESG Committee periodically monitors our impacts on economic, social and environmental aspects and has been set up to manage the risks associated with the sustainable development of the Group. The creation of the ESG Committee has been a major step for the governance of the Group's impacts, including regarding human rights, within our operations and supply chain.

Our stated intention to become a certified B
Corporation by 2025 has set the tone for what
suppliers and other partners can expect if they want
to begin – or continue – working with us. It has also
reiterated to our employees at all levels that our
Group continues to follow our founding mission to
make people healthier and happier, and the health
and safety of people touched by our business is of
vital importance.



Representing 78% of our top 95% suppliers

APPROVAL

CONSULTATION AND

This Statement is jointly submitted by H&H Group and the entities listed in Appendix A, which it controls. We have taken an integrated approach to addressing modern slavery risks and operate under a common set of governance policies and programs. There has been significant consultation and collaboration between our entities and people to prepare this Statement, including within the Sustainability, People and Culture, Procurement, Supply, Legal and Group Communications functions.

The Statement was approved for and on behalf of the Group by the Board of Directors of Health and Happiness (H&H) International Holdings Limited on 20 June 2023.

FEI LUO

Executive Director, Chairman of the Board



APPENDIX A - LIST OF H&H GROUP ENTITIES INCLUDED IN THIS STATEMENT

Health and Happiness (H&H) China Limited	Mainland China
Biostime (Guangzhou) Health Products Limited	Mainland China
Dodie Baby Products Inc. (Guangzhou)	Mainland China
Biostime (Changsha) Nutrition Foods Limited	Mainland China
Guangzhou Hapai Information Technology Co., Ltd.	Mainland China
Guangzhou Mama100 E-commerce Co., Limited	Mainland China
Health and Happiness (H&H) Hainan Nutrition Products Limited	Mainland China
Swisse Wellness (Guangzhou) Limited	Mainland China
Farmland Dairy Pty Ltd.	Australia
Swisse Wellness Pty Ltd.	Australia
S W Translink Packaging Pty Ltd.	Australia
Swisse Wellness Group Pty Ltd	Australia
SWG Holdco Pty Ltd	Australia
SW International Pty Ltd	Australia
SW Production Holdings Pty Ltd	Australia
Health and Happiness (H&H) Australia Pty Ltd	Australia
Biostime Healthy Australia Pty Ltd	Australia
Biostime Healthy Australia Holdings Pty Ltd	Australia
Biostime Healthy Australia Investment Pty Ltd	Australia
Swisse Wellness Pty Ltd.	New Zealand

Health and Happiness (H&H) Hong Kong Limited	Hong Kong
New H2 Limited	Hong Kong
Swisse China Limited	Hong Kong
Health and Happiness (H&H) Singapore PTE. Limited	Singapore
Health and Happiness (H&H) (Thailand) Co., Ltd	Thailand
Health and Happiness (H&H) Trading India Private Limited	India
PT HEALTH AND HAPPINESS INDONESIA	Indonesia
Health and Happiness (H&H) Taiwan Limited	Taiwan
Health and Happiness (H&H) Malaysia sdn.bhd.	Malaysia
H&H Group DMCC	United Arab Emirates
Health and Happiness France Holding	France
Health and Happiness France	France
Health and Happiness (H&H) Italy S.R.L	Italy
Health and Happiness (H&H) UK Limited	United Kingdom
Aurelia Skincare Limited	United Kingdom
Health and Happiness (H&H) Research Limited	Ireland
Biostime Pharma	France
Health and Happiness (H&H) Inc.	America
Solid Gold Pet, LLC	America
Zesty Paws, LLC	America

APPENDIX A - LIST OF H&H GROUP ENTITIES INCLUDED IN THIS STATEMENT

Sample clause in Supply Agreements and other long form agreements:

- Business Ethics Legislation means any laws, regulations, rules, international treaty signed by any government authority or stock exchange rules applicable to the Company in relation to:
 - (a) Labour, immigration or prohibition of illegal work (including the use of child labour, or forced or compulsory labour);
 - (b) environment protection and sustainable development;
 - (c) fundamental human rights;
 - (d) animal welfare;
 - (e) occupational health and safety;
 - (f) trade, import and export licenses and customs;
 - (g) financial criminal offences, including corruption, fraud, theft, misuse of corporate funds, counterfeiting, forgery and the use of forgeries;
 - (h) anti-money laundering;
 - (i) embargos, drugs and weapons trafficking, terrorism; and
 - (j) regulation of competition.
- 2. Ethics, Environmental and Social Responsibility
- 2.1 The Supplier acknowledges that it has been made aware of, and agrees to act consistently with, H&H Group's commitments in the area of ethics and sustainable development, to advance the story of good health, reduce our footprint on the planet and honour human rights and fairness as set out in our Supplier Code of Conduct and Raw Material Sourcing Policy, as amended from time to time and provided by H&H Group.

- 2.2 The Supplier represents and warrants to H&H Group that:
 - (a) for a period of two (2) years immediately preceding the date of this Agreement it has complied with the Business Ethics Legislation; and
 - (b) it will comply with the Business Ethics Legislation during the Term.

2.3 The Supplier must:

- (a) ensure that its employees, suppliers and subcontractors comply with this clause in connection with [insert what is being provide under the relevant agreement, i.e. Services or Products or broadly speaking this Agreement]; and
- (b) notify H&H Group immediately in writing of any and all violations of this clause, providing full details of each such violation.
- 2.4 If H&H Group reasonably believes that any requirement of this clause may have been breached, H&H Group may require the Supplier to provide, and the Supplier must provide, evidence that it has rectified the breach and is currently in compliance with the requirements of this clause. If the Supplier fails to provide such evidence and/or H&H Group reasonably believes that the Supplier is still in breach of this clause, H&H Group may:
 - (a) request the Supplier to provide, and the Supplier must provide, all reasonable assistance to facilitate the undertaking of any audit by an independent auditor appointed by H&H Group to verify compliance with this clause; or
 - (b) suspend or terminate this Agreement in accordance with clause [insert] for breach of this clause.

Sample clause in short form/short term agreements:

- 3. Ethics, Environmental and Social Responsibility
- 3.1 The Company acknowledges that it has been made aware of, and agrees not to act inconsistently with, H&H Group's commitments in the area of ethics and sustainable development, to advance the story of good health, reduce our footprint on the planet and honour human rights and fairness as set out in our Supplier Code of Conduct and posted on the website https://hh.global/ourimpact.
- 3.2 The Company represents and warrants to H&H Group that it will:
- (a) comply with any laws, regulations, rules or international treaty signed by any government authority applicable to the Company in relation to corporate social responsibility;
- (b) ensure that its employees, suppliers and subcontractors comply with this clause in connection with [insert what is being provide under the relevant agreement, i.e. Services or Products or broadly speaking this Agreement]; and
- (c) notify H&H Group immediately in writing of any and all violations of this clause, providing full details of each such violation.















