

Modern Slavery Statement

2020



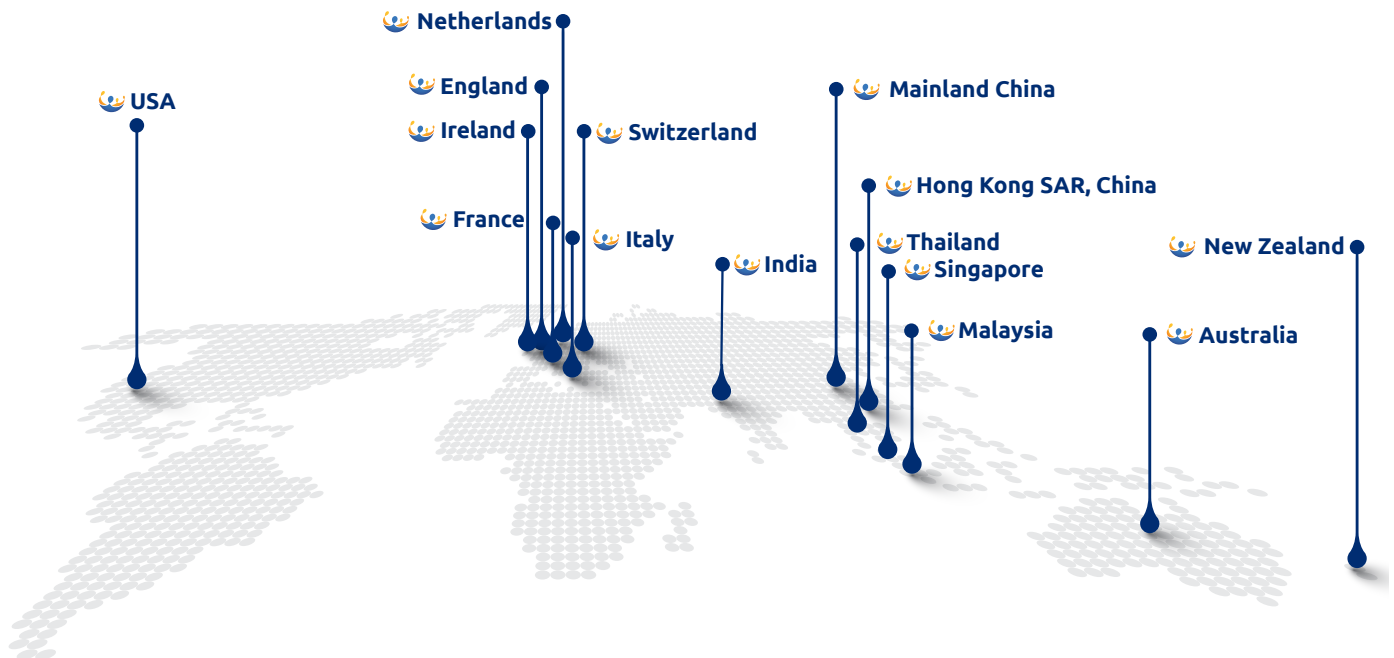
Entity Structure, operations and supply chains

This Statement covers Health and Happiness (H&H) International Holdings Limited (“H&H Group” or the “Group”) and all the fully owned subsidiaries that are operational within the Group, of which there are 41 (please see appendix A for a full list of the entities covered in this statement).

H&H Group is globally headquartered in Hong Kong SAR, China, the Group has been listed on the Hong Kong Stock Exchange (HKEx) since 2010. H&H Group is a global premium family nutrition and wellness provider. We are dynamic and ambitious in our mission to inspire wellness and make millions of people healthier and happier, while contributing

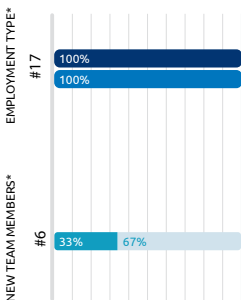
positively to the needs of society and the planet. Our brands include Biostime, Swisse, Swisse Me, Healthy Times, Dodie, Aurelia, CBII and Good Goût which produce food and drink, supplement, infant milk formula, skincare and baby accessory products.

We directly employ 3,500-plus team members located across 14 countries – Australia, New Zealand, Greater China, Singapore, India, Indonesia, Switzerland, France, Italy, the Netherlands, Ireland, England and the United States.



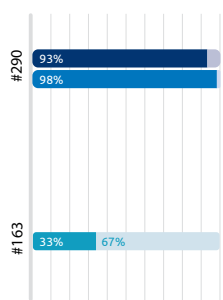
NORTH AMERICA

1 SITE



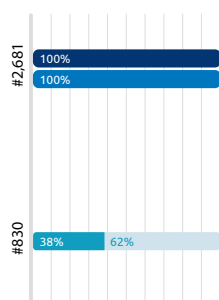
EUROPE

7 SITES



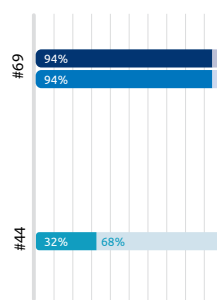
MAINLAND CHINA

81 SITES



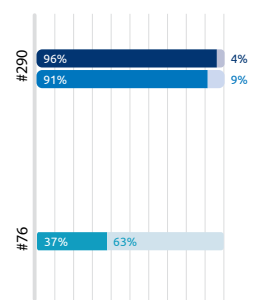
ASIA

2 SITES



AUSTRALIA AND NEW ZEALAND

6 SITES

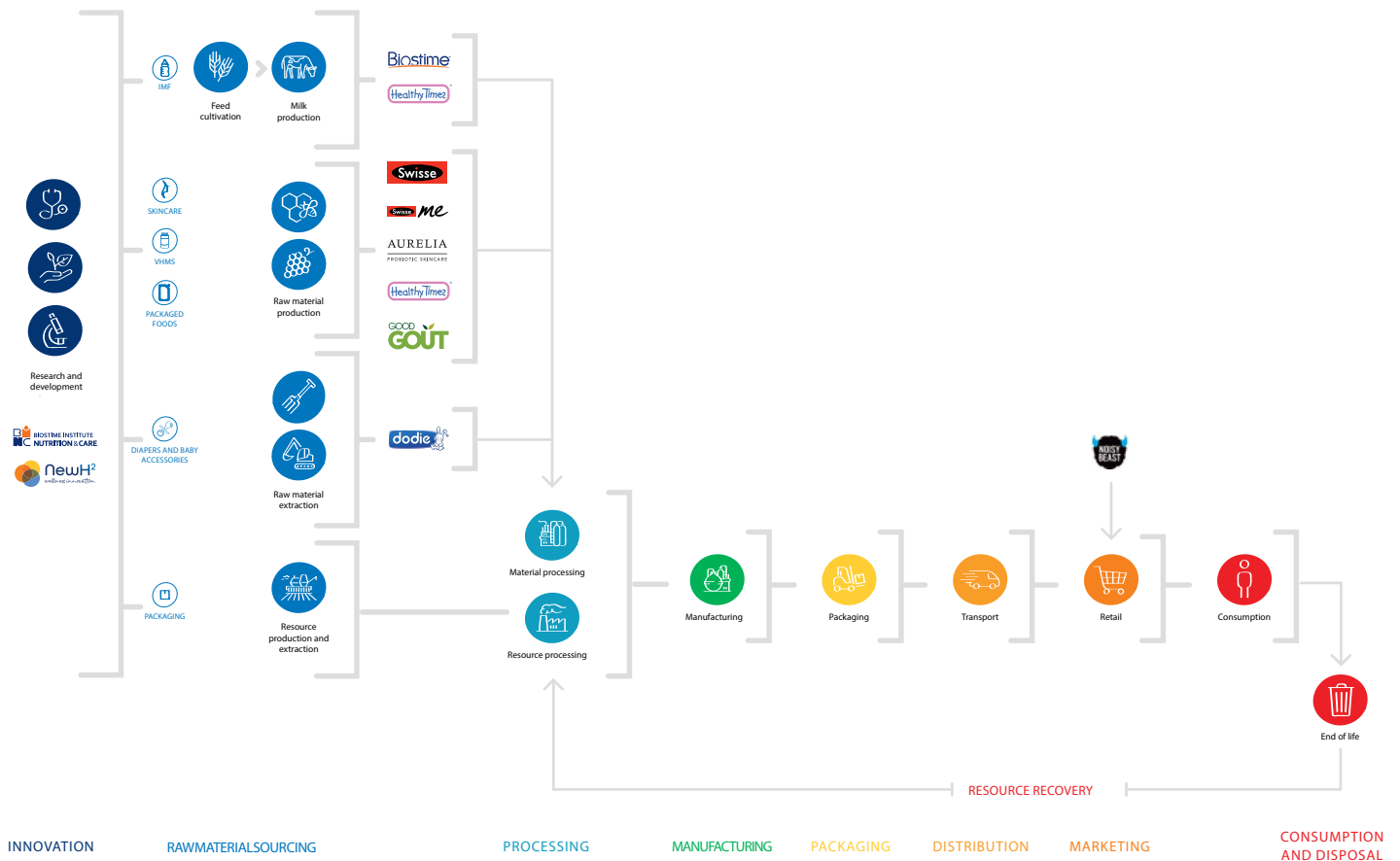


*Data from 2019 calendar year

● Permanent employment ● Temporary/contract ● Full time employment ● Part time employment ● Male ● Female



Our supply chain is made up of contract manufacturers, raw material suppliers, packaging suppliers, transport and logistic suppliers and warehouse suppliers. We have direct relationships with 134 suppliers across these categories however our contract manufacturers manage the sourcing of many of our raw materials and in some cases packaging.





Modern Slavery Risks in our operations and supply chains

Honouring human rights and fairness is one of our four sustainability impact areas, others include the story of good health, our footprint on the planet and 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've 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. Millions of people across the world still face human rights abuses every day and have significant challenges accessing their fundamental freedoms. We also know that human rights abuses exist in the industries and markets in which we operate – and may even at times, in our own supply chain

where we do not have full visibility or control. Implementing the UN Guiding Principles on Business and Human Rights, we have a clear responsibility to identify where these risks occur, find any abuses, stop them and prevent any future occurrences.

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 in which our contract manufacturers source on our behalf and we do not currently have full visibility of.

Action we've taken to reduce the likelihood of Modern Slavery

Identifying material risks and topics

We engage our stakeholders annually as part of our materiality process, including interviews with internal and external stakeholders as well as through surveys and communications throughout the year. We also include desktop reviews on industry sustainability risks and research led insights from organisations such as The Sustainability Consortium of which we are a participant.

Our 2021 materiality assessment refresh highlighted the importance of modern slavery to our stakeholders with labour rights and modern slavery, supply chain governance, and ethics, integrity and trust all landing in the top quadrant of our materiality matrix demonstrating the importance to both our internal and external stakeholders, as well as the significance of impact of these topics.

Our Board have ultimate responsibility for the risk management framework and are taken through our materiality process, provide feedback or further areas for exploration and validate our final set of material topics.

H&H Group Supplier Code of Conduct

Our standards and expectations have been laid out in our Supplier Code of Conduct (CoC) that we launched in 2018, and has a three phase roll out plan with existing suppliers up until the end of 2022.

The policy 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, to educate and exercise due diligence in implementing requirements equivalent or similar to those within this policy.

Since launch, we have made it mandatory that all new suppliers sign the CoC within the procurement process, including compliance to the policy within supply agreements and new supplier forms. We have also included several new clauses (examples in the Appendix B) in our standard template agreements.

Supply systems due diligence / H&H Sustainability Essentials Survey

We have implemented a formal process for carrying out due diligence within our existing supply base across all our direct suppliers for any of our product producing brands and entities through the development of our H&H Sustainability Essentials survey. The survey is tailored to the topics specifically identified as material for the industries we operate in, largely focused on The Sustainability Consortium's Thesis Industry hotspots for the following product categories:

- Vitamins and supplements
- Dairy
- Personal Care
- Soup & Convenience meals
- Diapers
- Baby Accessories

B Corp Journey

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

Whistle-blower System

Our independently managed whistle blowing and grievance mechanism 'HH Speak Up' has been on offer to both internals and externals 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 and 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 Sustainability Reports (see [2019 Sustainability Report here.](#))

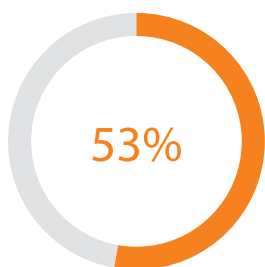
Reporting

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.

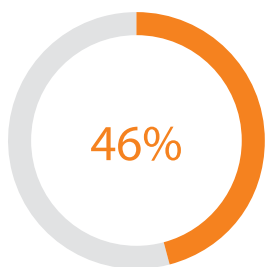
We do this in line with both the Hong Kong Stock Exchange Appendix 27 requirements as well as the Global Reporting Initiative (GRI) standards 312 Human Rights Assessment and 414 Supplier Social Assessment.

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.

How we assess the effectiveness of those actions



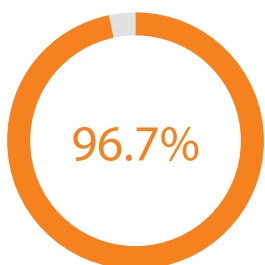
53% of direct suppliers across all tiers of the supply chain have completed the H&H Sustainability Essentials survey in 2020



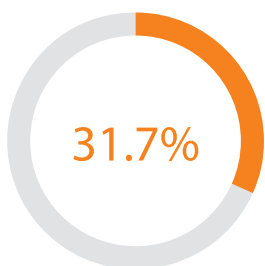
In the last 12 months 46% of our suppliers that have completed our sustainability assessment (Sustainability Essentials survey) have received an ethical or social audit carried out by a third party.



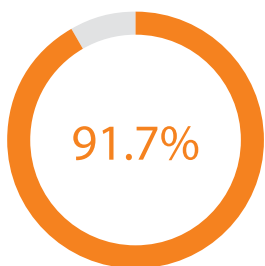
100% of contract manufacturers for Biostime and Swisse Wellness have signed our Supplier Code of Conduct



96.7% of our supply chains have confirmed their employees are free to join or form trade unions or worker organisations of their own choosing if permitted by law



On average across our suppliers 31.7% of the employees in our supply chain are covered by an independent trade union, collective bargaining association or industrial award



91.7% of our suppliers have their own health and safety policy

In 2020 we have met all targets and commitments we set out to achieve as a first step to full transparency and governance over our complex supply chain across our portfolio of products including:

- ✓ Roll out with our major contract manufacturers
- ✓ Supply team member engagement and training on roll out of Sustainability Assessment
- ✓ Supplier sustainability performance management platform implemented
- ✓ High-risk direct suppliers identified

These actions have laid good foundations for supply chain sustainability by creating a database of information on our supply chain and progress pm sustainability to benchmark and build on. At this point the information has been self-reported and therefore in itself holds some risk of inaccurate or misleading reporting, to combat this we are planning to:


- Incorporate sustainability key metrics in the quality auditing schedule and process
- Continue roll out plan of the CoC further up the tiers of the supply chain
- Ensure 100% of new products meet the requirements in our Raw Material Sourcing Policy
- Integrate key supply chain targets into the supplier management process

Further to this we are also looking to not only respect human rights within our supply chain but also enhance and support communities that may be struggling with poverty and unemployment in their journey to reducing inequalities. We have a number of projects underway in this regard but no formal commitments or targets relating to these projects at this stage.

Consultation and Approval

This Statement is jointly submitted by H&H Group and the operating entities 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 people to prepare this Statement, including within the Sustainability, People and Culture, Procurement, Legal and Group Communications functions. We have also communicated and explained our commitments and expectations regarding modern slavery more broadly within our business, and we intend to enhance that communication even more in the future.

This Statement was approved for and on behalf of the Group by Executive Director and Chief Executive Officer of Health and Happiness (H&H) International Holdings Limited, on behalf of the Board of Directors on 16 December 2020.



Laetitia Garnier
Group CEO

Appendix

Appendix A – List of H&H Group entities included in this statement

ENTITY	COUNTRY OF INCORPORATION
Farmland Dairy Pty Ltd	Australia
Noisy Beast Pty Ltd	Australia
SW Translink Packaging Pty Ltd	Australia
Swisse Wellness Pty Ltd (Australia)	Australia
AB PHARMA	France
BBB	France
Biostime France	France
Biostime Pharma	France
LABORATOIRES POLIVE	France
Biostime Institute for Nutrition and Care	Geneva
Health and Happiness (H&H) Hong Kong Limited	Hong Kong
Mama100 Hong Kong Limited	Hong Kong
Swisse China Limited	Hong Kong
Health and Happiness (H&H) Trading India Private Limited	India
PT HEALTH AND HAPPINESS INDONESIA	Indonesia
HEALTH AND HAPPINESS (H&H) RESEARCH LIMITED (IRELAND)☐	Ireland
Health and Happiness (H&H) Italy S.R.L	Italy
Health and Happiness (H&H) Malaysia Sdn Bhd	Malaysia
Health and Happiness (H&H) Netherlands B.V.	Netherlands
Swisse Wellness Pty Ltd (New Zealand)	New Zealand
Biostime (Changsha) Nutrition Foods Limited	People's Republic of China
Biostime (Guangzhou) Education Management Inc.	People's Republic of China
Biostime (Guangzhou) Health Products Limited	People's Republic of China
Dodie Baby Products Inc. (Guangzhou)	People's Republic of China
Guangzhou Biostime Institute of Nutrition and Care	People's Republic of China
Guangzhou Hapai Information Technology Co., Ltd	People's Republic of China
Guangzhou Mama100 E-commerce Limited	People's Republic of China
Health and Happiness (H&H) China Limited	People's Republic of China
Noisy Beast (Guangzhou) Limited	People's Republic of China
Swisse Wellness (Guangzhou) Limited	People's Republic of China
Health and Happiness (H&H) Singapore PTE. LIMITED	Singapore
Swisse Wellness Gmbh	Switzerland
Health and Happiness (H&H) Taiwan Limited	Taiwan
Health and Happiness (H&H) (Thailand) Co., Ltd.	Thailand
H&H Group DMCC	United Arab of Emirates
Aurelia Skincare Limited	United Kingdom
Health and Happiness (H&H) UK Limited	United Kingdom
Noisy Beast UK Limited	United Kingdom
Health and Happiness (H&H) Inc.	United States of America
Health and Happiness (H&H) US International Incorporated	United States of America
Healthy Times. Inc.	United States of America

Appendix

Appendix B – Sample Clauses

1. 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 and prohibition of illegal work (including but not limited to 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 but not limited to 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 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](#).
 - 2.2 The Company represents and warrants to H&H Group that:
 - (a) for a period of 5 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 Company 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 [insert] may have been breached, H&H Group may require the Company to provide, and the Company must provide, evidence that it has rectified the breach and is currently in compliance with the requirements of this clause [insert]. If the Company fails to provide such evidence and/or H&H Group reasonably believes that the Company is still in breach of this clause [insert], H&H Group may:
 - (a) request the Company to provide, and the Company 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 [insert]; or
 - (b) suspend or terminate this Agreement in accordance with clause [insert] for breach of this clause [insert].
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](#).
 - 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.