



2 July 2022

H.E. António Guterres

Secretary-General

United Nations

New York, NY 10017

USA

Great Day Mr. Secretary-General,

I am pleased to confirm that Health and Happiness International Holdings Limited ("H&H Group") continues to support the Ten Principles of the United Nations Global Compact (UNGC) on human rights, labour, environment, and anti-corruption. As a Group, we are united by our mission to make people healthier and happier and understand that we must ensure a healthier and happier future for people and our planet.

Our annual [Sustainability Report](#) that is publicly available on our website, along with this document, seeks to act as our annual Communication on Progress in line with our support of public accountability and transparency.

Our Progress in the last 12 months

We have maintained and increased our focus on four Group-wide sustainability impact areas that are based around the 10 principles of the UNGC:

1. Advancing the story of good health
2. Reducing our footprint on the planet (Covers issue area: Environment)
3. Honour human rights and fairness (Covers issue areas: Human Rights and Labour)
4. Governance (Covers issue area: Anti-corruption)

Our commitments have been organized into these four areas and consistently reinforced in communications (both internal and external), including our annual results presentations, investor presentations, supplier engagements, and other corporate communications. In addition, our Sustainability Report references our material topics, which were identified through stakeholder interviews and further analysis, including the ten principles of the UNGC and the United Nations Sustainable Development Goals (SDGs), of which seven SDGs have been identified as priority areas of focus.

H&H supports whole-family health and happiness with premium brands across Baby, Adult and Pet Nutrition and Care, providing nutrition and wellness solutions backed by science. We continuously invest in activities that help people live healthier lives and promote wellbeing for all ages through our pillars of Nutrition, Movement and Mind. In 2021, USD\$2.26m was invested into the community for local and international charity organisations through our H&H Foundation. In addition, of our 222 new products launched last year, more than 30 of them were plant-based in recognition of the impact animal-based ingredients have on the environment, specifically on deforestation, biodiversity, and GHG emissions.

As part of H&H Research, we conducted a further two clinical trials in 2021 focusing on development and health. To date, we have now undergone five clinical studies and 15 studies published in high impact, prestigious scientific journals.

We continued to roll out our H&H Internal Code of Conduct, addressing the ten principles and all relevant human rights guidelines outlining our values and expectations of all team members and how to raise concerns or notify of breaches of our internal policies. We also reviewed and updated our Modern Slavery Statement providing full disclosure of how we are ensuring those that are touched by our business are granted basic rights and fundamental freedoms to which all humans are entitled.

We are continuously striving to use resources more efficiently, be mindful of the Group's carbon footprint and make conscious decisions to reduce and offset our GHG emissions. H&H Group was able to reduce its energy consumption by applying a variety of sustainable initiatives, including replacing the ice water main engine at our Changsha site and upgrading the refrigeration machine in our R&D centre and manufacturing facility in Science City. At the end of 2021, all our owned sites are powered by 100% renewable electricity, the Group is a certified carbon neutral organisation under the Australian Government's Climate Active program and has achieved a 4% reduction in GHG emissions and a 14% reduction in overall waste from 2020.

To support these principles in our value chain, we have continued, with our existing and new suppliers, to roll out our Group Supplier Code of Conduct, to which all suppliers need to agree. This document references the principles of the UNGC as well as many internationally recognised documents such as the Universal Declaration of Human Rights. We have established an engagement mechanism with suppliers on ESG performance through a comprehensive survey of which 88% of our suppliers (which accounted for 95% of our spend) have completed in 2021 and we are setting objectives across areas that encompass the ten principles. We have also committed to 80% of our 'Adult Nutrition Care' raw materials to be compliant with our Raw Material Sourcing Policy, collecting information on the known sustainability hotspots, both environmental and social, by ingredient type and documenting this for decision makers in our stage-gate innovation process. This will be an important tool ongoing for monitoring our supply chain at inception phase through to the end result.

We are committed to making the UN Global Compact and its principles part of our company's strategy, culture, and day-to-day operations and engaging in collaborative projects that advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.

Taking action that advances environmental, social and governance goals

We have made a series of commitments that not only align with the universal principles of human rights, labor, environment, and anti-corruption, but go steps further in using business as a force for good. We are on track to achieve Group-wide B Corporation certification by 2025, and as part of this journey we aim to gain certification for the Australian and New Zealand market in 2023.

Along with this broad-reaching goal, we continuously develop our plant-based strategy targeting innovation and product opportunities with a lower environmental impact and supporting consumers in their well-being journey.

We are committed to develop carbon emission reduction targets via the Science Based Targets Initiative (SBTi) and identify climate risks and complete scenario analysis (CSA) in line with TCFD recommendations in 2022.

Sustainability targets will continue to be incorporated in our executive team's KPIs tied to their compensation, and we are extending this sustainability incentivisation scheme to our senior managers in 2022.



We will establish a Board Sustainability Committee by 2022 and increase the proportion of female board members to 30% in 2023.

By the end of 2023, 70% of our Tier 1 suppliers will have a social assessment completed.

We look forward to working together with the other United Nations Global Compact participants and other organizations to achieve a healthier and happier future.

Sincerely yours,

A handwritten signature in black ink, appearing to be "Laetitia Albertini", written in a cursive style.

Mrs. Laetitia Albertini
H&H Group CEO