



CK Life Sciences Int'l. (Holdings) Inc.

長江生命科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0775)



ADVANCING LIFE SCIENCES SUSTAINABLY

• ABOUT • CK LIFE SCIENCES •

CK Life Sciences Int'l., (Holdings) Inc.
is listed on the Stock Exchange of Hong Kong Limited.

Bearing the mission of improving the quality of life,
CK Life Sciences is engaged in the business of research and development,
manufacturing, commercialisation, marketing, sale of, and investment in
products and assets which fall into three core categories: nutraceuticals,
pharmaceuticals and agriculture-related. CK Life Sciences is
a member of the CK Hutchison Group.



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1.1. ABOUT CK LIFE SCIENCES

CK Life Sciences Int'l., (Holdings) Inc. (“CK Life Sciences” or the “Company”, together with its subsidiaries, the “Group”) is listed on the Stock Exchange of Hong Kong Limited. CK Life Sciences is a member of the CK Hutchison Group. Bearing the mission of improving the quality of life, CK Life Sciences is engaged in the business of research and development, manufacturing, commercialisation, marketing, sale of, and investment in products and assets which fall into three core categories:



• INTRODUCTION •

**AGRICULTURE-RELATED BUSINESS**

The agriculture-related businesses comprise operations in Australia and New Zealand. Australian Agribusiness (Holdings) Pty Ltd (“Australian Agribusiness”) engages in the manufacturing, wholesale and retail of plant protection and specialty nutrition products. Australian Agribusiness comprises two operating divisions: Crop Solutions (“CS”) and Consumer and Professional Solutions (“CPS”). The channel to market for CS is via the brand Accensi, which is one of Australia’s largest toll formulators of crop protection products with manufacturing and warehousing. CPS is the Sales and Distribution arm of Australian Agribusiness, represented by four brands servicing three market segments: Hardware and Nurseries, Professional Pest Management and Professional Turf and the urban environment.

The Group also owns an extensive vineyard portfolio in Australasia, and the Group’s Salt business, comprising Cheetham Salt Limited (“Cheetham”) in Australia, Dominion Salt Limited (“Dominion”) in New Zealand and Cheetham Garam Indonesia, is the largest producer of value-added salt for the domestic markets in Australia and New Zealand.

NUTRACEUTICAL BUSINESS

The nutraceutical portfolio comprises Santé Naturelle A.G. Ltée (“SNAG”) in Canada, Vitaquest International Holdings LLC (“Vitaquest”) in the United States, and Lipa Pharmaceuticals Limited (“Lipa”) in Australia.

HEALTHCARE RESEARCH AND DEVELOPMENT

The Group’s research and development operations are engaged in the research and development of pharmaceuticals focusing primarily on cancer vaccines, pain management products and cancer diagnostics. The research is conducted at in-house laboratories, as well as in conjunction with partner companies and academic institutions around the world.

1.2. CHAIRMAN'S MESSAGE



CK Life Sciences Int'l., (Holdings) Inc. is delighted to present this year's Sustainability Report (the "Report") covering its sustainability strategies, management approach, progress, and highlights during the year from 1 January 2022 to 31 December 2022.

Committed to improving the quality of life through human health and the environment that we live in, sustainability has always lied at the heart of the Group's business operations. We believe a sustainability strategy is a vital driving force to tackle challenges in the future and embrace innovation for new opportunities. Therefore, the Group aspires to thrive while placing its sustainability strategy at the forefront and maintaining our commitments to the market. This Report will give an overview of our sustainability progress and its role in the future direction of the business.

The 27th United Nations Climate Change Conference of Parties ("COP27") was held in November 2022, and continued to emphasise the importance of climate action and the transition to net-zero carbon emission to limit the rise of global temperature to 1.5°C. The Group believes that the health of the environment is crucial to the Group's business operations, and has been committed to mitigating the impact of climate change and adapting to new conditions by identifying and addressing the associated challenges and opportunities. Significant climate-related issues that may have a substantial financial or strategic impact have been identified to inform the direction of our sustainability strategy. In order to further promote environmental stewardship, various programmes have been implemented throughout our supply chain to review and screen suppliers according to their sustainability performance.

• INTRODUCTION •

This year, we have kick-started the journey to aligning our reporting to the Task Force On Climate-Related Financial Disclosures (“TCFD”) framework through various work programmes to assess and enhance our readiness. We intend to align our reporting to the recommendations of the TCFD framework in communicating with our stakeholders on climate strategy and progress our ambition to be transparent in our disclosure on climate-related matters.

Intending to achieve continual improvement in environmental performance, our business units have further refined various environmental targets to minimise our environmental footprint in 2022. These include reducing greenhouse gas (“GHG”), energy and water intensity, transitioning energy sources to renewables, increasing waste reduction targets, and encouraging a recycling culture. These targets guide our business strategy and sustainability agenda by setting out the areas of innovation and change needed to deliver on our commitments.

We value our people and consider them the cornerstone of our business development. We nurture a talent-oriented culture and strive to create a productive, inclusive and rewarding workplace. We offer competitive remuneration, a clear career pathway and equal development opportunities to employees. Our business units have benchmarked roles with market standards, and continued to improve relevant policies to promote employees’ wellbeing and facilitate their all-round development.

Our dedication to promoting sustainability also extends to the community. We employ locally as much as possible and contribute to community engagement programmes, endeavouring to create a positive impact on the local communities in which our businesses operate.

2022 was another challenging year with ongoing changes and challenges worldwide. I am incredibly grateful for the continuous effort of our people and businesses to come together to tackle the challenges and play a massive role in our achievements. Thanks to their dedication and vision, we have managed to advance the economic, environmental and social sustainability of our operations.

Once again, I would like to take this opportunity to thank our shareholders, Board of Directors, and staff for their continued support.

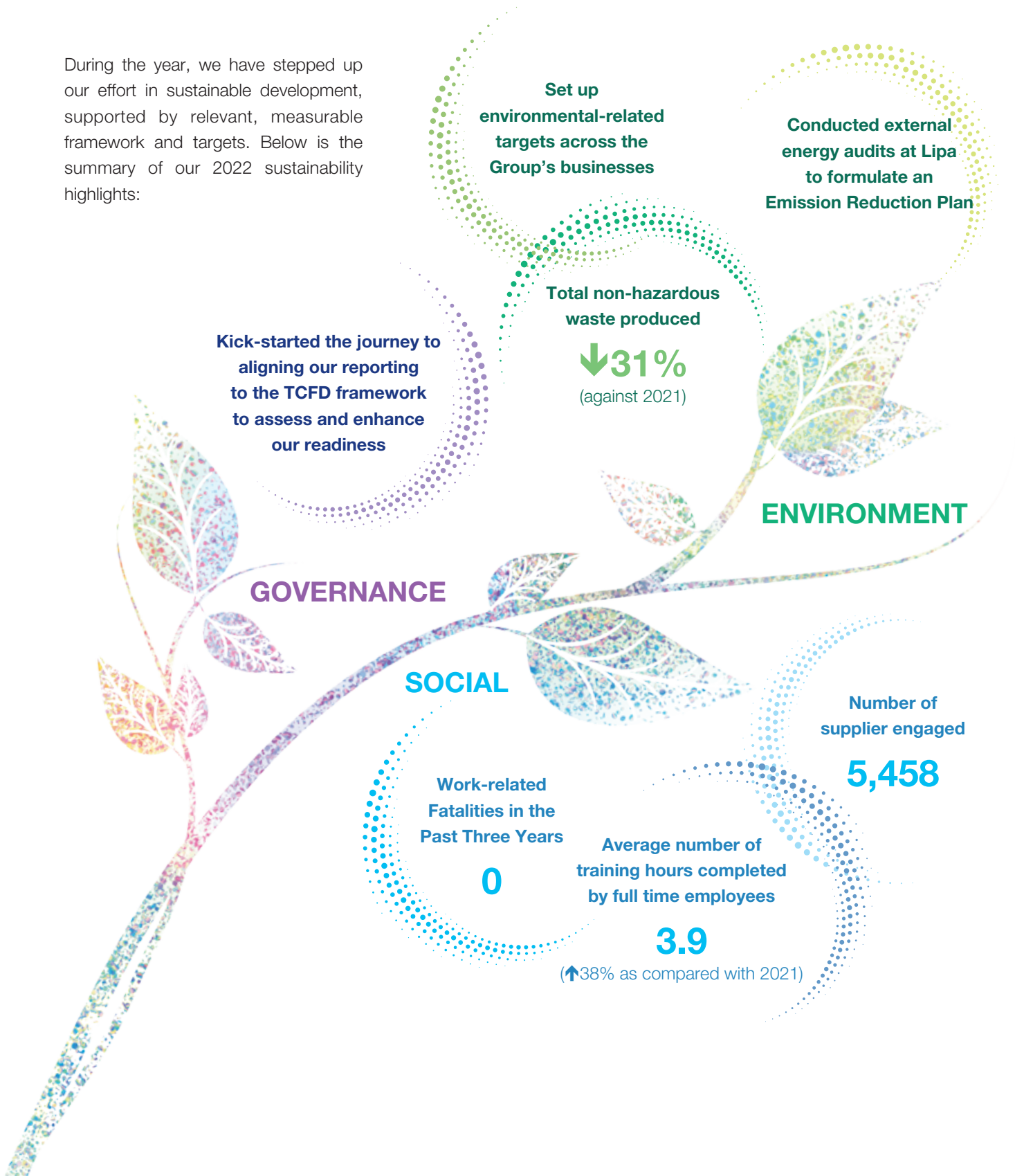
Victor T K Li

Chairman

14 March 2023

1.3. 2022 HIGHLIGHTS

During the year, we have stepped up our effort in sustainable development, supported by relevant, measurable framework and targets. Below is the summary of our 2022 sustainability highlights:



1.4. ABOUT THIS REPORT

This Sustainability Report provides an overview of the Group's sustainability strategies, management approach, progress, and highlights during the year from 1 January 2022 to 31 December 2022, unless otherwise specified.

The information disclosed in this Sustainability Report covers major operations in nutraceutical and agriculture-related businesses located in the United States, Australia, and New Zealand. These businesses contributed over 80% of the Group's revenue in the year ended on 31 December 2022.

This Report is prepared with reference to the Environmental, Social and Governance Reporting Guide ("ESG Guide") contained in Appendix 27 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The ESG Guide Content Index set out on pages 75 to 82 contains information on the extent to which the Group has applied the ESG Guide and cross-references the relevant sections in this Report.

This Report should be read in conjunction with the Group's 2022 Annual Report, which contains a comprehensive review of its financial performance and corporate governance, and also key policies published on the Group's website. The content of this Report follows the ESG Guide reporting principles:

- **Materiality** — We focus on matters that impact business growth and are of importance to our stakeholders. For more information, please refer to "Materiality Assessment" on page 12.
- **Quantitative** — Information regarding the standards, methodologies, assumptions and/or calculation references, and sources of key conversion factors used for these key performance indicators ("KPIs") is stated wherever appropriate.
- **Balance** — This report discloses information in an objective manner, aiming to provide report reader with an unbiased picture of the Group's overall sustainability performance.
- **Consistency** — Consistent methodologies are adopted when calculating the quantitative KPIs unless otherwise specified. Reasons would be provided for any restating of information published in the Report.

This Report is available online unless specific requests are received for a hard copy with a view to reducing paper consumption to promote environmental protection.



2.1. APPROACH TO SUSTAINABILITY

Our guiding principle for sustainability is operating our businesses in a responsible and sustainable way whilst remaining transparent and accountable to our stakeholders. This year, the Group has embarked on a journey to assess and enhance its readiness for disclosure aligned with the recommendations by TCFD. Meanwhile, the Group's business units have set more comprehensive and quantifiable environmental targets to guide the sustainability enhancement of each of our businesses.



• SUSTAINABILITY AT CK LIFE SCIENCES •

2.1.1. SUSTAINABILITY PILLARS AND POLICIES

The Group’s sustainability strategy and priorities are built on four pillars, namely The Business, The People, The Environment and The Community. Each pillar is supported by Group-wide policies, leadership at the Group level and collective efforts across its businesses. These four pillars guide the Group in setting the overall direction of its sustainability strategy to integrate sustainability across all operations of the Group. The Group has policies, procedures and guidelines in place to support management in addressing material sustainability issues across the Group, as described throughout this Report.

..... THE GROUP’S SUSTAINABILITY PILLARS



• SUSTAINABILITY AT CK LIFE SCIENCES •



BUSINESS

- Enhance **long-term return** for its shareholders.
- Focus on **sustainable development** of its businesses and the communities in which it operates.
- Comply with all relevant and **applicable laws** and **regulations** within its operational frameworks.
- Conduct business with uncompromising **integrity**.
- **Safeguard** against unfair business practices.
- Achieve a **high standard of corporate governance** and emphasise a quality board, sound internal control, transparency and accountability to all stakeholders.



PEOPLE

- Uphold a high standard of **business ethics** and the **personal conduct** of its employees.
- Adhere to **non-discriminatory** employment practices and procedures.
- Provide a **positive work environment** that values the wide-ranging perspectives inherent in its diverse workforce.
- Foster **individual growth** and achievement of business goals and offer a wide range of training and development programmes and interest courses and activities.
- Maintain proper systems to ensure **internal equity and external competitiveness** of staff remuneration and recognition.
- Provide a **safe workplace** for all its employees.

• SUSTAINABILITY AT CK LIFE SCIENCES •

**ENVIRONMENT**

- Comply with or exceed the relevant laws and regulations to **control any GHG** emissions, discharges into water and land, and waste generation.
- Set targets and review and assess the results regularly to ensure the efficiency of the **measures to control emissions**.
- Monitor and manage the **use of resources**, including energy, water and other raw and packaging materials.
- **Minimise the impact** of its business activities on the environment and natural resources.
- Develop and implement **environmentally-friendly** products and processes with potential commercial applications.
- Encourage and provide support for conservation and **environmental protection** programmes.

These principles are adopted across the Group and implemented by each business unit based on local social, economic and environmental needs. Compliance and implementation of these principles are continuously monitored through regular management reviews and reporting.

For more information on relevant policies and procedures in place, please refer to the Sustainability Policies and Corporate Governance Policies on the Group's corporate website.



Sustainability Policy

<https://www.ck-lifesciences.com/eng/content.php?page=Sustainability-Policies>



Corporate Governance Policy

<https://www.ck-lifesciences.com/eng/content.php?page=Governance>

**COMMUNITY**

- Consult with **local communities** and undertake initiatives catering to the needs and benefits of the communities within which it operates, with a focus on employee volunteerism, education, medical, health and elderly care, arts and culture, sports and disaster relief.
- Implement internal guidelines and controls on **donations** and **contributions** to safeguard stakeholders' and shareholders' interests.
- Encourage employees to play a **positive** and active role in the community.

2.1.2. STAKEHOLDER ENGAGEMENT

The Group maintains open and transparent communications with key stakeholders to understand their views and expectations on issues they concern. Considering the diverse nature of the Group's businesses, the Group engages with a variety of stakeholders, such as employees, customers, business partners, suppliers, local communities, governmental authorities and non-governmental organisations. Feedback is regularly gathered from stakeholders through diversified channels, including meetings, interviews, workshops, surveys and feedback programmes.

The Group takes stakeholders' input into account to comprehend the shift in market needs and support the Group's decision-making in relation to sustainability practices, initiatives and disclosures.

2.1.3. MATERIALITY ASSESSMENT

Recognising the importance of ensuring its positive impact on society, the Group seeks to understand the internal and external factors that affect its businesses. The sustainability issues that are perceived to be most important to our stakeholders and our businesses are identified through the materiality assessment process. The materiality assessment results inform our sustainability approach, strategy and reporting, and enable us to focus our efforts on the risks, opportunities, issues and impacts that matter most to our stakeholders.



• SUSTAINABILITY AT CK LIFE SCIENCES •

Our most recent materiality assessment was carried out in 2020. As there were no significant structural changes in the Group's businesses, the results continue to reflect the main topics raised by stakeholders.

MATERIALITY ASSESSMENT PROCESS

| | |
|--------------------------|--|
| 1. Identification | <ul style="list-style-type: none"> Identified sustainability issues that are considered relevant and important to our business and its stakeholders based on a review of our sustainability-related practices and the previous year's process. |
| 2. Prioritisation | <ul style="list-style-type: none"> Mapped the issues to local and international reporting frameworks such as the Sustainability Accounting Standards Board ("SASB") industry-specific standards. Assessed the importance of issues based on the expectations of regulators, sustainability ratings and industry peers. Prioritised issues that have a significant impact on the Group's ability to create long-term and sustainable values. |
| 3. Validation | <ul style="list-style-type: none"> Reviewed and approved the material issues by the Sustainability Committee. |

The material sustainability issues identified were:

| Material sustainability issues | Group-wide | Agriculture-related business | Nutraceutical business |
|--------------------------------|------------|------------------------------|------------------------|
| Environment | | | |
| Energy consumption | | ✓ | ✓ |
| Climate change | | ✓ | |
| Waste management | | | ✓ |
| Water use | | ✓ | ✓ |
| Social | | | |
| Human capital development | | ✓ | ✓ |
| Occupational health and safety | | ✓ | |
| Supply chain management | | ✓ | ✓ |
| Product responsibility | | ✓ | ✓ |
| Governance | | | |
| Corporate Governance | ✓ | | |
| Business ethics | ✓ | | |

2.2. SUSTAINABILITY GOVERNANCE

The Group's sustainability governance structure has been embedded at all levels of the Group, providing a solid foundation for the development and delivery of its commitment to sustainability. The sustainability governance structure includes the Board, the Sustainability Committee and the Sustainability Working Group, which is comprised of all key personnel having responsibility of respective businesses of the Group. It guides businesses to implement a sustainability strategy, manage goals and target setting and reporting processes, strengthen relations with internal and external stakeholders, and also ensure overall accountability and sufficient resources have been dedicated to the management and monitoring of sustainability matters, including climate-related risks and opportunities.



• SUSTAINABILITY AT CK LIFE SCIENCES •



Has ultimate accountability for the Group's sustainability and climate strategy, management, performance and reporting.

- Examines and approves the Group's sustainability-related objectives, strategies, priorities, initiatives and goals, targets as well as the significant policies and frameworks that support their achievement.

Chaired by Mr. IP Tak Chuen, Edmond, Senior Vice President and Chief Investment Officer and Executive Director, and comprised of Mr. Paul Joseph TIGHE, Independent Non-executive Director, and the Company Secretary as members.

- Has an overarching role in supporting the Board on sustainability matters, including risks and opportunities related to climate change and oversees the implementation of the sustainability-related initiatives of the Group, including reviewing the related policies and practices, and assessing and making recommendations on matters concerning the Group's sustainability governance, strategy, planning and risks.
- Reports periodically to the Board on sustainability-related risks and opportunities, including climate-related issues, and their impact on business strategy and new investments.
- In 2022, the Sustainability Committee met twice to review the Group's sustainability plans including the progress on target setting.
- For more information, please refer to the Terms of Reference of the Sustainability Committee.

Assists the Sustainability Committee in discharging its responsibilities and drive strategic initiatives across the Group.

- Reports to and receives feedback from the Sustainability Committee regularly.
- Maintain the awareness of the Board and the Sustainability Committee about good climate governance practices and how climate-related risks and opportunities may impact the business operations.

2.3. PROGRESS ON TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The health of the environment is crucial to Group's business operation. Acknowledging the significant risks posed by climate change, we are committed to strengthening our governance and managing climate risk which improve our resilience and adaptability towards climate change and contribute to the transition towards a low-carbon economy. This year, the Group has begun carrying out work programmes to assess and enhance our readiness towards disclosure that aligned with the TCFD framework. The Group intends to align our reporting to the recommendations of the TCFD framework in the future to communicate the climate strategy with our stakeholders and enhance transparency on climate-related matters.



• SUSTAINABILITY AT CK LIFE SCIENCES •

GOVERNANCE

Climate considerations have been integrated into our governance structure. The Board is responsible for overseeing our climate change management and reviewing the climate strategy. Detailed descriptions of how the Board, the Sustainability Committee and the Sustainability Working Group oversee ESG matters, including climate-related risks, are available on “Sustainability Governance” on pages 14 to 15 of this Report.

STRATEGY

The Group is committed to mitigating and adapting to the impact of climate change by identifying and addressing the associated challenges and opportunities. The Group is exposed to both physical and transition risks of climate change. Climate change affects the demand, availability, quality and pricing of many of our products, as well as those of our customers, especially in the agriculture-related sector, thereby impacting our business performance. Ongoing climate change may also cause extreme natural events, such as drought and bushfires that may destroy or damage the Group’s assets.

Ongoing assessment of the potential risks arising from climate change has been carried out to ensure proper and timely strategies and actions are taken to address the causes and effects of climate change on the Group’s operations. The Group has also outlined its position and principles on managing the impact arising from climate change in its Environmental Policy. Please refer to “Climate Change” on pages 42 to 43 for more information.

.....
RISK MANAGEMENT

The Group attaches importance to understand the location, nature and scale of the potential climate-related risks for the effective mitigation of their impact. Climate change is assessed as part of our enterprise risk management framework. Risk registers are maintained to ensure key risks and material emerging risks are identified and monitored by the corporate and business unit levels respectively on an on-going basis.

.....
METRICS AND TARGETS

The Group has established targets related to GHG emissions, energy, water and waste to minimise the environmental footprint of our operations. Detailed descriptions of the targets and the corresponding work plans and progress are available on “Our Environmental Progress Across Operations” on pages 34 to 37 of this Report.

In addition, the GHG emissions by our businesses are tracked and monitored to allow a comprehensive understanding of the Group’s climate mitigation performance. Please refer to “Appendix — Environmental and Social Performance Indicators” on pages 70 to 74 for more information.



• CORPORATE GOVERNANCE •

Committed to maintaining high standards of corporate governance best suited to the needs and interests of the Group, the Group has an effective corporate governance framework in place to promote and safeguard the interests of shareholders and other stakeholders and enhance shareholder value.



The Group strives for continuous improvement in its corporate governance practices and an ethical corporate culture by adopting corporate governance principles and practices that emphasise a quality Board, sound internal controls, transparency and accountability.

3.1. THE BOARD



2022 Annual General Meeting of the Group

The Board is responsible for directing and guiding the strategic objectives of the Company as well as overseeing and monitoring managerial performance.

3.1.1. ROLE OF THE BOARD

Directors are charged with the task of promoting the long-term success of the Company and making decisions in the best interests of the Company with due regard to sustainability considerations.

The Board is led by the Chairman, Mr. Victor T K Li, who determines the broad strategic direction of the Group in consultation with the Board and is responsible for the high-level oversight of management. Management is responsible for the day-to-day operations of the Group under the leadership of the Chief Executive Officer, with the support of the Executive Directors.

• CORPORATE GOVERNANCE •

The Board is supported by five Board Committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Sustainability Committee and the Executive Committee, with specific terms of reference.

3.1.2. BOARD COMPOSITION

As at 31 December 2022 and up to the date of this Report, the Board consists of a total of ten Directors, including five Executive Directors, one Non-executive Director and four Independent Non-executive Directors. More than one-third of the Board is made up of Independent Non-executive Directors and at least one of them has appropriate professional qualifications, or accounting or related financial management expertise as required by the Listing Rules. All Directors (including Non-executive Directors) are subject to retirement by rotation once every three years and are subject to re-election in accordance with the Company's Articles of Association and the Corporate Governance Code.

Biographical details of the Directors and Key Personnel are set out in the Directors and Key Personnel on pages 32 to 39 of the Group's 2022 Annual Report. A list setting out the names of the Directors and their roles and functions is also posted on the websites of Hong Kong Exchanges and Clearing Limited and the Company.



List of Directors and their Roles and Functions
https://www.ck-lifesciences.com/uploaded_files/images/page/15/List%20of%20Directors%20and%20their%20Roles%20and%20Functions.pdf

Review of the Board composition is made regularly through Nomination Committee to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company.

3.1.3. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The positions of the Chairman and the Chief Executive Officer are currently held by separate individuals with a view in maintaining effective segregation of duties respecting management of the Board and the day-to-day management of the Group's business.

The Chairman is responsible for providing leadership to, and overseeing the functioning of, the Board to ensure that it acts in the best interests of the Group.

The Chief Executive Officer, assisted by the other Executive Directors, is responsible for strategic planning of different business functions and day-to-day management and operation of the Group.



3.1.4. BOARD EFFECTIVENESS

Newly appointed Directors receive an induction package which has been compiled and reviewed by the Company's legal advisers, including information on the Group, duties and responsibilities as a director and board committee member under the Listing Rules and relevant regulatory requirements, as well as internal governance policies of the Group. Further information package comprising the latest developments in laws, rules and regulations relating to the duties and responsibilities of directors will be forwarded to Directors from time to time for their information and ready reference.

To ensure an appropriate balance of knowledge and experience that allows the Board to fulfill its duty, the Company arranges at the cost of the Company and provides Continuous Professional Development ("CPD") training such as seminar sessions and relevant reading materials to Directors to help them keep abreast of current trends and issues facing the Group, including the latest changes in the commercial (including industry-specific and innovative changes), legal and regulatory environment in which the Group conducts its businesses and to refresh their knowledge and skills on the roles, functions and duties of a listed company director.

3.1.5. BOARD INDEPENDENCE

The Board, with the assistance of the Nomination Committee, evaluates the independence of Independent Non-executive Directors, whose independence is assessed with regard to the criteria under the Listing Rules. All the Independent Non-executive Directors of the Company have not been involved in the day-to-day management of the Company nor was financially dependent on the Company which would materially impair their independent judgment.

Four out of ten members of the Board are Independent Non-executive Directors. During the year under review, all Independent Non-executive Directors in office attended to the affairs of the Group through their participation at the annual general meeting, Board and Board Committee meetings and perusal of Board papers. The Audit Committee, the Nomination Committee and the Remuneration Committee, are chaired by Independent Non-executive Directors. The Audit Committee comprises Independent Non-executive Directors only. Independent Non-executive Directors comprise a majority of each of the Nomination Committee and the Remuneration Committee.



• CORPORATE GOVERNANCE •

The Company maintains the view that a Director's independence is a question of fact and this is formally recognised in the Board Diversity Policy. The Board is committed to assessing this on an ongoing basis with regard to all relevant factors include: the ability to continually provide constructive challenge for management and other Directors and to express one's own views independent of management or other fellow Directors. These attributes and desired behaviour have been demonstrated by our Independent Non-executive Directors.

The Board is of the view that a director's independence should not be defined by his/her tenure on the Board. The Board assesses a director's independence on a case-by-case basis with reference to the director's business acumen, experience in related industries, professional qualification, international business exposure and the nature of the businesses of the Company in addition to tenure. A director who has over time gained in-depth insight into the Company's operations and its markets are well-positioned to offer his/her perspective and advice for discussion at the Board. Long serving directors can bring valuable contributions to the Company with their comprehensive understanding of the operations of the Company, in particular the pharmaceutical businesses which involve a long product research and development ("R&D") cycle before production, launch and distribution.

Notwithstanding that one out of four Independent Non-executive Directors has served the Board for more than nine years, such director has continued to bring in fresh perspectives, skills and knowledge gained from her other directorships and offices. Her wealth of skills, knowledge and experience has enabled her to contribute meaningfully and objectively to the Board as an Independent Non-executive Director and her independence from management has not been diminished by her years of service.

In identifying suitable candidates for Independent Non-executive Directors, apart from independence which is one of the key factors, the Nomination Committee also takes into account the Board's composition as well as the various diverse aspects, including gender, as set out in the Board Diversity Policy. The Nomination Committee also reviews on a timely basis any changes in the Directors' professional engagements as well as other directorships or commitments to ensure compliance with the independence criteria and their commitment and devotion to the Board.

The Board currently consists of one female director, representing 10% of the Board. The Board is of the view that gender should not be the only factor in selecting a candidate for the Board. The Company would follow the Board Diversity Policy to take into account various factors in identifying suitable candidates for appointment to the Board, and may adjust the proportion of female Board member over time as appropriate.

3.1.6. BOARD PROCESS

The Board meets regularly, and at least four times a year with meeting dates scheduled prior to the beginning of the year. Between scheduled meetings, monthly updates and other information with respect to the performance and business activities of the Group had been provided to Directors on a regular basis. Whenever warranted, additional Board meetings are held. Further, Directors have full access to information on the Group and independent professional advice at all times whenever deemed necessary and they are at liberty to propose appropriate matters for inclusion in Board agendas.

In 2022, the Company held four Board meetings with 100% attendance. All Directors attended the Annual General Meeting (“AGM”) of the Company held on 14 May 2022 and the Board meeting held on the same day.

Taking into consideration the various social distancing measures as strongly advised by the Hong Kong Special Administrative Region Government during the COVID-19 pandemic, the Company encouraged shareholders to attend the AGM and vote by means of electronic facilities

or exercise their right to vote at the AGM by appointing the Chairman of the AGM as their proxy instead of attending the physical AGM. In addition, the following precautionary measures were implemented in the interest of the health and safety of the shareholders attending the physical AGM:

- Shareholders were able to submit questions online during the AGM and send questions by email before AGM;
- Attendees were required to wear surgical face masks throughout the AGM and compulsory temperature screening/check before entering into the venue;
- Attendees were assigned seats at the AGM venue to ensure appropriate social distancing and facilitate contact tracing;
- Attendees were required to scan the “LeaveHomeSafe” venue QR code and to present valid vaccination record or recovery record as required under directions issued pursuant to the Prevention and Control of Disease (Vaccine Pass) Regulation before admitting into the AGM venue; and
- Attendees were encouraged to do a rapid antigen test for COVID-19 on the date of the AGM before they go into the AGM venue.



• CORPORATE GOVERNANCE •

| Directors | Board Meeting Attended/ Eligible to Attend | Attendance at 2022 AGM |
|---|--|---------------------------|
| Chairman | | |
| Victor T K Li | 4/4 | 1/1 |
| Executive Directors | | |
| KAM Hing Lam <i>(President)</i> | 4/4 | 1/1 |
| IP Tak Chuen, Edmond <i>(Senior Vice President and Chief Investment Officer)</i> | 4/4 | 1/1 |
| YU Ying Choi, Alan Abel <i>(Vice President and Chief Executive Officer)</i> | 4/4 | 1/1 |
| TOH Kean Meng, Melvin <i>(Vice President and Chief Scientific Officer)</i> | 4/4 | 1/1 |
| Non-executive Directors | | |
| Peter Peace TULLOCH | 4/4 | 1/1 |
| Independent Non-executive Directors | | |
| KWOK Eva Lee | 4/4 | 1/1 |
| Colin Stevens RUSSEL* | 2/2 | 1/1 |
| KWAN Kai Cheong | 4/4 | 1/1 |
| Paul Joseph TIGHE | 4/4 | 1/1 |
| Donald Jeffrey ROBERTS | 4/4 | 1/1 |

Note:

* Retired as an Independent Non-executive Director with effect from 1 September 2022.

In addition to Board meetings, in 2022 the Chairman met with Independent Non-executive Directors twice without the presence of other Directors. The Independent Non-executive Directors are encouraged to provide their independent views to the Board.

3.1.7. BOARD COMMITTEES

The Board has established five Board Committees: the Audit Committee, the Remuneration Committee, the Nomination Committee, the Sustainability Committee and the Executive Committee. Each Committee is delegated with authority to deal with specific matters with a view to operating effectively, and giving appropriate attention and consideration to these matters.

The table below provides membership information of these Committees on which Board members serve:

| Directors | Board Committee | Audit Committee | Remuneration Committee | Nomination Committee | Sustainability Committee* | Executive Committee* |
|-------------------------|------------------------|------------------------|-------------------------------|-----------------------------|----------------------------------|-----------------------------|
| Victor T K LI | | | M | M | | C |
| KAM Hing Lam | | | | | | M |
| IP Tak Chuen, Edmond | | | | | C | M |
| YU Ying Choi, Alan Abel | | | | | | M |
| TOH Kean Meng, Melvin | | | | | | M |
| Peter Peace TULLOCH | | | | | | |
| KWOK Eva Lee | | | C | | | |
| KWAN Kai Cheong | C | | | | | |
| Paul Joseph TIGHE | M | | | C | M | |
| Donald Jeffrey ROBERTS | M | | M | M | | |

Notes:

* also comprises other key personnel

C Chairman of the relevant Board committees

M Member of the relevant Board committees

• CORPORATE GOVERNANCE •



AUDIT COMMITTEE

The role of the Audit Committee is to assist the Board in fulfilling its audit duties through the review and supervision of the Company's financial reporting system, the effectiveness of risk management and internal control systems. It regularly reviews the scope, extent and effectiveness of the activities of the Group's internal audit function, the risk management framework and internal control systems, as well as develops and reviews the Company's policies and practices on corporate governance including compliance with statutory and Listing Rules requirements.

The Audit Committee, which comprises only Independent Non-executive Directors, is chaired by an Independent Non-executive Director and is comprised of two other Independent Non-executive Directors as members, more than one of whom possesses the relevant financial and

business management experience and skills to understand financial statements and monitor the corporate governance, risk management and internal control of the Company. At the Audit Committee's meeting held in March 2023, members of the Audit Committee had examined the Company's policies and practices on corporate governance and compliance with legal and regulatory requirements including: Corporate Governance Policies, Anti-Money Laundering Policy, Competition Compliance Policy, Model Code for Securities Transactions by Directors, Privacy Policy and Personal Information Collection Statement and Sanctions Compliance Policy.

For more information, please refer to the terms of reference of the Audit Committee and 2022 Corporate Governance Report of the Company.

REMUNERATION COMMITTEE

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for the remuneration of Directors and the management, and reviewing the remuneration packages of all Executive Directors and the management with reference to the corporate goals and objectives of the Board resolved from time to time.

The Remuneration Committee, with a majority of the members thereof being Independent Non-executive Directors, comprises an Independent Non-executive Director and is comprised of one Executive Director and one other Independent Non-executive Director as members. The composition of the Remuneration Committee meets the requirements of chairmanship and independence under the Listing Rules.

For more information, please refer to the terms of reference of the Remuneration Committee and 2022 Corporate Governance Report of the Company.

NOMINATION COMMITTEE

The Nomination Committee is responsible for reviewing the structure, size, diversity profile and skills matrix of the Board and independence of Independent Non-executive Directors and making recommendation on the appointment or re-appointment of Directors and succession planning for Directors.

The Nomination Committee, which comprises a majority of Independent Non-executive Directors, is chaired by an Independent Non-executive Director and includes one Executive Director and one other Independent Non-executive Director as members.

The nomination process is conducted in accordance with the Director Nomination Policy and Board Diversity Policy, which are available on the website of the Company.

For more information, please refer to the terms of reference of the Nomination Committee and 2022 Corporate Governance Report of the Company.

SUSTAINABILITY COMMITTEE

The Sustainability Committee, which is chaired by an Executive Director, with one Independent Non-executive Director and the Company Secretary as members, was set up by the Board to oversee management and advise the Board on the development and implementation of the sustainability initiatives of the Group, including reviewing the related ESG policies and practices, and assessing and making recommendations on matters concerning the Group's sustainable development and ESG risks.

For more information, please refer to "Sustainability Governance" on pages 14 to 15 and the terms of reference of the Sustainability Committee of the Company.

EXECUTIVE COMMITTEE

The Executive Committee is responsible for overseeing the operation of the Group. It meets regularly to discuss and make decisions on matters relating to the management and operations of the Company, and to assess and make recommendations to the Board on acquisitions of or investments in business or projects.

The Executive Committee is chaired by the Chairman of the Board and comprises four Executive Directors and two key personnel of the Company as the members. The Executive Committee may invite other persons to attend all or part of any meetings as considered appropriate.

For more information, please refer to the terms of reference of the Executive Committee and 2022 Corporate Governance Report of the Company.

3.2. BUSINESS ETHICS

3.2.1. WHY IT MATTERS

Business ethics is the cornerstone to ensuring morality and ethical conduct throughout the Group. In the face of gradually tightening guidelines, regulations, policies or measures related to business ethics by the government and regulators, as well as the rising expectations from investors and the public for businesses to operate ethically and handle social and environmental issues responsibly, the Group continues to promote and cultivate business ethics mindset at all levels.

By upholding high standards of integrity, the Group gains growing trust of its stakeholders. It also facilitates the attraction, retention and engagement of talents and enables the Group to select value-aligned suppliers and business partners.

3.2.2. OUR COMMITMENT

The Group recognises the significance of ethical business conduct to create a safe, trusting and cooperative work environment. The Employee Code of Conduct underpins the Group's commitment and serves as a guideline to promote honest and moral conduct and compliance with applicable laws, rules and regulations within the Group. All employees, including directors and officers, whether full-time or part-time, contract or temporary staff, must become familiar and fully comply with that Code. The Group expects and encourages prompt internal reporting of any violation or suspected violation of the Employee Code of Conduct.

Several other Group policies also support the commitment to promoting business ethics in the Group, including:

| Corporate Policy and Guideline | Expectations and Requirements | Applicable to |
|--|---|--|
| Anti-Fraud and Anti-Bribery Policy | <ul style="list-style-type: none"> Prohibits of Improper Payments, Kickbacks and Other Forms of Bribery | All employees |
| Information Security Policy | <ul style="list-style-type: none"> Defines the Group's information confidentiality, integrity and availability | All employees |
| Media, Public Engagement and Donation Policy | <ul style="list-style-type: none"> Provides clear, consistent and congruent messages for our businesses through the media in a speedy, professional and well-coordinated manner; Establishes a framework for handling incoming requests for corporate donation and sponsorship activities | All employees |
| Policy on Appointment of Third Party Representatives | <ul style="list-style-type: none"> Provides guidelines on exercising proper controls in hiring Third Party Representatives | All employees |
| Policy on Handling of Confidential Information, Information Disclosure, and Securities Dealing | <ul style="list-style-type: none"> Provides guidelines on the handling of confidential information, information disclosure and securities and dealing | All employees |
| Whistleblowing Policy — Procedures for Reporting Possible Improprieties | <ul style="list-style-type: none"> Provides reporting channels and guidance on reporting possible improprieties in matters relating to the Group, and reassurance to the reporting person or entity of the protection that the Group will extend to them | All employees as well as independent third parties who deal with the Group |
| Supplier Code of Conduct | <ul style="list-style-type: none"> Provides guidelines to encourage compliance with items in the Code and bring broader improvements in sustainability practices and performance | All business partners and suppliers |

Biannual anti-bribery and anti-corruption control assessment is conducted to evaluate the effectiveness of controls for managing bribery risks and develop actions to improve the control environment.

3.2.3. HOW WE WORK

The Employee Code of Conduct is adopted by all business units of the Group, outlining all principles of business conduct and ethics, reporting of illegal or unethical behaviour, and possible disciplinary action for any non-compliances.

The Group adopts an approach of zero tolerance towards any form of bribery, corruption and fraud. A monitoring and management control system is in place to detect bribery, fraud or other malpractice. A whistleblowing mechanism is also established, allowing employees and other third parties to report suspected misconduct, irregularities and malpractices anonymously in confidence. All reported cases will be followed up promptly; confirmed cases will be reported to the Audit Committee and executive management.

Striving to ensure employees are aware and trained on applying the Employee Code of Conduct in their work, the Group provided anti-corruption training relating to (i) ethical considerations and internal control required to address the complexities of digital transformation facilitating remote working; and (ii) ethical values and fraud prevention in relation to digital transformation, to help them keep abreast of current trends and issues facing the Group.





Business ethics related training programmes are also provided to employees at each of our business units. At Lipa, employees are trained annually on the whistleblowing policy and anti-corruption. Employees are trained on the processes available to work through the whistleblowing policy, as well as to recognise bribery or corruption practices. All new joiners in Accensi Pty Limited (“Accensi”) are arranged a mandatory “Code of Conduct and Ethics” training, while other employees are required to complete a refresher training biannually to ensure their competency in maintaining ethical behaviour. Dominion continues to organise online training for General Managers and Senior Leadership Team to build awareness and understanding regarding money laundering. In addition, Vitaquest offered a virtual course to the Vice President of Finance to provide insights on the application of ethical standards and ethical values in the workplace.

3.3. REGULATORY COMPLIANCE

As explained in previous sections, the Group recognises the significance of regulatory compliance and has established respective detection, preventive measures and monitoring actions to ensure compliance with relevant laws and regulations relating to the bribery, extortion, fraud and money laundering. The Group is not aware of (i) any breach of laws and regulations relating to bribery, extortion, fraud and money laundering that have a significant impact on the Group; or (ii) concluded legal cases regarding corrupt practices brought against the Group or its employees during the reporting period.



• ENVIRONMENT •

Dedicated to protecting the environment and supporting sustainable development, the Group makes a concerted effort to adhere to the highest environmental standards and manage its environmental footprint across its network of operating markets.



This year, the Group has begun the journey to assess and enhance its readiness towards disclosure that aligns with the recommendations by TCFD. The business units have also further refined their energy consumption, waste reduction, and water usage targets for setting out the necessary changes to deliver on these commitments and ensuring more effective monitoring of the environmental progress. These targets contribute towards reducing the Group's carbon footprint and environmental impact from operations.

4.1. OUR ENVIRONMENTAL PROGRESS ACROSS OPERATIONS

The Group makes strong commitments to the continual improvement of its environmental performance through developing environmental targets across the business units. To achieve these targets, business units have developed action plans and review the progress annually to identify further areas of enhancement.



• ENVIRONMENT •

| | Business unit | Target | Progress achieved and our work plan |
|---------------|----------------------|---|--|
| Energy | Lipa | Reduce gas intensity by 25% by 2024 from 2019 baseline | <ul style="list-style-type: none"> • Upgrade steam traps to minimise steam loss and reduce the need for boilers to heat more water • Set up setback controls to reduce steam usage • Upgrade hot water boiler controls to adjust water supply temperature according to seasons • Dehumidification setback to turn off steam usage during non-production hours • Optimise drying process to maximize manufacturing throughput for soft gel |
| | | Reduce electricity energy intensity by 15% by 2024 from 2019 baseline | <ul style="list-style-type: none"> • Upgrade heating, ventilation, and air conditioning (“HVAC”) system to improve the control of chillers. In 2022, the stage 1 upgrades of the HVAC system have been completed • Set back the soft gel dehumidification process to less strict conditions according to needs to reduce energy consumption • Replace old chillers by more energy-efficient models |
| | Vitaquest | Shift energy usage to 100% renewable sources by 2025 | <ul style="list-style-type: none"> • Explore contractual arrangements to move towards a green/renewable source of electricity supply |
| | Cheetham | Reduce Liquefied Petroleum Gas (“LPG”) usage by 10% at Price site by 2025 | <ul style="list-style-type: none"> • Construct new building for new fluid bed dryer • Install new dryer and connecting equipment • Carry out electrical work, build control room and instrumentation |
| | | Reduce diesel usage by 10% at Bajool site by 2023 | <ul style="list-style-type: none"> • Use more energy efficient harvesters to replace old harvest trucks |
| | | Transition to renewable sources of electricity by 2024 | <ul style="list-style-type: none"> • Explore contractual arrangements to move towards a green/renewable source of electricity supply by engaging current suppliers on green energy and certifications and reviewing the supply charge on peak and off-peak rates |
| | Dominion | Transition to utilising more renewable sources of electricity | <ul style="list-style-type: none"> • Explore options to further increase usage level of renewable source of electricity from the current level of 80% on renewable grid onsite |

| | Business unit | Target | Progress achieved and our work plan |
|-----------------|----------------------|---|---|
| Emission | Accensi | Ensure GHG emission intensity is sustained or reduced from 2021 level by 2025 | <ul style="list-style-type: none"> Identify potential opportunities for emission reduction according to upcoming energy audit |
| | Lipa | Reduce GHG emissions intensity by 15% by 2024 from 2019 baseline | <ul style="list-style-type: none"> Implement the action items under the energy and gas targets |
| | Dominion | Reduce CO ₂ emission at Lake Grassmere site | <ul style="list-style-type: none"> Explore opportunities to reduce emission through available options including but not limited to upgrading of existing boilers |
| Waste | Accensi | Increases treatment of contaminated stormwater (hazardous waste) generated from operations by 10% by 2024 | <ul style="list-style-type: none"> Install the reverse osmosis water treatment plant at Narangba site Investigate and adopt other technology, such as micro-filtration or graphene oxide filtration at Narangba and Lara site Assess suitable treatment technologies based on site-specifics for full implementation |
| | Lipa | Achieve solid non-hazardous waste landfill diversion rate of 40% by end of 2023 | <ul style="list-style-type: none"> Install a new recycling compactor to support recycling of cardboard Expand the scope of the recycling programme Ongoing employee training on waste management, such as recycling practice with suitable equipment |
| | | Reduce paper consumption by 50% by end of 2024 from 2019 baseline | <ul style="list-style-type: none"> Transition towards electronic batch card system by the end of 2023 |
| | Vitaquest | By 2025, maintain our non-hazardous (recyclable and non-recyclable) waste intensity at the current level despite sales growth | <ul style="list-style-type: none"> Install and implement waste stretch wrap film capture system for baling to improve compactor load efficiency Reduce single-gallon plastic bottles from bleach concentrate from waste stream |
| | Cheetham | Using recycled paper by 2023 with potential opportunity to go paperless | <ul style="list-style-type: none"> Use recycled paper Move towards electronic documentation Set reduction target for paperless transition |
| | Dominion | Using recycled paper by 2023 with potential opportunity to go paperless | <ul style="list-style-type: none"> Use recycled paper Move towards electronic documentation Set reduction target for paperless transition |

• ENVIRONMENT •

| | Business unit | Target | Progress achieved and our work plan |
|--------------|----------------------|---|--|
| Water | Accensi | Explore opportunities for potable water reduction by ascertaining whether the cleaned water after filtration will be suitable for reuse in production | <ul style="list-style-type: none"> Establish reverse osmosis water treatment facilities to recover clean water from contaminated first-flush stormwater or stormwater retained in chemical manufacturing or storage bunds Return recycled water from reverse osmosis to main supply storage and use in production Investigate and implement other technology, such as micro-filtration or graphene oxide filtration, as appropriate |
| | Lipa | Reduce water intensity per million units by 25% by 2025 as compared to 2019 | <ul style="list-style-type: none"> Conduct a water mass balance to analyse usage, reduce loss and improve conservation Upgrade steam traps to minimise steam loss in system and reduce the amount of makeup water required in the boiler Ongoing employee training on water-conservation cleaning processes |
| | Vitaquest | By 2025, maintain water usage intensity at 2020 level despite sales growth | <ul style="list-style-type: none"> Implement low-flow sinks and flushometers Acquire drum washers for water conservation Use of new tower dilution station system for precise water and chemical usage Install ultrasonic water meters with flow usage program |

4.2. ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSION

4.2.1. WHY IT MATTERS

With the aim to mitigate its environmental impact, the Group places great emphasis on controlling energy consumption and GHG emissions. The Group recognises the potential risks to the business units arising from changes in emissions regulations and consumer expectations, and is dedicated to managing the associated costs with effective energy management.

Recognising the multitude of benefits of adopting new technologies for the development of operational processes, the Group continues to utilise innovative technologies to enhance the effectiveness and efficiency of business operations. For instance, the Group has deployed technologies that use alternative cleaner fuels or improve fuel efficiency to reduce exposure to risks of volatile fuel prices and supply disruptions, as well as future regulatory costs and other potential consequences of GHG emissions.

4.2.2. OUR COMMITMENT

The Group is committed to driving an energy-saving culture and enhancing process efficiency across its operations to manage its environmental impact. Suppliers, business partners, and where applicable, customers are encouraged to further their efforts at environmental stewardship.

The Group is undertaking a range of measures to reduce energy consumption and improve energy efficiency in all business activities. Equipment is converted, retrofitted and replaced where appropriate to reduce fuel consumption and GHG emissions.

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The commitment to energy reduction is formalised in the “Environmental Policy”, which is based on the following key principles:



Increase the usage of innovative and energy-efficient technology in the Group’s operations to reduce energy consumption arising from day-to-day operations



Track and monitor the use of energy across the Group’s operations.

.....

• ENVIRONMENT •

4.2.3. HOW WE WORK

As set out in the “Environmental Policy”, the Group commits to enhancing environmental performance by implementing an Environmental Management System (“EMS”) that outlines the efficient use of resources, reduction of waste and reducing the environmental impact from its operations. Accensi and Cheetham have an ISO14001:2015-certified EMS in place. An Environmental Management Team has also been formed at Lipa to set, track and monitor environmental performance indicators, including but not limited to water quality, energy, waste and emissions.

The Group’s businesses have all respectively embarked on energy efficiency projects.

Since 2021, Lipa has applied heat reflective paint (“SkyCool”) to reduce the energy consumption of the air conditioning system in our warehouse. In 2022, Lipa upgraded the hot water boiler controls to allow boilers to be switched off during summer periods, thus reducing GHG emissions by saving natural gas and enhancing operational efficiency. Moreover, Lipa conducted external energy audits to map out major energy users and formulate an Emission Reduction Plan, providing a comprehensive overview and clear direction for future emission reduction projects.

There are currently 1,820 solar panels installed at Vitaquest’s headquarters. As of September 2022, 335,202 kilowatt hours (“kWh”) of energy has been generated by the panel systems. In addition, Vitaquest has installed motion detector switches throughout the facilities to save electricity since 2019.

Accensi replaced the lighting in their Lara factory in the previous year with more energy-efficient lighting. This saves 68,890 kWh per year compared to the previous usage of 144,518 kWh per year, effectively a 48% reduction in energy consumption for this site.

In 2022, Dominion started using hybrid and economical vehicles to reduce fuel consumption. Dominion also used coastal shipping to minimise road transportation by trucks, thus contributing to the reduction of GHG emissions.



The application of heat reflective paint (SkyCool) on the roof helps keep Lipa’s warehouse cool and reduces energy consumption.



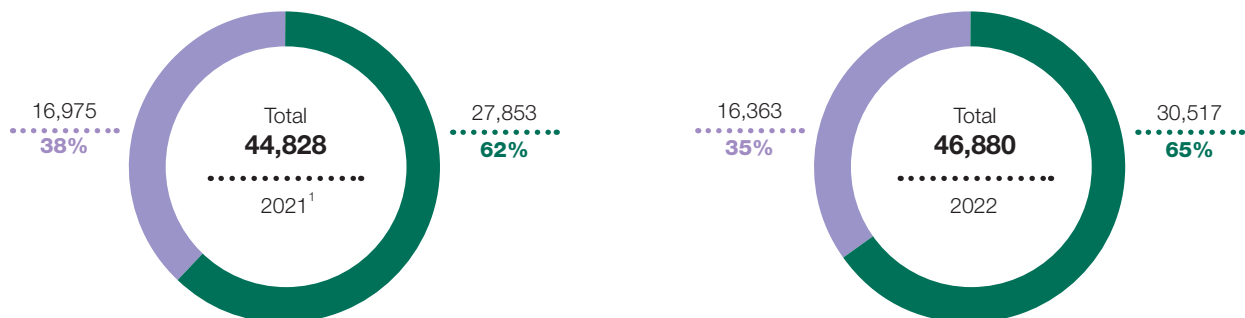
Solar panels are installed at Vitaquest’s headquarters to generate electricity onsite and hence reduce purchased electricity.



The replacement of lighting with more energy-efficient options in Accensi’s Lara factory helps save energy and reduce our carbon footprint.

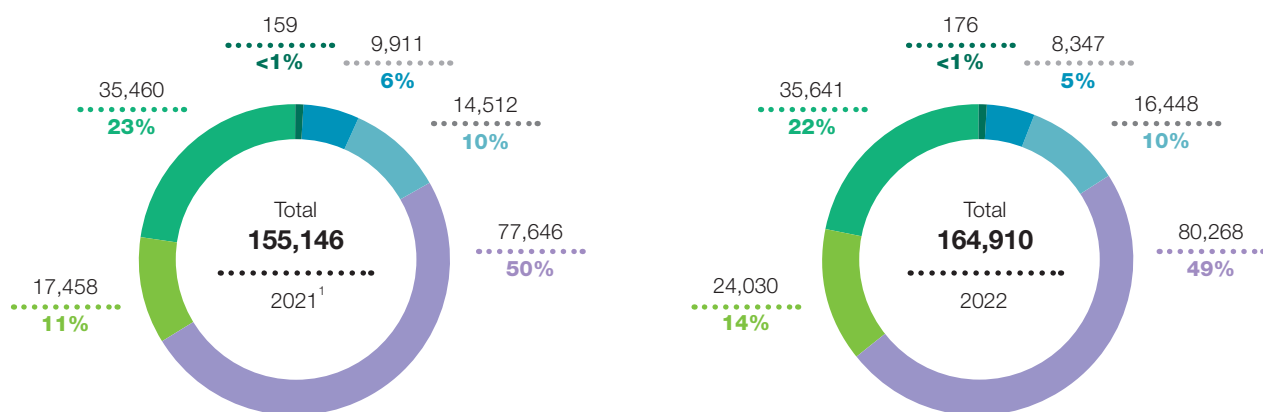
GHG scope 1 and 2 emissions (tonne CO₂e)

- Scope 1 – Direct emissions from operations that are owned or controlled by the Group.
- Scope 2 – “Energy indirect” emissions resulting from the generation of purchased or acquired electricity, heating, cooling and steam consumed within the Group.



Energy consumption by type ('000 kWh)

- Gasoline/Petrol
- Diesel
- LPG
- Natural gas
- Other fuel
- Electricity



Note:

(1) The GHG emissions data and energy consumption in 2021 has been restated after integrating a more accurate dataset.

• ENVIRONMENT •

Overall, the emission levels in all business units are well below the licence limits.

During the year, the Group's operations generated 46,880 tonnes of carbon dioxide equivalent ("CO₂e"). Direct emissions (Scope 1) is the source of more than 65% of the total GHG emissions.

For energy consumption, the total energy consumed by the group was 164,910,000 kWh, out of which natural gas is the most consumed energy, accounting for 49% of the total energy consumption, followed by electricity (22%) and other fuel (14%).

Compared to 2021, the total GHG emissions and total energy consumption in 2022 rose by 5% and 6% respectively. This was due to business activities gradually resuming to normal along with the lifting COVID-19 restrictions at various regions. In addition, the longer operating hours at Dominion and increased fuel consumption at Cheetham in the production process to accommodate extreme rainy weather also contributed to the increase in total energy consumption and in turn led to the rise in total GHG emissions. In aggregate, Dominion and Cheetham accounted for 73% (120,191,000 kWh) of the total energy consumption, and 67% (31,447 tonne CO₂e) of the total GHG emissions.



• LOOKING FORWARD •

In addition to commissioning audits to identify opportunities in reducing energy consumption and related carbon emission, in 2022 we have stepped up efforts to develop quantifiable emission and energy targets with the aim of transitioning our business operations to a low-carbon business model. We will continue to advance our progress towards sustainability and collaborates with our suppliers, customers, and communities to innovate to reduce carbon emissions and improve our environmental footprint.

4.3. CLIMATE CHANGE

4.3.1. WHY IT MATTERS

Climate change leads to profound impacts across the globe including heat waves, drought, storm floods, changes to rainfall patterns, water availability in water-stress areas and land degradation. Considering the potential adverse impact of climate events on the demand, availability, quality and pricing of many of the Group's products, the Group's business operations and performance could be affected, particularly in the agriculture-related sector. Some of the Group's assets and facilities are in areas at risk of damage from natural disasters, which could disrupt its operation and adversely affect the Group's financial conditions and growth.

Nevertheless, climate change also offers business opportunities in spurring innovation, inspiring new products that are more tolerant to environmental stress or less carbon-intensive. In addressing the related risks, the Group could also work to enhance the resilience of its supply chains.

4.3.2. OUR COMMITMENT

The Group is committed to mitigating the impact of climate change and adapting to it by identifying and addressing the associated challenges and opportunities. Ongoing assessment of the potential risks arising from climate change is necessary to ensure proper and timely strategies and actions are taken to address the causes and effects of climate change on the Group's operations.



• ENVIRONMENT •

In the “Environmental Policy”, the Group has outlined its position and principles on managing the impact arising from climate change. Several key points are summarised as follows:

- address climate change risks as part of the Group’s risk management process;
- set up long-term targets to reduce carbon emissions as appropriate, while enacting processes and systems to monitor the Group’s carbon footprint;
- incorporate climate change considerations into its business strategies;
- establish appropriate procedures and processes to prevent or minimise the damage that climate change may cause and take advantage of the opportunities that may arise;
- reduce, where feasible, the production of greenhouse gases, ozone-depleting emissions and other air pollutants within the Group’s operations;
- increase the adoption of innovative and energy efficient technology in the Group’s operations to reduce energy consumption arising from day-to-day operations, such as the use of renewable energy, eco-friendly travel plan or video conferencing technology to minimise the need for business travel; and
- track and monitor the carbon emissions across the Group’s operations.

4.3.3. HOW WE WORK

We are exposed to both the physical and transition risks of climate change. The demand, availability, quality and pricing of many of our products, as well as those of our customers could be affected by climate change, especially in the agriculture-related sector, thereby impacting our business performance. Furthermore, ongoing climate change can trigger severe natural events such as drought and bushfires that may destroy or damage the Group’s assets.

Understanding the location, nature and scale of these potential risks is crucial for effectively mitigating their impact. Climate change is assessed as part of our enterprise risk management framework. Risk registers are maintained to ensure key risks and material emerging risks are identified and monitored by the corporate and business unit levels respectively on an on-going basis.

In 2022, the Group has begun the journey to assess and enhance its readiness towards disclosure that aligns with the recommendations by TCFD, such as improving the climate governance practice at the business unit as well as the Group level. The Group will carry out a more comprehensive climate risk identification exercise in the next year to understand the impact of climate-related risks and opportunities on the Group’s value chain under different climate scenarios, which could act as a foundation for our transition to a low-carbon economy in the future.

4.4. WASTE MANAGEMENT

4.4.1. WHY IT MATTERS

The Group views waste management as an issue that significantly impacts all sectors of society and is associated with other challenges, such as health, climate change, and resource security. We expect more regulations relating to waste management will be introduced, which are likely to impact business operating environments. For instance, in Australia where some of the Group's major businesses operate, waste is a growing problem due to population and economic growth, impacting public health and raising concerns related to environmental damage.

In addition to mitigating the risks from growing regulatory requirements, effective waste management may also create opportunities for the Group to innovate, increase resource productivity, and potentially reduce operating costs.

4.4.2. OUR COMMITMENT

The Group's Environmental Policy has set out the guidelines for the business units to adopt effective waste management in operations, including the segregation, storage and handling of both hazardous and non-hazardous waste, and implementing measures to manage the use of resources. Environmentally friendly materials, products and processes with potential commercial applications are to be actively adopted, developed, and implemented where possible.

Our waste management plan is developed based on the following key principles:

- streamline procedures and processes to increase efficiency and reduce consumption of day-to-day operational inputs such as paper, electronic equipment and the like;
- minimise the Group's waste footprint by recycling and reusing materials where possible and setting waste reduction and/or recycling targets where viable;
- decrease the operational use of existing products while also sourcing from recycled or sustainable forest sources; and
- taking the necessary precautions and ensure compliance with legislation on the handling or disposal of any hazardous materials in operations.

4.4.3. HOW WE WORK

We view waste not only in its end state but evaluate both the processes and stages at which it is produced. Committed to promoting waste hierarchy, we focus on waste prevention and reduction, then prioritising the reuse, recycling, repurposing and safe disposal of the waste materials produced in the following ways:

• ENVIRONMENT •

KEEP PRODUCTS AND MATERIALS IN USE

Our business units have established and implemented systems to keep wood pallets in circulation and divert waste away from landfills, so as to reduce wood consumption across the Group. At Dominion, wooden pallets used extensively on-site are reused and repaired, and only sent to recyclers for composting when they are beyond economical repair.

A pallet reuse and return programme with vendors of raw materials was established at Vitaquest to allow for the return and reuse of truckloads of pallets to vendors.

To reduce the demand for new timber pallets and resources at Lipa, we collect and repair broken pallets for resale at a lower price. Unbroken pallets are distributed to third-party logistics companies to be reused in their transportation cycle. Reusable drums are used in bulk packaging to formulate a closed-loop system that reduces the demand for single-use cardboard shippers, thereby contributing to waste reduction in our packaging process. Lipa has also introduced a new recycling stream for gelatin which is recycled into paints and glues. This diverted around 78 tonnes of waste away from landfills in 2022. Moreover, Lipa has started exploring process improvement actions in softgel manufacturing to reduce gelatin net wastage in the future.

REDUCING PLASTICS FROM PACKAGING

The reduction of plastics in packaging minimises the environmental impact of the Group while also meeting growing expectations from customers to offer environmentally friendly products.

For instance, Vitaquest has been moving away from plastic and using paper for packaging as much as possible. In 2022, Vitaquest reduced using single-gallon plastic bottles from bleach concentrate from its waste stream. Also, Cheetham was exploring the use of recyclable packaging or packaging with recycled content with current suppliers. Its existing packaging suppliers are required to provide their recyclability certificates, where all single-substrate polyethylene bags are 100% recyclable. Dominion had removed the double wrapping of pallets to reduce the use of plastic.

Apart from implementing various measures across operations to minimise the use of plastics, the Group also stepped up efforts to promote sustainable packaging. In 2022, Lipa became member of the Signatories of the Australian Packaging Covenant Organisation (“APCO”) to drive towards more sustainable packaging.



Lipa collects reusable drums and pallets for reuse in their operations

PRIORITISING SUSTAINABLE MATERIALS

The Group places importance to procuring sustainable materials to minimise harmful wastes produced along the supply chain.

Vitaquest uses paperboard cartons and corrugated shippers supplied by certified fibre sourcing programmes. These materials significantly cut down on pollution and are certified by standards such as the Sustainable Forestry Initiative (“SFI”), Forest Stewardship Council (“FSC”), or American Tree Farm System (“ATFS”). While Lipa set aside a procurement budget for sourcing recycled office paper in the previous year, Lipa has achieved 100% of office paper being sourced from recyclable paper.

SAFE DISPOSAL OF PROCESS WASTE

The Group endeavours to manage the environmental impact on businesses by ensuring the safe handling of the waste produced in production processes. At Dominion, chemical residue from vacuum salt generation is amalgamated, dried, and shipped to a composting manufacturer to ensure safe disposal and reduce landfill use. Graphene oxide treatment technology was being assessed at Accensi to treat water-based herbicide washings and contaminated stormwater for removing contaminants.

RECYCLING OF ELECTRONIC WASTE

In 2022, Cheetham obtained certification that data on abandoned electronic devices have been properly erased before disposal and materials recovered be recycled to divert electronic waste from landfills by reusing or recycling them.



• **LOOKING FORWARD** •

Aiming to minimise our potential impact to the environment, we have developed targets for our businesses to reduce the generation of hazardous and non-hazardous waste by revisiting our production workflow and sourcing office paper from recycled sources.

We will continue to enhance our processes to identify and introduce waste management initiatives to shape a world with less waste.



4.5. WATER USE

4.5.1. WHY IT MATTERS

Being a critical resource for processing activities, the availability of water poses direct impact on the Group's productivity. With increasing exposure to risks related to water scarcity that may be further intensified by climate change, these risks need to be addressed through effective water management and informed capital investments based on the continuous assessment of operational risks.

4.5.2. OUR COMMITMENT

The Group is committed to complying with or exceeding the relevant laws and regulations' requirements on the discharges into water and land. Various measures have been undertaken by the Group to monitor and manage the water usage.

The reuse and recycling of materials in day-to-day operations and the adoption of technologies are encouraged to enable better water use control. At the same time, the Group actively promotes behavioural change among employees through internal communication, training and other means to cultivate greater internal awareness of environmental issues including water.

4.5.3. HOW WE WORK

A variety of initiatives have been implemented across the Group's business operations to reduce its impact on the environment and enhance water efficiency.

At Cheetham, bitters are reused in all production sites as part of the effort to reduce water usage. By increasing salinity through the reuse of bitters, a higher level of harvest can be achieved without using additional water.



The application of reverse osmosis treatment technology at Accensi to treat contaminated storm water for reuse in our products has allowed us to replace the use of town water and conserve precious resources.

• ENVIRONMENT •

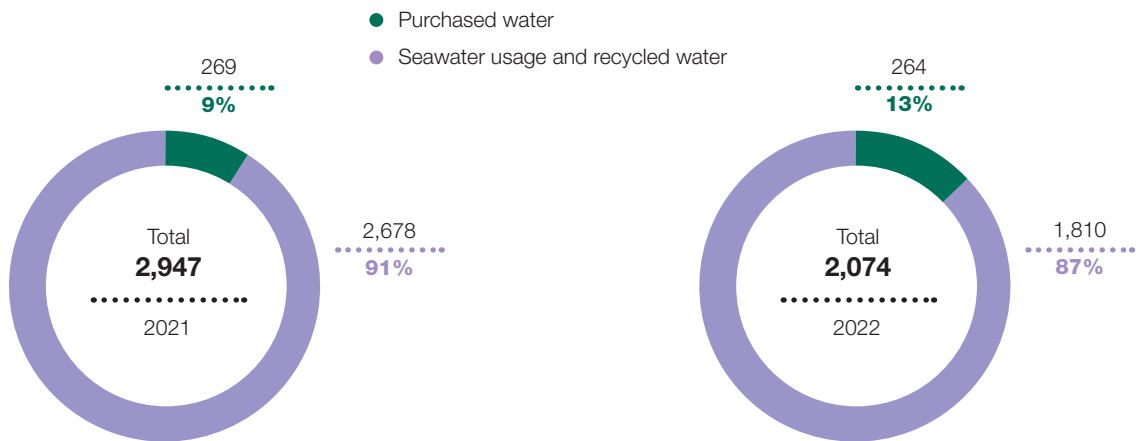
Vitaquest's headquarters have set up infrastructure to support water efficiency, including low-flow flushometers and sinks in Vitaquest's facilities that reduce water usage in the plumbing system. Since 2019, Vitaquest has installed in-line filter water systems, which also helped to minimise the consumption of plastic water jugs, plastic water bottles, as well as Styrofoam coffee cups. In 2022, Vitaquest installed a new tower dilution station to further minimise water usage. Accensi uses reverse osmosis treatment technology to treat contaminated stormwater for reuse in products to replace the use of town water as much as possible.

At Lipa, a water mass balance was conducted to analyse water usage, reduce loss and improve conservation. Data loggers have been installed on main water meters to provide real-time water usage pattern information which allow us to have a better understanding of the water usage across the site and identify water reduction opportunities.

During the year, the Group's operations consumed 2,074,000 m³ water, with the total water consumption intensity decreased by 26%. This mainly attributed to the implementation of water-efficiency initiatives at Lipa and Vitaquest.

Seawater usage and recycled water remains the main source of water of the total water consumption, accounting for 87% of the total water consumption. Compared with 2021, the percentage of seawater usage and recycled water decreased by 4% (2021: 91%; 2022: 87%). Due to unfavourable weather at Cheetham and Dominion, there were lower level of harvesting activity, and hence less seawater extraction.

Water Consumption ('000 m³)



• ENVIRONMENT •



• LOOKING FORWARD •

We have been making effort to roll up a variety of water-saving measures to manage water usage across business units. In 2022, we have developed quantifiable water intensity targets for some of our businesses with the aim to further minimise our environmental footprint. We will continue to lead the way in sustainability by pursuing our environmental goals and helping our operations achieve water reduction and relevant objectives.

4.6. REGULATORY COMPLIANCE

The Group has established policies and accountability mechanisms to ensure regulatory compliance across operations. The Group's management endeavours to stay abreast of the latest regulatory developments and provide relevant training for relevant personnel. Extensive efforts have been dedicated to ensuring the implementation of monitoring and detection measures and enabling regulatory compliance. During the reporting period, we were unaware of any material noncompliance with laws and regulations relating to air and GHG emissions, discharge into water and land, and generation of hazardous and non-hazardous wastes that would have a significant impact on the Group.



• SOCIAL •

Aspiring to be a preferred employer, the Group is dedicated to creating a safe and rewarding working environment for employees.





To establish a thriving business that also generates a positive impact on society, we strive to be an organisation that embodies integrity, responsibility, respect, and empowerment. We strive to act as a responsible employer, business partner and community member that achieves the best for ourselves and others' well-being.

5.1. HUMAN CAPITAL DEVELOPMENT



Accensi's employees attending Excel training at the local training facilities.

5.1.1. WHY IT MATTERS

Employees remain vital asset of the Group to provide excellence and value to our customers. The Group's business thrives as employees develop new products, conduct trials, manage government regulations, and commercialise new products with their specialised skills. In light of the complex business landscape and rapid technological advancement, attracting and retaining employees within a constrained talent pool is of utmost importance for the Group's competitiveness and long-term growth.

5.1.2. OUR COMMITMENT

Talent retention and nurture are attained by providing competitive remuneration, equal opportunities for development and a supportive workplace. As stated in the “Corporate Social Responsibility Policy”, the Group strictly adheres to non-discriminatory employment practices and procedures and is committed to:

- Providing a positive work environment that values the wide-ranging perspectives inherent in its diverse workforce and fostering individual growth and achievement of business goals;
- Providing a positive work environment that fosters growth and offering a wide range of training and development programmes and interest courses and activities;
- Ensuring internal equity and external competitiveness of employee remuneration and recognition; and
- Providing a safe workplace for all employees.



Vitaquest’s PROUD Champion Awards recognises employees who go above and beyond, overcoming challenges and contributing to the success of the company.

5.1.3. HOW WE WORK

5.1.3.1. ATTRACTION AND RETENTION OF DIVERSE TALENT

Merit-based remuneration mechanisms are in place to ensure the competitiveness of the Group. Remuneration packages are regularly reviewed against appropriate market data and adjusted as appropriate according to roles. Following the raise of minimum wage last year, in 2022, Vitaquest rewarded employees with bonuses to acknowledge the commitment and loyalty employees have demonstrated. Gift cards are also offered under the PROUD Champion Awards, where supervisors elect and recognise employees who have striven beyond their roles and helped Vitaquest overcome unprecedented challenges over the year.

Cheetham conducted an employee alignment and engagement survey during the year. The survey promoted employees’ performance by building the foundation of employee engagement enhancement for Cheetham’s management level. In addition, Cheetham conducted periodic remuneration reviews to ensure market-aligned best practices and a fair pay structure have been implemented.

The Group supports its employees by providing a wide variety of benefits, including medical care, life insurance and retirement benefits. Cheetham ensures the financial stability of employees by offering both full-time and part-time workers access to salary continuance insurance. This supports the lives of employees who become unable to work due to illness or injury.

All employees in Vitaquest are provided with life insurance which covers both short-term and long-term disabilities. Vitaquest also provides employees with the added benefit of replacing income in the event of major life changes. Moreover, Vitaquest will automatically withhold 3% of their eligible employees' annual compensation as contribution for their retirement. This measure supports employees' retirement living by enabling their savings for retirement and provides fair and equitable benefits across Vitaquest.

The Group recognises the dedication and devotion of our employees. Various initiatives are implemented to reward their unrelenting efforts and hard work. Prior to external recruitment, Accensi, Dominion and Lipa advertise all opening positions internally and seek internal transfer and promotion opportunities. Furthermore, Accensi and

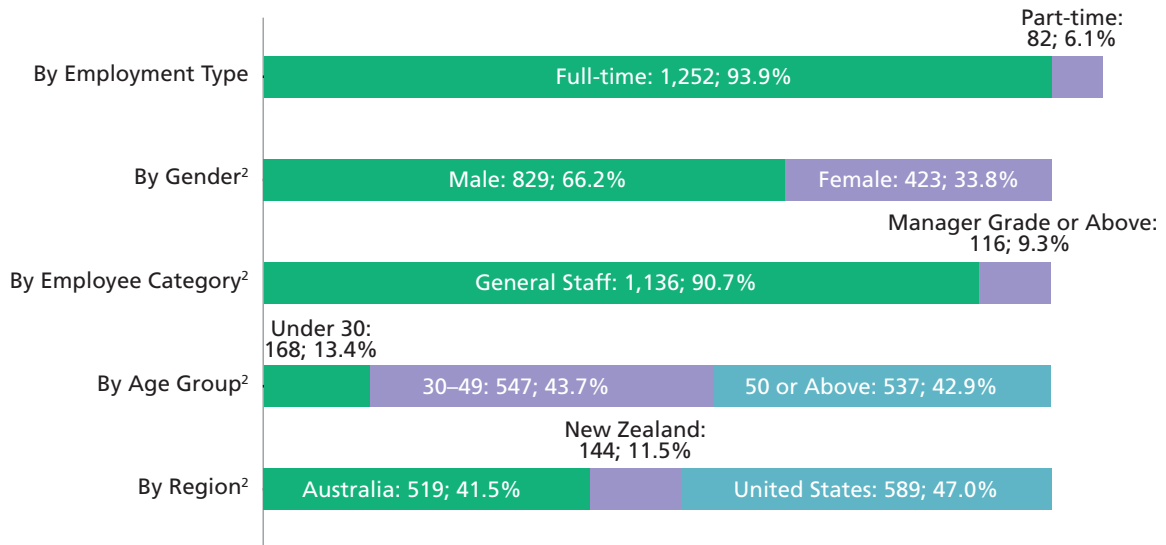
Dominion performs succession planning and framework for development to provide career pathways and progression for employees. These programmes reward diligent employees and create a healthy culture of internal mobility.

The Group believes promoting the mental wellbeing of employees is equally crucial to maintaining physical health. Therefore, we offer competitive leave entitlements and adopt flexible working arrangements to help employees strike a work-life balance.

Dominion employees are granted on occasion with special leave for study, family or other personal reasons. Vitaquest's full-time employees are also eligible to take two paid personal leave days per year.



Employee Profile¹

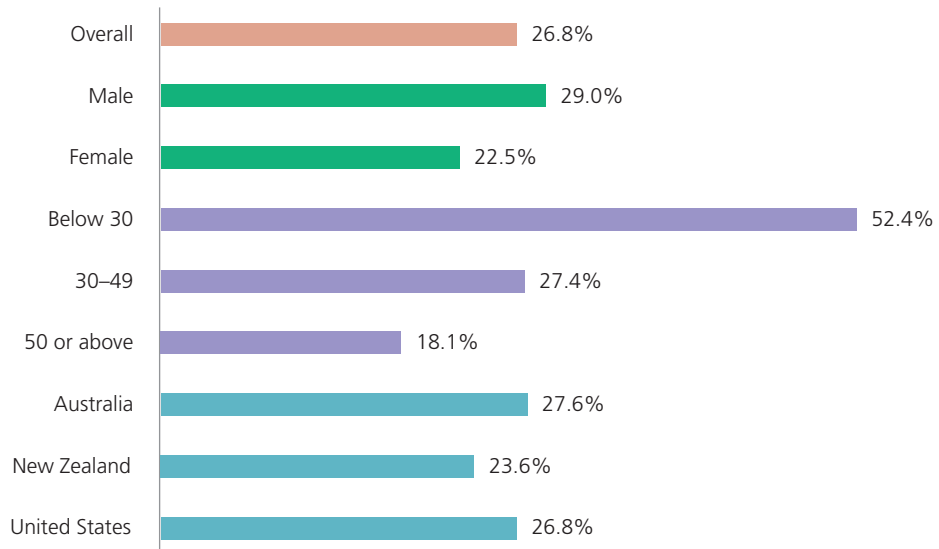


Notes:

(1) In-scope entities only.

(2) Full-time employees only.

Employee Turnover¹



Note:

(1) The turnover rate refers to full-time employees of the in-scope entities only, which is calculated by the number of employee departures during the year, divided by the total number of full-time employees as of 31 December 2022.

5.1.3.2. TRAINING AND DEVELOPMENT

It is an integral part of the Group's human capital management strategy to ensure the continuous growth of our employees through training and development programmes. To enhance the work performances of employees, tailored training programmes are provided to help equip employees with the knowledge and skills needed to fulfil their work duties and business needs. Regular trainings are provided in the form of seminars and workshops, while additional special training is conducted based on needs.

To identify training gaps that may occur within employees, Lipa established a Skills Gap Analysis System to ensure all employees remain competent to cope with the change in operations or standard operating procedures. It helps to identify all employee skill gaps, enable future training sessions planning and facilitate the monitoring of employees' training progress. Refresher training is also provided to staff to remind them of the proper procedures for infrequent tasks, ensuring that applicable and up-to-date working procedures are adopted. Moreover, an Early Intervention and Training Support system is in place when managers identify underperformance issues in employees, providing tailored support and reasonable training time to employees for performance improvement, minimising the need of taking any dismissal actions.



Vitaquest incorporates training topics in regular employee meetings, fostering a culture of growth, sharing of policy updates and best practices, and ensuring its team stays ahead of the curve.

Furthermore, to facilitate the growth of inexperienced employees, Lipa has implemented a buddy training system to pair an employee with a more experienced staff member. This allows the narrowing of knowledge gaps and promotes skills development among employees.

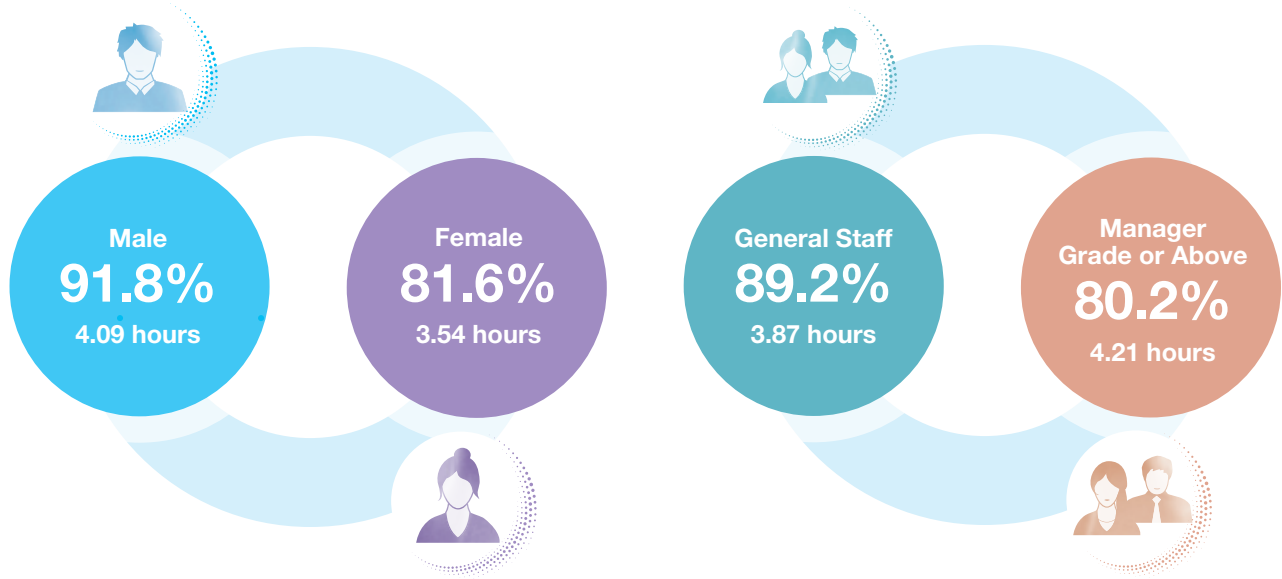
In Vitaquest, online and in-person training are arranged year-round as-needed based on company requirements and US Food and Drug Administration ("FDA") regulations, etc. Through the training, employees can attain the skills and knowledge to handle safety hazards and emergencies. This includes an annual general safety and Current Good Manufacturing Practices ("CGMPs") training covering all safety topics and emergency procedures. Vitaquest has also been working on several initiatives to improve employees' knowledge and capability on sustainability, such as creating an environmental charter for internal and external communications.

Accensi introduced a number of frameworks and procedures to assist in improving employee's knowledge and training gaps. For instance, an Individual Performance Plan ("IPP") framework has been established for employees and managers to set up objectives, while the Operator Competency Framework was developed to define competency requirements and provide guidance on training and development areas for various levels of production personnel. The Training and Development Procedure was also refreshed to determine the types, eligibility and approval processes for training and educational assistance to employees.



To break down language barriers and promote inclusiveness, Vitaquest's ESL Training Courses empower non-native English speaking employees to thrive in a diverse and inclusive workplace.

**Percentage of Employees Who Received Training⁽¹⁾
 and Average Hours of Training Per Employee⁽²⁾ by
 Gender and by Employee Category**



Notes:

- (1) Permanent full-time staff including terminated employees who left the Company during the reporting period. Percentage of employees who received training = number of employees trained/total workforce at the end of the reporting period x 100%.
- (2) Average training hours = total hours of training received by employees/total workforce at the end of the reporting period.

5.1.3.3.DIVERSITY AND EQUAL OPPORTUNITY

Striving to create a diverse, inclusive and supportive working environment free from any form of discrimination, we are determined to provide equal opportunities and fair treatments to our employees and job candidates irrespective of their gender, age, sexual orientation, nationality, family status, race, or religion.

Accensi, Cheetham and Lipa provide anti-discrimination and equal opportunity induction and refresher training to their employees, ensuring the principles of equal employment opportunity and diversity are embedded throughout business activities. Dominion’s and Lipa’s employment agreements outline that no roles are selected based on gender, and equal pay structure applies to all functions, regardless of their gender. Whistleblowing

policy is adopted, providing a safe environment to encourage employees to report issues surrounding discrimination in the workplace.

To promote inclusiveness in the workplace among employees from diverse cultural backgrounds, Vitaquest provides English as a Second Language (“ESL”) Training Courses for non-native English-speaking employees. This removes language barriers, facilitates communication between staff members and further encourages integration.

Other than internal initiatives, Cheetham annually renew membership in National Alliance of Women’s Organisations (“NAWO”) to support events targeting females in operational roles held by the organisation, demonstrating passion for gender equality.

5.2. OCCUPATIONAL HEALTH AND SAFETY

5.2.1. WHY IT MATTERS

Our employees involved in agriculture-related business processes and activities may be involved with risks of hazards, including falls, transportation accidents, equipment-related accidents and heat-related illness or injury, among others. Maintaining efficient operations while safeguarding the health of all employees and stakeholders are further challenged as the pandemic prolonged.

5.2.2. OUR COMMITMENT

The Group is committed to providing a safe and secure working environment for our employees, service providers, suppliers, contractors, and customers, and being free from any form of health and safety hazards.

This commitment is formalised in the “Health and Safety Policy”, which incorporates the following key principles:

- comply with all applicable laws and regulations in the relevant jurisdictions;
- meet industry-specific standards or reference relevant industry best practices;
- adopt local or international health and safety guidelines for goods and services purchased;
- maintain a safe working environment;
- provide employees and contractors with guidelines, training and development specific to their job requirements;
- assess the health and safety performance of contractors and suppliers regularly;
- engage employees and contractors through information sharing and programmes to improve their health and well-being, and solicit feedback for continuous improvements;
- monitor and report health and safety performance;
- provide sufficient resources to implement the Policy; and
- enforce the implementation of the Policy with regular reviews and internal audits.



5.2.3. HOW WE WORK

5.2.3.1. HEALTH AND SAFETY MANAGEMENT SYSTEM

Health and safety management systems are established by different business units as applicable to ensure compliance with local regulatory requirements.

In the previous year, Cheetham has set up a more comprehensive health and safety management system – the HSEQ Road map. In 2022, both Cheetham and Dominion attained the ISO 45001 certification, demonstrating a structured framework to establish a safe and healthy workplace. To further ensure appropriate processes are in place to manage workplace safety in Accensi, Cheetham, and Lipa, the National Manufacturing Manager, HSEQ Group Manager, and People & Culture Business Partner are responsible for governing the occupational health and safety management systems respectively.

WORKFORCE HEALTH IN TIMES OF COVID-19

The Group has provided extensive support to our employees to overcome challenges brought about by the continued outbreak of the pandemic while safeguarding our workforce.

INTENSIFIED HYGIENE AND CLEANING PROCEDURES

Vitaquest continues to update the Infectious Disease Response Plan to provide a clear framework to smooth company operations and business throughout the pandemic. COVID-19 Safety Protocols, which illustrated travel and exposure safety measures were also introduced this year to protect employees from the pandemic in the workplace. A Dedusting Safety Booth installed at the 100 Jefferson Road manufacturing facility is capable of fully dedusting employees in 17 seconds, which achieve greater sanitation while also saving time.



The Dedusting Safety Booth in Vitaquest helps maintain a safe and healthy workplace.



Vitaquest's employees have to follow intensified hygiene and cleaning procedures prior to entering the production facilities.

Accensi has set up sanitiser stations, visitor scanning, visitor control and mask-wearing policies at all sites in compliance with government requirements. Lipa has implemented ongoing monitoring of COVID-19 and communicates any updates from senior management including the CEO to all Lipa staff. Safety measures at work such as providing face masks, the option to work from home and increased cleaning and sanitation have contributed to minimising the risk of spreading the virus. To safeguard employee health, Cheetham has established a COVID-19 Roadmap to provide statistical data and case-by-case management.



Lipa has installed a dangerous gas monitoring system to ensure the safety of employees in the quality control laboratories.

5.2.3.2. HAZARD IDENTIFICATION AND RISK ASSESSMENT

The Group is committed to preventing workplace incidents and minimising occupational hazards through continuous identification and risk assessment.

To address workplace hazards and risks, the Safety Committee of Lipa holds regular safety meetings to address issues with corrective actions and responsibility assigned for rectification. The meeting also serves as a channel for any department to provide comments on potential risks to the Work, Health and Safety Committee. To further avoid workplace occupational risks, environment, health and safety training is held twice per year at Vitaquest and risk assessment is performed for identification of potential hazards.

The Group had no work-related fatalities in the past three years, with the lost time injury rate¹ of 11.71 per million hours in 2022.

Note:

- (1) Number of lost-time injuries per million hours worked, calculated using the formula: (Number of lost-time injuries)/(Total hours worked in the reporting period) x 1,000,000

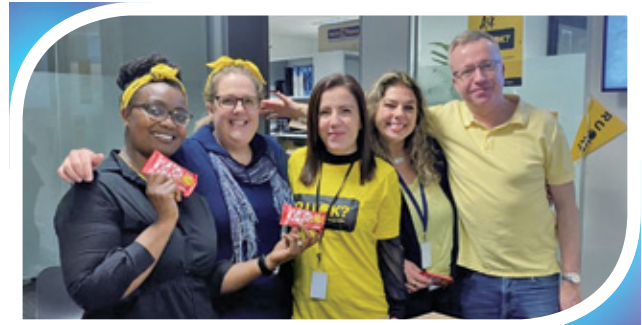


5.2.3.3. PROMOTION OF MENTAL HEALTH

The Group recognises the importance of maintaining not only the physical, but also mental wellbeing of its employees. Addressing the mental health needs of employees has become increasingly significant under the shadow of COVID-19 in the past three years.

Accensi, Cheetham and Lipa introduced hybrid working arrangements, providing employees with the flexibility to work from home when needed for managing work and family commitments. A flexible work schedule is also implemented so that employees can attain work-life balance by working whenever and however they can be most productive.

To support the mental health of employees, Accensi has renewed their Employee Assistance Programme such that professional counselling services can be provided to their employees. Cheetham has also converged the employee assistance programme where all employees have access to a hotline for support. In 2022, Cheetham participated in an Australian national initiative “R U OK?” Day to recognise the importance of mental health awareness and promote a caring culture in the workplace. These initiatives demonstrated the Group’s determination to maintain a healthier workforce.



In support of the 2022 Australian “R U OK” day, Cheetham hosted a special tea session to promote the message of “Ask, R U OK? No qualifications needed” and to encourage open communication among employees with the aim of enhancing the overall wellbeing of the workforce.



5.3. SUPPLY CHAIN MANAGEMENT

5.3.1. WHY IT MATTERS

The Group collaborates with a large number of suppliers to source inputs. Supply chain management issues concerning labour, environmental practices, ethics and corruption may result in reputation damage, regulatory fines and/or increased long-term operational costs to the Group.

Supply chain risks can be better managed through effective supply chain management and close collaboration with suppliers to enhance the capabilities of both the supplier and business in areas of process management and innovation of products and services. This in turn improves supply chain stability, which is critical to business continuance in the face of uncertainties such as pandemic-related impacts.

5.3.2. OUR COMMITMENT

The Supplier Code of Conduct is applied to all business partners, and products and service providers. It provides guidance to the Group's suppliers in implementing sustainable practices and performance.

This Code takes account of international charters and conventions such as the United Nation's Universal Declaration on Human Rights and the 1998 Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work.

Several other policies also support the Group's commitment to promoting supply chain sustainability, including:

| Supply chain-related policies | Expectations and Requirements |
|--|---|
| Human Rights Policy | The Group aims to help increase the protection and enjoyment of human rights within the communities in which it operates and expects business partners and suppliers to uphold the principles in the Policy. |
| Modern Slavery and Human Trafficking Statement | The Group has zero-tolerance for modern slavery and is fully committed to preventing modern slavery and human trafficking in any part of its business or in its supply chains. |
| Environmental Policy | The Group is aware of the indirect environmental impact through its influence on the related performance of its value chain and its investments. It endeavours to influence suppliers by raising awareness on environmental issues, eco-friendly practices and professional environmental considerations. |

5.3.3. HOW WE WORK

5.3.3.1. SUPPLIER SCREENING AND SELECTION

ESG-related factors are incorporated into the screening and assessment process for suppliers and contractors. To ensure the quality of our selected suppliers, different business units have developed and adopted standards relating to supplier management.

Vitaquest sets “Management of Purchased Materials” standard operating procedure to guide through the sourcing process. It provides a safeguard to reduce potential risks to the supply chain quality.

Vitaquest also has the “Management of Service Suppliers” standard operating procedure managed by the Food Safety Team. It involves issuing a service agreement to all service suppliers to ensure all services meet Vitaquest’s standards for quality and food safety.

Dominion has an Ethical Sourcing and Responsible Trading Policy in place to provide guidance on sustainable sourcing and managing potential supply chain risk. This ensures that product sourcing and businesses are being conducted in an ethical and responsible manner with considerations of the welfare of workers, health and safety and potential environmental impacts in the countries where we operate. Quality standard agreements have been implemented with key packaging suppliers and are monitored annually to encourage more vendors to adopt relevant standards.

All packaging products are purchased as fit for purpose and recyclable as much as possible. All polyethylene and clear plastics are recyclable; cartons and paper products are unbleached and recyclable; flexible intermediate bulk containers (“FIBCs”) are purchased and designed to minimise complexity for recyclers.

5.3.3.2. ONGOING MONITORING AND EVALUATION

Regular monitoring, audits and evaluations are carried out to assess the performance of suppliers.

In Cheetham, ongoing Approved Supplier programme has been carried out, with around 100 suppliers being involved in the review this year.

For Vitaquest, on top of the Procurement Vendor Scorecards to evaluate the performance of the top 100 vendors of the company, a Supplier Code of Conduct has been rolled out, demonstrating the company values and maintaining ethical standards for all working partners. The Procurement Team at Vitaquest has implemented Procurement Vendor Scorecards to evaluate the performance of the company’s top 100 vendors. On-Time In-Full (“OTIF”) is used to analyse the supply chain process within these vendors to gain knowledge of their overall performance.



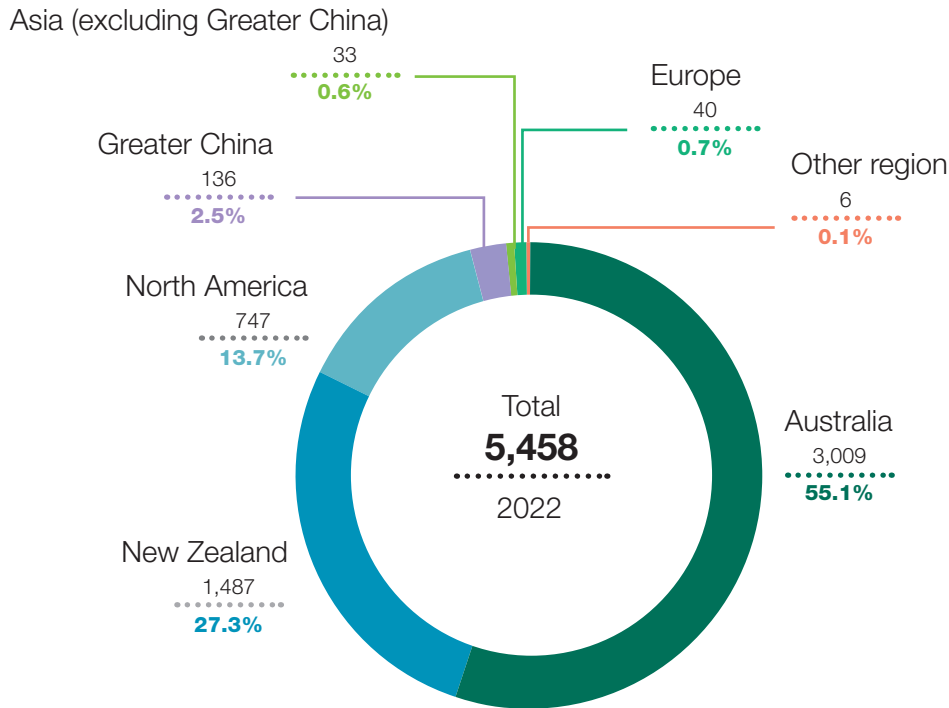
5.3.3.3. COMMUNICATION

The Group expects suppliers to uphold high ethical standards on matters relating to health and safety, environmental protection and fair labour practices. It strives to help vendors facilitate suppliers' understanding of the Group's expectations and meet these requirements through open communication.

Supplier engagement is conducted by holding open discussions from time to time. This provides a platform for exchanging ideas and helps initiate discussions and idea exchange between business units and suppliers from time to time to enhance the overall sustainability performance of the supply chain.

To implement the modern slavery policy across all vendors, Lipa engages with its suppliers directly and requires them to agree upon sharing any auditing and information of their practices relating to modern slavery for Lipa's review. This builds a mutual relationship with the suppliers where Lipa can evaluate, review, and monitor their actions, facilitating the continuous efforts in progressing any measures put in place to minimise the modern slavery risks.

Number of Suppliers by Geographical Region



5.4. PRODUCT RESPONSIBILITY

5.4.1. WHY IT MATTERS

In view of the rising concerns of consumers regarding food safety and close watch by regulators on the quality, safety and efficiency of nutraceutical ingredients and finished products, the Group acknowledges the importance of ensuring its products adhere to relevant safety and quality standards.

Given that the nutraceutical and food-related industries have a higher chance of facing challenges associated with the marketing, labelling and claims of specific products, the Group endeavours to ensure its marketing strategies comply with relevant regulations, while taking into consideration of the consumers' perception to manage their expectations towards products.

5.4.2. OUR COMMITMENT

The Group believes products that meet the high quality and safety standards of its products at all times are an important commitment of the Group. We strive to meet stringent quality standards and initiate self scrutiny on product safety and quality to drive performance improvement.

5.4.3. HOW WE WORK

5.4.3.1. PRODUCT SAFETY AND QUALITY

Quality assurance and control procedures are in place throughout all stages of production. Compliance screening will be arranged for raw materials prior to being purchased and used in production. Process owners monitor and control the manufacturing process. Finished products are subject to comprehensive laboratory testing to ensure conformance with product quality standards and customer expectations. These practices are consistent with applicable certification requirements such as Good Manufacturing Practices ("GMPs").

Quality of nutraceutical products is ensured through a systems approach. To ensure compliance with specific standard operating procedures in quality control, Lipa implements a Total Quality Management system at all levels. Internal and external parties review the system annually to ensure its suitability and effectiveness in the changing business environment.

At Lipa, their quality assurance team determines the potential vendors' risk by a vendor rating system to assess their management system and quality of product. Assessments are performed in the form of laboratory tests



Lipa was the proud recipient of the 2022 Complementary Medicines Australia Judge's Choice Award, demonstrating our quality performance and innovation among the industry.

for quality control and physical site inspections of the suppliers' facilities before engaging a supplier and every five years thereafter. This provides both Lipa and by extension their consumers with assurance that the sourcing of raw materials for their products is of sufficient quality and mitigates the risk of product recalls due to inferior quality. To ensure staff are trained to manage any future cases of product recall, and to provide root cause analysis that is timely and effective, Lipa's quality assurance team carries out routine mock recall exercises. For its efforts working towards quality and innovation, Lipa has won the 2022 Complementary Medicines Australia ("CMA") Judge's Choice Award. The award recognises Lipa's achievement in embracing a new standard in quality and innovation in transforming the industry.

At Accensi, the Queensland and the Western Australia sites are both ISO 9001 Quality Management System accredited. In 2022, Accensi completed the review of the Quality Management System and planned to arrange for training in the future to enhance its quality management expertise. Cheetham and Dominion's quality management systems are also ISO 9001 accredited, reviewed by management and audited by a third-party auditor. The systems also achieved Hazard Analysis and Critical Control Points ("HACCP") certification for identifying and controlling food safety hazards that may occur within the business.

Proactively leading the industry in quality and safety practices, Vitaquest became the first company of its kind in the United States to have achieved the FSSC 22000 Food Safety System Certification as a manufacturer of nutraceuticals and functional foods.

A Recall Committee has been established at Vitaquest to handle recall-related matters in accordance with FDA rules and regulations. Accensi manages product quality through Product Recall Procedure, Non Conformance Procedure, and Customer Complaints Procedure. Similarly, Cheetham has a Recall Procedure and simulation in place. Despite no product recalls in the reporting period, having a standard operating procedure in place ensures clear follow-up procedures in such instances.

5.4.3.2. CUSTOMER EXPERIENCE

The Group engages in frequent and open dialogues with customers to understand their needs and expectations. Different channels have been developed to gather and respond to opinions and complaints. For instance, Accensi, Cheetham, Lipa, and Vitaquest have established standard operating procedures to handle customers' complaints and claims to guide the complaint handling and the investigation processes. All complaints received are submitted to the QA manager for further examination at Lipa. After receiving a complaint, an investigation starts within 24 or 48 hours depending on the related risk category. In a Monthly Quality Review Meeting, customer complaints are analysed and reviewed in order to identify any areas for improvement and actions that can be carried out to reduce complaints in the future. During the year, we have received 707 product and service-related complaints.



The completion of Accensi's Quality Management System this year enhances our expertise and solidifies our commitment to providing exceptional products and services to our customers.

5.5. COMMUNITY INVESTMENT

The Group recognises the impact of its businesses operation on local communities and endeavours to make positive impacts by leveraging its strengths and resources.

Dominion has engaged with national and local government and provided feedback on future business-related developments. By sharing information and constructive comments, Dominion supports the decision-making process and facilitates the growth of the community.

Lipa is concerned about the quality of living of the local community. Regular noise pollution audits are conducted at sites to ensure that the neighbouring residents are not disturbed by the company's operations. Besides, Lipa places great emphasis on employing members from the local community it is operating in. These ongoing initiatives help build a solid and positive relationship with the community.

The Group is also committed to investing in the community. For instance, Vitaquest continues its partnership with Vitamin Angels, a non-profit organisation, to provide vitamins to children in need.

5.6. REGULATORY COMPLIANCE

Recognising the great importance in relevant regulatory compliance concerning health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress, the Group has preventive, monitoring and controlling measures in place to ensure compliance with relevant employment and labour laws and regulations.

The Group is not aware of (i) any material noncompliance with laws and regulations relating to employment, labour practices, health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress that have a significant impact on the Group; or (ii) any incident that has a significant impact on the Group relating to the use of child or forced labour during the reporting period.





• APPENDIX •

6.1. ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS

| Environmental KPIs ¹ | Unit | 2021 | 2022 |
|--|--|----------------------|----------------------------|
| GHG emissions² | | | |
| Total GHG emissions | tonne CO ₂ e | 44,828 ³ | 46,880 |
| Scope 1 GHG emissions | | 27,853 ³ | 30,517⁴ |
| Scope 2 GHG emissions | | 16,975 | 16,363 |
| Total GHG emissions intensity⁵ | tonne CO ₂ e/ HK\$'000 revenue | 0.010 ³ | 0.011 |
| Scope 1 GHG emissions intensity | | 0.006 ³ | 0.007 |
| Scope 2 GHG emissions intensity | | 0.004 | 0.004 |
| Use of energy | | | |
| Total energy consumption | '000 kWh | 155,146 ³ | 164,910 |
| Direct energy consumption | | 119,686 ³ | 129,269 |
| Gasoline/Petrol | | 159 | 176⁶ |
| Diesel | | 9,911 | 8,347⁷ |
| Natural gas | | 77,646 | 80,268 |
| Liquefied Petroleum Gas ("LPG") | | 14,512 | 16,448⁸ |
| Other fuels ⁹ | | 17,458 ³ | 24,030¹⁰ |
| Indirect energy consumption | | 35,460 ³ | 35,641 |
| Electricity | | 35,460 ³ | 35,641 |
| Total energy consumption intensity¹¹ | | kWh/ HK\$ revenue | 0.035 ³ |
| Direct energy consumption intensity | 0.027 ³ | | 0.031 |
| Indirect energy consumption intensity | 0.008 | | 0.008 |

- Any discrepancies between (i) totals provided and the sum of the numbers presented; and (ii) percentages provided and the associated numbers throughout the Report are due to rounding.
- GHG emissions comprise carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. The data are calculated using local/industry-specific methodology where applicable under regulations. Otherwise, the Scope 1 emissions are calculated using the latest available emission factors in line with the Greenhouse Gas Protocol, International Energy Agency's ("IEA") Energy Statistics Manual, United States Environmental Protection Agency's ("US EPA") Emission Factors for Greenhouse Gas Inventories and Environmental Protection Department and the Electrical and Mechanical Services Department's Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purpose) in Hong Kong (2010 Edition). Scope 2 emissions includes the emissions associated with electricity purchased and are calculated based on the IEA's latest available emission factors.
- The GHG emissions data and energy consumption in 2021 has been restated after integrating a more accurate dataset.
- The Scope 1 emissions increased by 10% compared with 2021. This is mainly due to the increased usage of bituminous coal for the coal boiler at Dominion to accommodate longer operating hours, as well as the increased usage of LPG at Cheetham for the prolonged drying process of salt products at Cheetham due to the extreme rainy weather.
- "Total GHG emissions intensity" equals "Total GHG emissions" over total revenue contributed by the In-scope Business Units, which is considered an appropriate intensity basis for the nature of the relevant business units.
- The gasoline/petrol consumption increased by 11% compared with 2021. This is mainly due to the replacement of a diesel vehicle with a hybrid car at Dominion.
- The diesel consumption decreased by 16% compared with 2021. This is mainly due to the replacement of diesel track trucks with more energy efficient harvesters at Cheetham and the replacement of a diesel vehicle with a hybrid car at Dominion, as well as the reduction in the number of trucks for transportation at Vitaquest.

• APPENDIX •

| Environmental KPIs ¹ | Unit | 2021 | 2022 |
|---|--------------------------------------|--------|----------------------|
| Use of water | | | |
| Water consumption | '000 m ³ | 2,947 | 2,074 ¹² |
| Water consumption intensity ¹³ | m ³ / HK\$'000 revenue | 0.664 | 0.488 |
| Air Emissions | | | |
| Nitrogen oxides (NO _x) emissions | tonnes | 0.907 | 0.486 ¹⁴ |
| Sulphur oxides (SO _x) emissions | | 0.016 | 0.014 ¹⁵ |
| Particulate matter (PM) emissions | | 0.057 | 0.015 ¹⁶ |
| Waste Produced | | | |
| Total hazardous waste produced | tonnes | 750 | 905 ¹⁷ |
| Total non-hazardous waste produced | | 26,287 | 18,133 ¹⁸ |
| Packaging material | | | |
| Total packaging material used for finished products¹⁹ | tonnes | 8,214 | 7,026 |
| Plastic | | 4,657 | 4,348 |
| Paper | | 1,641 | 1,596 |
| Metal | | 207 | 154 ²⁰ |
| Glass | | 143 | 89 ²¹ |
| Other packaging materials | | 1,566 | 839 ²² |

8 The LPG consumption increased by 13% compared with 2021. This is mainly due to the increased usage of LPG at Cheetham for the prolonged drying process of salt products due to the extreme rainy weather.

9 Includes bituminous coal.

10 The other fuel consumption increased by 38% compared with 2021. This is mainly due to the increased usage of bituminous coal for the coal boiler at Dominion to accommodate longer operating hours.

11 "Total energy consumption intensity" equals "Total energy consumption" over total revenue contributed by the In-scope Business Units, which is considered an appropriate intensity basis for the nature of the relevant business units.

12 The water consumption decreased by 30% compared to 2021. This is mainly due to the implementation of some water-efficiency initiatives at Lipa and Vitaquest reducing purchased water usage, as well as the unfavorable weather affecting the harvesting activities at Cheetham and Dominion and hence less sea water extraction.

13 "Water consumption intensity" equals "Water consumption" over total revenue contributed by the In-scope Business Units, which is considered an appropriate intensity basis for the nature of the relevant business units.

14 The NO_x emissions decreased by 46% compared to 2021. This is mainly due to less distance travelled resulting from reduced number of vehicles at Cheetham and Vitaquest.

15 The SO_x emissions decreased by 13% compared to 2021. This is mainly due to reduced usage of diesel following the replacement of diesel track trucks with more energy efficient harvesters at Cheetham.

16 The particulate matter emissions decreased by 74% compared with 2021. This is mainly due to less distance travelled resulting from reduced number of vehicles at Cheetham and Vitaquest.

17 The hazardous waste produced increased by 21% compared with 2021. This is mainly due to the cleanup of materials for a contaminated site at Accensi.

18 The non-hazardous waste produced decreased by 31% compared with 2021. This is mainly due to some water-efficiency initiatives at Lipa reducing fresh water consumption and in turn less waste water generation.

19 Packaging material used for finished products is the estimated volume purchased.

20 The metal used for finished products decreased by 26% compared with 2021. This is mainly due to the reduced production of liquid products, which require fewer intermediate bulk containers with plastic and metal in outer packaging.

21 The glass used for finished products decreased by 37% compared with 2021. This is mainly due to the reduction in production volume at Vitaquest.

22 The other packaging materials used for finished products decreased by 46% compared with 2021. This is mainly due to the reduced usage of wood pallets at Cheetham.

| Social KPIs²³ | Unit | 2021 | 2022 |
|--|-------------|-------------|--------------|
| Employee Profile | | | |
| Number of employees | Number | 1,317 | 1,334 |
| Number of employees by employment type | | | |
| Full-time | Number | 1,233 | 1,252 |
| Part-time | | 84 | 82 |
| Number of employees by gender ²⁴ | | | |
| Male | Number | 827 | 829 |
| Female | | 406 | 423 |
| Number of employees by employee category ²⁴ | | | |
| Manager grade or above | Number | 108 | 116 |
| General staff | | 1,125 | 1,136 |
| Number of employees by age group ²⁴ | | | |
| Under 30 | Number | 155 | 168 |
| 30–49 | | 552 | 547 |
| 50 or above | | 526 | 537 |
| Number of employees by region ²⁴ | | | |
| Australia | Number | 480 | 519 |
| New Zealand | | 123 | 144 |
| United States | | 630 | 589 |
| Employee Turnover²⁵ | | | |
| Overall turnover rate | % | 28.8% | 26.8% |
| Turnover rate by gender | | | |
| Male | % | 31.7% | 29.0% |
| Female | | 22.9% | 22.5% |
| Turnover rate by age group | | | |
| Under 30 | % | 52.9% | 52.4% |
| 30–49 | | 27.4% | 27.4% |
| 50 or above | | 23.2% | 18.1% |
| Turnover rate by region | | | |
| Australia | % | 33.8% | 27.6% |
| New Zealand | | 18.7% | 23.6% |
| United States | | 27.0% | 26.8% |

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| Social KPIs ²³ | Unit | 2021 | 2022 |
|--|--------|-------|---------------------|
| Health and safety | | | |
| Number of work-related fatalities of full-time employees | Number | 0 | 0 |
| Rate of work-related fatalities of full-time employees | % | 0% | 0% |
| Loss time injury rate per million hours worked ²⁶ | Rates | 7.3 | 11.71 ²⁷ |
| Training and development | | | |
| Percentage of trained full-time employees | % | 95.0% | 88.3% ²⁸ |
| Percentage of trained full-time employees by gender | | | |
| Male | % | 97.3% | 91.8% ²⁸ |
| Female | | 90.2% | 81.6% ²⁸ |
| Percentage of trained full-time employees by employee category | | | |
| Manager grade or above | % | 89.8% | 80.2% ²⁸ |
| General staff | | 95.5% | 89.2% ²⁸ |
| Average number of training hours completed by full time employees | Hours | 2.83 | 3.90 |
| Average number of training hours completed by full time employees by gender | | | |
| Male | Hours | 3.12 | 4.09 |
| Female | | 2.25 | 3.54 |
| Average number of training hours completed by full time employees by employee category | | | |
| Manager grade or above | Hours | 2.24 | 4.21 |
| General staff | | 2.89 | 3.87 |

²³ In-scope entities only.

²⁴ Full-time employees only.

²⁵ The turnover rate refers to full-time employees of the in-scope entities only, which is calculated by the number of employee departures during the year, divided by the total number of employees as of 31 December 2022.

²⁶ Number of lost-time injuries per million hours worked, calculated using the formula: (Number of lost-time injuries)/(Total hours worked in the reporting period) x 1,000,000.

²⁷ The loss time injury rate per million hours worked increased in 2022 from prior year, mainly due to shortage and frequent turnover of labor resulting in less than optimal operation with increased production and warehouse workload following the gradual resumption of business activities to normal along with the lifting COVID-19 restrictions at various regions. All cases are not serious and we will continue to improve our health and safety measures and ensure a safe working environment for our employees.

²⁸ The percentage of trained full-time employees decreased in 2022 from prior year, mainly due to less training dedicated to COVID-19 prevention practices held at Lipa, as the COVID-19 situation becoming less severe in 2022.

| Social KPIs²³ | Unit | 2021 | 2022 |
|---|-------------|----------------------|--------------|
| Supply Chain Management | | | |
| Number of suppliers by geographical region | | | |
| Australia | Number | 2,946 | 3,009 |
| New Zealand | | 1,412 | 1,487 |
| North America | | 781 | 747 |
| Greater China | | 131 | 136 |
| Asia (excluding Greater China) | | 32 | 33 |
| Europe | | 29 | 40 |
| Other region | | 8 | 6 |
| Product Responsibility | | | |
| Percentage of total products sold or shipped subject to recalls for safety and health reasons | % | 0.003% ²⁹ | 0% |
| Number of products and service related complaints received | Number | 674 | 707 |

29 In terms of sales value.

6.2. HONG KONG STOCK EXCHANGE ESG GUIDE CONTENT INDEX

| Mandatory Disclosure Requirements | | Section | Remarks |
|---|---|-----------------------|---------|
| Governance Structure | A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. | 2.1 2.2 | — |
| Reporting Principles — Materiality | (i) the process to identify and the criteria for the selection of material ESG factors; and (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. | 1.4 2.1.2 2.1.3 | — |
| Reporting Principles — Quantitative | Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable). | 1.4 6.1 | — |
| Reporting Principles — Consistency | The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison. | 1.4 6.1 | — |
| Reporting Boundary | A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. | 1.4 | — |

| Subject Areas, Aspects, General Disclosures and KPIs | | Section | Remarks |
|--|---|--------------------------|--|
| A. Environmental | | | |
| Aspect A1: Emissions | | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste | 4.2 4.4 4.5 4.6 | <ul style="list-style-type: none"> • Corporate Social Responsibility Policy • Environmental Policy • Supplier Code of Conduct |
| KPI A1.1 | The types of emissions and respective emissions data | 4.2 6.1 | — |
| KPI A1.2 | Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) | 4.2 6.1 | — |
| KPI A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) | 6.1 | — |
| KPI A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) | 6.1 | — |
| KPI A1.5 | Description of emission target(s) set and steps taken to achieve them | 4.1 4.2 | — |
| KPI A1.6 | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them | 4.1 4.4 | — |

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| Subject Areas, Aspects, General Disclosures and KPIs | | Section | Remarks |
|--|---|------------|--|
| Aspect A2: Use of resources | | | |
| General Disclosure | Policies on the efficient use of resources, including energy, water and other raw materials | 4.2 4.5 | <ul style="list-style-type: none"> • Corporate Social Responsibility Policy • Environmental Policy • Supplier Code of Conduct |
| KPI A2.1 | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility) | 4.2 6.1 | — |
| KPI A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility) | 4.5 6.1 | — |
| KPI A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them | 4.1 4.2 | — |
| KPI A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them | 4.1 4.5 | During the reporting period, the Group does not encounter any issues in sourcing water that is fit for purpose. |
| KPI A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced | 6.1 | — |

| Subject Areas, Aspects, General Disclosures and KPIs | | Section | Remarks |
|---|---|------------|--|
| Aspect A3: The Environment and Natural Resources | | | |
| General Disclosure | Policies on minimising the issuer's significant impacts on the environment and natural resources | 4.1–4.5 | <ul style="list-style-type: none"> • Environmental Policy • Supplier Code of Conduct |
| KPI A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them | 4.1–4.5 | — |
| Aspect A4: Climate Change | | | |
| General Disclosure | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer | 2.3 4.3 | <ul style="list-style-type: none"> • Environmental Policy |
| KPI A4.1 | Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them | 2.3 4.3 | — |
| B. Social | | | |
| Aspect B1: Employment | | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare | 5.1 5.6 | <ul style="list-style-type: none"> • Employee Code of Conduct |
| KPI B1.1 | Total workforce by gender, employment type, age group and geographical region | 5.1 6.1 | — |
| KPI B1.2 | Employee turnover rate by gender, age group and geographical region | 5.1 6.1 | — |

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| Subject Areas, Aspects, General Disclosures and KPIs | | Section | Remarks |
|--|---|------------|--|
| Aspect B2: Health and Safety | | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards | 5.2 5.6 | • Health and Safety Policy |
| KPI B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year | 5.2 6.1 | — |
| KPI B2.2 | Lost days due to work injury | 5.2 6.1 | We disclose the lost-time injury rate to properly reflect our health and safety performance instead of lost days due to work injury. |
| KPI B2.3 | Description of occupational health and safety measures adopted, and how they are implemented and monitored | 5.2 | — |
| Aspect B3: Development and Training | | | |
| General Disclosure | Policies on improving employees' knowledge and skills for discharging duties at work and description of training activities | 5.1 | — |
| KPI B3.1 | The percentage of employees trained by gender and employee category | 5.1 6.1 | — |
| KPI B3.2 | The average training hours completed per employee by gender and employee category | 5.1 6.1 | — |

| Subject Areas, Aspects, General Disclosures and KPIs | | Section | Remarks |
|--|--|------------|---|
| Aspect B4: Labour Standards | | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour | 5.3 5.6 | <ul style="list-style-type: none"> • Human Rights Policy • Modern Slavery and Human Trafficking Statement • Supplier Code of Conduct |
| KPI B4.1 | Description of measures to review employment practices to avoid child and forced labour | 5.3 | — |
| KPI B4.2 | Description of steps taken to eliminate such practices when discovered | 5.3 | — |
| Aspect B5: Supply Chain Management | | | |
| General Disclosure | Policies on managing environmental and social risks of the supply chain | 5.3 | <ul style="list-style-type: none"> • Human Rights Policy • Modern Slavery and Human Trafficking Statement • Supplier Code of Conduct |
| KPI B5.1 | Number of suppliers by geographical region | 5.3 6.1 | — |
| KPI B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored | 5.3 | <ul style="list-style-type: none"> • Policy on Appointment of Third Party Representatives |
| KPI B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored | 5.3 | — |
| KPI B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored | 5.3 | — |

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| Subject Areas, Aspects, General Disclosures and KPIs | | Section | Remarks |
|--|---|------------|---|
| Aspect B6: Product Responsibility | | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress | 5.4 5.6 | <ul style="list-style-type: none"> Employee Code of Conduct Policy on Personal Data Governance |
| KPI B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons | 6.1 | — |
| KPI B6.2 | Number of products and service related complaints received and how they are dealt with | 5.4 6.1 | — |
| KPI B6.3 | Description of practices relating to observing and protecting intellectual property rights | — | Our Employee Code of Conduct outlines our commitment to intellectual property rights protection. |
| KPI B6.4 | Description of quality assurance process and recall procedures | 5.4 | — |
| KPI B6.5 | Description of consumer data protection and privacy policies, and how they are implemented and monitored | — | <ul style="list-style-type: none"> Information Security Policy Policy on Personal Data Governance |

| Subject Areas, Aspects, General Disclosures and KPIs | | Section | Remarks |
|--|--|------------|--|
| Aspect B7: Anti-corruption | | | |
| General Disclosure | Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering | 3.2 3.3 | <ul style="list-style-type: none"> Employee Code of Conduct Anti-Fraud and Anti-Bribery Policy Policy on Appointment of Third Party Representatives |
| KPI B7.1 | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases | 3.3 | — |
| KPI B7.2 | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored | 3.2 | <ul style="list-style-type: none"> Whistleblowing Policy — Procedures for Reporting Possible Improprieties |
| KPI B7.3 | Description of anti-corruption training provided to directors and staff | 3.2 | — |
| Aspect B8: Community Investment | | | |
| General Disclosure | Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests | 5.5 | <ul style="list-style-type: none"> Corporate Social Responsibility Policy |
| KPI B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport) | 5.5 | Focus of the Group's community initiatives includes employee volunteerism, education, medical, health and elderly care, arts and culture, as well as sports and disaster relief. |
| KPI B8.2 | Resources contributed (e.g. money or time) to the focus area | 5.5 | — |

6.3. ABBREVIATIONS

| Abbreviation | Long form |
|-------------------------|--|
| Accensi | Accensi Pty Limited |
| AGM | Annual General Meeting |
| APCO | Australian Packaging Covenant Organisation |
| ATFS | American Tree Farm System |
| Australian Agribusiness | Australian Agribusiness (Holdings) Pty Ltd |
| CGMPs | Current Good Manufacturing Practices |
| Cheetham | Cheetham Salt Limited |
| CK Life Sciences | CK Life Sciences Int'l., (Holdings) Inc. |
| CMA | Complementary Medicines Australia |
| CO ₂ e | carbon dioxide equivalent |
| COP27 | The 27th United Nations Climate Change Conference of Parties |
| CPD | Continuous Professional Development |
| CPS | Consumer and Professional Solutions |
| CS | Crop Solutions |
| Dominion | Dominion Salt Limited |
| EMS | Environmental Management System |
| ESG Guide | Environmental, Social and Governance Reporting Guide |
| ESL | English as a Second Language |
| FDA | Food and Drug Administration |
| FIBCs | flexible intermediate bulk containers |
| FSC | Forest Stewardship Council |
| GHG | greenhouse gas |
| GMPs | Good Manufacturing Practices |
| HACCP | Hazard Analysis and Critical Control Points |
| HVAC | heating, ventilation, and air conditioning |
| IEA | International Energy Agency |
| IPP | Individual Performance Plan |
| KPIs | key performance indicators |
| kWh | kilowatt hours |
| Lipa | Lipa Pharmaceuticals Limited |
| LPG | Liquefied Petroleum Gas |
| NAWO | National Alliance of Women's Organisations |
| NO _x | Nitrogen oxides |
| OTIF | On-Time-in-Full |
| PM | Particulate matter |
| R&D | research and development |
| SASB | Sustainability Accounting Standards Board |
| SFI | Sustainable Forestry Initiative |
| SNAG | Santé Naturelle A.G. Ltée |
| SO _x | Sulphur oxides |
| TCFD | Task Force On Climate-Related Financial Disclosures |
| the "Report" | Sustainability Report |
| US EPA | United States Environmental Protection Agency |
| Vitaquest | Vitaquest International Holdings LLC |







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