

## I. Statement on Environmental Sustainability

At Herbalife Nutrition, we are passionate about protecting the future of our planet by making the right choices in an environment where natural resources are constrained. Our commitment to environmental sustainability is at the core of our values and critical to the promise we make to our distributors and consumers who all care about how their food is grown and produced. We are committed to full compliance with all applicable legal environmental requirements and to achieve internal objectives. We apply a product life cycle approach based on our assessment of our environmental impact. We focus on packaging lifecycle, waste reduction, water management, ingredient sourcing, and food waste. These priorities and energy management can impact greenhouse gas (GHG) emission. Relevant energy management goals are available in the [Climate Change Action Statement](#).

## II. Governance

A Board level ESG Committee has responsibility to oversee the Environmental Sustainability.

## III. Packaging lifecycle and waste reduction

While packaging plays a critical role in keeping products fresh and safe, it also poses environmental challenges, especially in countries where the waste-management infrastructure is underdeveloped. Reduction of packaging and waste provides benefit to our business in the form of cost savings and efficiencies gained. By minimizing packaging, using recycled material and eliminating non-recyclable material from our packaging we will help achieve a waste-free future and help advance the circular economy. We also recognize the need to work with governments, NGOs, businesses, and the waste sector to help develop infrastructure, and increase consumer awareness to promote recycling.

### Packaging Lifecycle Targets:

- In 2021, we started to incorporate 25% post-consumer resin (PCR) into our product packaging for our flagship product (Formula 1 Healthy Meal Nutritional Shake Mix) available in North America. We will expand to other regions in 2022. This change is expected to remove more than 475 metric tons of plastic from production and waste stream.
- Since 2008, we have removed 1,600 metric tons of plastic by reducing plastic used in our F1 canisters globally. We will continue to systematically analyze all the packaging with the goal to further reduce plastic usage in our product canisters,
- In 2020, we successfully launched projects to annually remove more than 12 metric tons of plastic and paperboards going to waste stream.

### Waste Reduction Targets:

- We are committed to eliminating all plastic bags from distribution and sales centers. While pandemic delayed full implement in 2020, we will continue to make advancement. This will remove more than 30 million bags and over 136 metric tons of plastic per year.

- Use of paper has significant impact on carbon footprint from trees as well as fossil fuel power used for printing and transportation. Since 2018, we have eliminated Distributor Rules of Conduct paper books in 54 countries where we operate. This is equivalent to 360 metric tons of paper saved. In countries where regulations permit distribution of Distributor Rules of Conduct online and online access is commonly available, we are committed to eliminating the paper books by 2025. We are working with governments to permit use of online documentation.
- We have internal worksite recycling guidelines developed based on local policies for employees working in Herbalife Nutrition facilities and offices globally. We encourage our employees to reduce and reuse and recycle any remaining waste as much as possible.
- Each region has a recycling program ranging from awareness and education campaigns for recycling and upcycling to creating collection sites in our warehouses for our distributors, members and customers. Local recycling organizations pick up recycled materials from these collection sites. For example, South America and Central America have collected more than 155,000 kg of recycled materials since 2013. By 2025, we are committed to working with Nutrition Clubs owned and operated by our independent distributors so they can easily participate in these recycling programs.
- In 2019, our Innovation Center conducted a company-wide Greenhouse Challenge in which employees shared practices for environmental sustainability as well as ideas for future implementation. Close to 2,000 employees submitted more than 100 ideas, and we are implementing many of these ideas to our operational processes at manufacturing facilities and offices.
- Herbalife Nutrition is committed to preventing and minimizing the generation of hazardous waste created from our daily business activities. In 2021, we initiated a program to reduce hazardous waste generation, including the development of training materials, identification of resources to set baseline metrics, with plans to begin implementation of key initiatives in 2022.

#### IV. **Water management**

Water is central to grow and process the agricultural commodities we rely on as raw materials for our products. At our own manufacturing facilities, we rely on water for sanitation. Our consumers use water to prepare our shakes and other beverages. Therefore, safe and accessible water is essential to the health of people, communities and ecosystems and to the business. Since water is a limited natural resource, we are committed to developing our business in a way that excels at facilitating effective water stewardship, starting within our manufacturing facilities globally and then throughout our value chain.

##### **Water Management Targets:**

- Herbalife Nutrition will initiate water resource reviews across existing manufacturing facilities in 2021 and initiate programs to reduce water withdrawal, reuse water, and use alternative water sources.
- Herbalife Nutrition is seeking to engage in collaborative public policy and water conservation activities at national and subnational levels.
- In 2021 Herbalife Nutrition will launch a Water Conservation program, which includes educational materials and training sessions for employees, distributors and consumers to make better-informed decisions that will lead to effective water stewardship.

## V. Responsible ingredient sourcing

Herbalife Nutrition sources with respect for people and planet where materials are provided. Deforestation contributes up to 15% of global greenhouse gas emission. Clearance of forest in areas of conservation to rapidly expand commercial agricultural land, sometimes without the consent of local communities or respect for their right, is illegal. We recognize the need to protect forests and are committed to act on deforestation in our supply chains. Soy and other plant-derived materials are key raw materials in various Herbalife Nutrition products. As a significant buyer of such commodities, we are committed to promoting a healthy environment for future generations. We believe that forests serve as important a role as farming by serving as important reservoirs of carbon.

### **Supplier Code of Conduct Targets:**

- Herbalife Nutrition [Supplier Code of Conduct](#) is based on international conventions for human rights and labor rights and fosters environmental sustainability in supply chain.
- For those business-critical direct suppliers that agree to participate we aspire to: 1) incorporate the Supplier Code of Conduct into the supplier contracts, 2) provide training by the end of 2021, and 3) have our business-critical suppliers examined by a third-party for compliance by the end of 2022.

## VI. Food Loss and Waste Reduction

The global volume of food wastage is estimated at 1.3 billion tons. As a global nutrition company, we believe we have a role to play in improving nutrition, achieving food security and helping to end hunger. We commit to do our part to reduce food waste and food losses along the production and supply chains and support one of the [United Nations Sustainable Development Goals \(12.3\)](#), which is to halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chain, including post-harvest losses.

### **Food Loss and Waste Reduction Targets:**

- Herbalife Nutrition incorporates expiration dates on all labels to clearly communicate to consumers to reduce unnecessary food loss and waste and ensure safe use of our products.
- Since 1993, Herbalife Nutrition has donated and will continue to donate our packaged foods to local charities, including food banks.