



# ESG Scorecard

July 2022



# Commitment

## Sustainability Report

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Our inaugural [2020 Global Responsibility Report](#) was released in October 2021. The report highlights Herbalife Nutrition's dedication to enable progress and sustainable growth in communities worldwide and outlines the commitment to operate in a socially responsible manner including supporting social, environmental, and philanthropic initiatives that yield significant and measurable results to nourish people and the planet.

## United Nations Sustainable Development Goals (UNSDGs)

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Our corporate sustainability programs focus on good nutrition to help build thriving, vibrant communities around the world. We are dedicated to improving communities by aligning our strategy with targets outlined and categorized in the UN SDGs, specifically Goal 1 (No Poverty), Goal 2 (Zero Hunger), Goal 3 (Good Health and Well-being), Goal 12 (Responsible Consumption and Production) and Goal 13 (Climate Action). Please find various initiatives and programs that are aimed at the targeted goals in our [2020 Global Responsibility Report](#).

## UN Global Compact

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Herbalife Nutrition is a signatory member of the [UN Global Compact](#) since 2020.

# Business Ethics

## Code of Conduct

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Acting ethically and responsibly and following our Code of Conduct is fundamental to doing business the right way. For more information, please see [Our Code of Conduct](#).

## Grievance Mechanism

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The Company encourages all individuals to immediately report any concerns or suspected violation of this Policy, our values, Code of Conduct, global or local policies or the law. Employees may bring their complaint to their supervisor, the Ethics & Compliance Office, the Legal Department, or the Human Resources Department, as appropriate. We also offer several additional ways for our employees, as well as contractors, distributors, customers, vendors, or members of the general public to report concerns or suspected violations. Reports may be anonymous, except where restricted by local law. The Company prohibits and will not tolerate retaliation against any employee for making a good faith complaint or for participating in an investigation of such a complaint. Several different methods to report are available on our [webpage](#).

# Governance

## Diversity Considered during Director Nomination

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The Board believes that the Board, as a whole, should possess a combination of skills, professional experience and diversity of backgrounds necessary to oversee the company’s business. In addition, the Board believes that there are certain attributes that every director should possess, as reflected in the Board’s membership criteria. Accordingly, the Board and the Board’s nominating and corporate governance committee consider the qualifications of directors and director candidates individually and in the broader context of the Board’s overall composition, as well as the company’s current and future needs. The Board’s criteria include business experience and skills, independence, judgment, integrity, the ability to commit sufficient time and attention to Board activities and the absence of potential conflicts with the company’s interests. The nominating and corporate governance committee seeks a variety of occupational, educational and personal backgrounds in order to obtain a range of viewpoints and perspectives and to enhance the diversity of the Board as a group in areas including professional experience, geography, race, gender, ethnicity, and age.

## Board Oversight of ESG

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The Board’s ESG Committee was formed in 2020 and provides Board oversight on the company’s significant environmental, social and related governance activities and practices, including policies, programs and practices, strategy, stakeholder engagement and risks. For the ESG Committee charter, please visit [ir.herbalife.com/committee-details/esg](https://ir.herbalife.com/committee-details/esg).

## Executive Responsibility over ESG

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The Herbalife Nutrition Executive Committee, made up of the CEO, the CEO’s direct reports and top functional leaders, have assumed oversight of the sustainability agenda. The Executive Committee provides executive direction and ensures integration of Global Responsibility goals across functional and regional strategies.

# Governance



## Business Ethics

KPI	2021	2020	2019	2018	Coverage	GRI Standard	SASB Standard
Employees Completing Training on Business Ethics	100% of required employees	100% of required employees	100% of required employees	100% of required employees	Global	205-2	

# Governance



## Corporate Governance (Board of Directors)

KPI	2021	2020	2019	2018	Coverage	GRI Standard	SASB Standard
Number of Directors	9	13	14	14	Figures are as of the Herbalife Nutrition annual general meeting of shareholders in the applicable year		
Number of Independent Directors	6	10	11	11	Figures are as of the Herbalife Nutrition annual general meeting of shareholders in the applicable year		
Chair/CEO Role	Combined	Combined	Combined	Combined	Figures are as of the Herbalife Nutrition annual general meeting of shareholders in the applicable year		
Number of Women on Board	2	2	2	2	Figures are as of the Herbalife Nutrition annual general meeting of shareholders in the applicable year	405-1	
Number of Diverse Board Members by Race or Ethnicity	4	6	5	5	Figures are as of the Herbalife Nutrition annual general meeting of shareholders in the applicable year	405-1	

# Product

## Genetically Modified (GM) Ingredients

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We commit to providing our customers with choice and continuously providing non-GM alternatives where there is demand and is feasible. For more information, please see the [Bioengineered Ingredients Statement](#).

## Animal Testing Policy

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Herbalife Nutrition does not conduct tests on animals for any of our outer nutrition products. As for inner nutrition products, we do not conduct any animal testing except for satisfying legal obligations and regulatory bodies. For more information, please see the [Animal Testing Policy](#).



# Product Marketing, Labeling and Claims

## Responsible Marketing Policy

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In its corporate materials, the company does not advertise products or services to children under the age of 12. For more information, please see the [Marketing to Children Policy](#).

## Product Labeling and Claims Policy

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We commit to providing fact-based and easy-to-understand information on product labels, which informs our consumers' choices for a healthy diet and lifestyle. We also commit to making only adequately substantiated claims on our product labels, other collateral and in advertising. For more information, please see the [Product Labeling and Claims Policy](#).



# Product



## Product Quality & Safety

KPI	2021	2020	2019	2018	Coverage	GRI Standard	SASB Standard
Percent of Herbalife Innovation Manufacturing (HIM) facilities Certified by Third Party for Good Manufacturing Practice (GMP)	100%	100%	80%	60%	5 HIM facilities based in China and U.S.		
Percent of Owned Laboratories ISO 17025 Accredited	100%	100%	100%	100%	Global		
Third-Party Certification or Testing of Sports Nutrition Products for Banned Substances	100%	100%	100%	100%	Global		
Percent of Required Employees Receiving GMP Training	100%	100%	100%	100%	Global		
Chemical of Concern in Products	At Herbalife Nutrition, we do not include harmful chemicals in our products. We have a product lifecycle management involving ingredient identification, hazard characterization, product exposure assessment, post-market risk assessment, and risk management.				Global		

# Product



## Product Quality & Safety

KPI	2021	2020	2019	2018	Coverage	GRI Standard	SASB Standard
Product Recalls	0	0	1	0	Global		FB-PF-250a.4
Plant-based Protein Usage	81%	84%	87%	86%	Global		



# Product



## Customer and Distributor Satisfaction

KPI	2021	2020	2019	2018	Coverage	GRI Standard	SASB Standard
Product Return and Buyback Requests	0.1	0.1	0.1	0.1	Global (2020 and 2021 values are % of net sales; 2018 and 2019 values are % product sales)		
Customer satisfaction through tracking study	95%	Not Available	Not Available	Not Available	Top 10 markets		

# Social



## Workforce

KPI	2021	2020	Coverage	GRI Standard	SASB Standard
Training & Development Programs	<p><b>All employees:</b></p> <p>Received continued access to LinkedIn Learning online training program with 65% of global license usage. Developed 100+ Playlists – topics included Building Resilience, Diversity &amp; Inclusion, and Change Management. Partnered with departments to facilitate “topical discussions” based on teams’ developmental areas of interest. Launched new online Unconscious Bias course to support DEI initiative. Received continued access to performance management coaching tool and professional development training including onboarding curriculum and department technical / required training. All employees received annual Code of Conduct Training.</p> <p><b>For leaders:</b></p> <p>Launched facilitator-led Conscious Inclusion training, which the Executive Committee also attended as part of DEI initiative. Expanded Mentoring program based on success of 2021 pilot. Conducted flagship leadership training for 40 global leaders attending. Further enhanced Talent Management process by upgrading system to increase global reporting capabilities. Continued access to Servant Leadership and Leadership Development training. Received Conflict of Interest Compliance Training.</p>	<p><b>All employees:</b></p> <p>Launched new LinkedIn Learning online training program (16,000+ courses available); Received access to newly rebranded internal learning management system; Launched new performance management coaching tool; Received continued access to professional development training, onboarding curriculum, and department technical / required training. Received annual Code of Conduct and Harassment Prevention trainings.</p> <p><b>For leaders:</b></p> <p>Launched new mentoring program; Received continued access to Servant Leadership and leadership development trainings.</p>	Global	404-2	



# Social



## Workforce

KPI	2019	2018	Coverage	GRI Standard	SASB Standard
Training & Development Programs	<p><b>All employees:</b> Received continued access to internal learning management system, performance management training, professional development training, onboarding curriculum, department technical / required training and training on the Company’s Code of Conduct.</p> <p><b>For leaders:</b> Launched new Servant Leadership training; Received continued access to General Management training and leadership development training.</p>	<p><b>All employees:</b> Received continued access to internal learning management system, performance management training, professional development training, onboarding curriculum, and department technical/ required training. Completed Harassment Prevention training. Starting in 2018, training on the Company’s Code of Conduct required for all employees annually.</p> <p><b>For leaders:</b> Received continued access to General Management training and leadership development training.</p>	Global	404-2	

# Social



## Diversity & Inclusion

KPI	2021	2020	2019	2018	Coverage	GRI Standard	SASB Standard
Total Number of Employees	11047	10022	9611	9037	Global (Regular and Temporary Full-Time and Part-Time)		
Percent of Women in Workforce	51%	51%	51%	50%	Global	405-1	
Percent of Women in Management (Manager and up)	44%	45%	45%	46%	Global	405-1	
Percent of Women in Executive Management (Vice president and up)	28%	30%	34%	30%	Global	405-1	
Percent of Racial or Ethnic Minorities in Workforce	72%	72%	72%	71%	U.S.	405-1	
Percent of Racial or Ethnic Minorities in Management (Mangers and up)	56%	57%	56%	55%	U.S.	405-1	
Freedom of Association and Collective Bargaining	Herbalife Nutrition recognizes employees’ rights to freedom of association and collective bargaining. For more on Freedom of Association and Collective Bargaining, please visit <a href="#">Human Rights Policy</a> .				Global	407-1	
Percent of Employees Covered by Collective Bargaining	0%	0%	0%	0%	U.S.	407-1	
Average Hours Per FTE of Training and Development <sup>1</sup>	12.2	8.2	Not Available	Not Available	Global	404-1	

<sup>1</sup> The training hour estimates do not account for certain trainings available in other platforms outside of the company’s Learning Management System.



# Social



## Workforce

KPI	2021	2020	2019	2018	Coverage	GRI Standard	SASB Standard
Employee Turnover Rate (Voluntary/Total)	12.27% / 15.37%	8.20% / 12.91%	10.51% / 14.15%	11.80% / 15.46%	Global	404-1	
Total Number of New Hires	776	715	882	813	U.S.	404-1	
Employee Engagement Survey	In 2021, we conducted a return to office survey and global engagement pulse survey in Q2, global innovation survey in Q3, and launched a global exit survey for voluntary leavers in Q4.	In 2020, we conducted a global employee engagement survey and launched a new global process to administer more frequent “pulse” surveys.	Not Available	In 2018, we conducted an annual employee engagement survey for all employees outside of our Corporate functions and North America.	Global		
Percent of Employees Actively Engaged (Overall Perception of the Company and Job Satisfaction) Based on an Employee Survey	81%	82%	Not Available	Not Available	Global		
Non-Discrimination Policy	Our <a href="#">Code of Conduct</a> and Harassment, Discrimination, and Retaliation Prevention Policy prohibit harassment, discrimination, and retaliation based on race, color, religion, sex, sexual orientation, gender, gender identity, gender expression, marital status, national origin, citizenship, ancestry, age, veteran status, disability or any other basis protected by law, ordinance or regulation.				Global		

# Social

## Health & Safety Policy

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Herbalife Nutrition has policies and programs for material health and safety risks for our employees and customers, including Workplace Violence Prevention Policy, Injury & Illness Prevention Program and Adverse Event Surveillance and Reporting Policy. In 2020, Herbalife Innovation & Manufacturing facilities located in Lake Forest, California and Winston Salem, North Carolina were certified for the Occupational Health and Safety Management System (ISO 45001:2018).



# Social



## Health & Safety

KPI	2021	2020	2019	2018	Coverage	GRI Standard	SASB Standard
Lost time Incident Rate	0.38%	0.52%	0.50%	0.41%	10 facilities (5 HIMs, 5 US-based offices and distribution centers with >40k sq ft occupancy)	403-9	
Total Reportable Incident Rate	1.15%	2.04% <sup>2</sup>	2.09% <sup>2</sup>	2.06% <sup>2</sup>	10 facilities (5 HIMs, 5 US-based offices and distribution centers with >40k sq ft occupancy)	403-9	

<sup>2</sup> Correction to original data

# Social

## Human Rights Policy

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At Herbalife Nutrition, our first and most important value is to always do what is right. Our values are rooted in respect for the human rights of everyone we work with. For more information, please see the [Human Rights Policy](#).

## Political Activity and Contribution Policy

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Herbalife Nutrition participates in public policymaking by informing government officials about our positions on issues that are important to the company, our members and customers. In the U.S., Herbalife Nutrition maintains a political action committee (PAC) that is registered with the U.S. Federal Election Commission. For more information, please see the [Political Activity and Contribution Policy](#).

# Social



## Public Policy

KPI	2021	2020	2019	2018	Coverage	GRI Standard	SASB Standard
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U.S. Political Action Committee (PAC) Contribution Disclosures	\$67,000.00	\$105,900.00	\$92,500.00	\$128,969.86	U.S.		
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# Social



## Community

KPI	2021	2020	2019	2018	Coverage	GRI Standard	SASB Standard
Charitable Contributions in Cash	\$4,371,526.00	\$7,476,366.00	\$4,044,709.00	\$5,913,732.00	Global		
Employee Volunteer Hours	5,400	1,610 (U.S.) <sup>3</sup>	16,760	8,308	Global unless specified		
In-Kind Contributions	2,691,770.00	\$2,046,204.00	\$779,650.00	\$629,216.00 (U.S.)	Global		

<sup>3</sup> In 2018 Herbalife Nutrition launched the Global Month of Purpose, a program dedicated to giving back to the community in the form of employees volunteering together globally in the month of February each year. Due to COVID-19 and non-profits reducing volunteer opportunities, the Company was not able to organize this global program in 2020.

# Environmental

## Environmental Sustainability Statement

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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 conserving the environment is important to our distributors and consumers, who care about how their food is grown and produced. We are committed to full compliance with all applicable legal environmental requirements and aspire to continuously improve our environmental performance. For more information, please see the [Environmental Sustainability Statement](#).

## Climate Change Action Statement

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Climate change is one of the greatest challenges that will directly affect business, society and ecosystems. Herbalife Nutrition is committed to doing our part to help mitigate climate change risks. Herbalife Nutrition supports the long-term goal of sustainable development and we are committed to doing our part to reduce GHG emissions across our value chain to limit global warming to 1.5°C. For more information, please see the [Climate Change Action Statement](#).

# Environmental



## Greenhouse Gas Emission

KPI	2021	2020	2019	2018	Coverage	GRI Standard	SASB Standard
Total Scope 1 and 2 GHG Emission (metric tons CO2e)	24815 <sup>4</sup>	25699	25434	27014	10 facilities (5 HIMs, 5 US-based offices and distribution centers with >40k sq ft occupancy)	305-1 305-2	
Scope 1 GHG Emission (metric tons CO2e)	7877 <sup>4</sup>	7535	7090	6991	10 facilities (5 HIMs, 5 US-based offices and distribution centers with >40k sq ft occupancy)	305-1	
Scope 2 Scope 1 GHG Emission (metric tons CO2e)	16939 <sup>4</sup>	18164	18344	20023	10 facilities (5 HIMs, 5 US-based offices and distribution centers with >40k sq ft occupancy)	305-2	

<sup>4</sup>Verified by Apex, an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance.



# Environmental



## Energy Use

KPI	2021	2020	2019	2018	Coverage	GRI Standard	SASB Standard
Total Energy (Electricity and Natural Gas) Use (GJ)	313207 <sup>5</sup>	317232	310370	312458	10 facilities (5 HIMs, 5 US-based offices and distribution centers with >40k sq ft occupancy)	302-1	FB-PF-130a.1
Total Electricity Use (MWh)	43542 <sup>5</sup>	46544	47095	48221	10 facilities (5 HIMs, 5 US-based offices and distribution centers with >40k sq ft occupancy)	302-1	
Total Natural Gas Use (MWh)	43460 <sup>5</sup>	41576	39119	38573	10 facilities (5 HIMs, 5 US-based offices and distribution centers with >40k sq ft occupancy)	302-1	

<sup>5</sup> Verified by Apex, an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance.

# Environmental

## Water Conservation Measures

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Herbalife Nutrition has implemented various water conservation measures in our offices and facilities, including installation of automatic handwashing and waterless urinal, using treated wastewater for cooling tower, conduction of ultra-high temperature cooling water to the plant cooling water system, reducing water in major cleans for powder blending by using power washers, and changing landscape to drought tolerant plants. For more information, please see the [Environmental Sustainability Statement](#).

# Environmental



## Water Consumption

KPI	2021	2020	2019	2018	Coverage	GRI Standard	SASB Standard
Total Water Withdrawal (cubic meters)	323	314	333	323	10 facilities (5 HIMs, 5 US-based offices and distribution centers with >40k sq ft occupancy)	303-3	FB-PF-140a.1
Total Water Discharge (cubic meters)	191	193	164	120	10 facilities (5 HIMs, 5 US-based offices and distribution centers with >40k sq ft occupancy)	303-4	
Total Water Consumption (cubic meters)	132	121	169	205	10 facilities (5 HIMs, 5 US-based offices and distribution centers with >40k sq ft occupancy)	303-5	FB-PF-140a.1



# Environmental



## Operational Waste

KPI	2021	2020	2019	2018	Coverage	GRI Standard	SASB Standard
Total Waste Generated (metric tons)	11666	9682	11422	8671	10 facilities (5 HIMs, 5 US-based offices and distribution centers with >40k sq ft occupancy)	306-3	
Total Non-hazardous Waste Disposed (metric tons)	7266	6658	7323	6143	10 facilities (5 HIMs, 5 US-based offices and distribution centers with >40k sq ft occupancy)	306-5	
Total Non-hazardous Waste Landfilled (metric tons)	2607	2437	3323	2522	10 facilities (5 HIMs, 5 US-based offices and distribution centers with >40k sq ft occupancy)	306-5	
Total Non-hazardous Waste Incinerated with energy recovery (metric tons)	4659	4221	3984	3620	10 facilities (5 HIMs, 5 US-based offices and distribution centers with >40k sq ft occupancy)	306-5	

# Environmental



## Operational Waste

KPI	2021	2020	2019	2018	Coverage	GRI Standard	SASB Standard
Total Non-Hazardous Waste Recycled/Reused (metric tons)	4369	2997	4109 <sup>6</sup>	2501	10 facilities (5 HIMs, 5 US-based offices and distribution centers with >40k sq ft occupancy)	306-4	
Total Hazardous Waste Generated (metric tons)	30	26	28	28	10 facilities (5 HIMs, 5 US-based offices and distribution centers with >40k sq ft occupancy)		

<sup>6</sup> Correction to original data

# Environmental

## Supplier Code of Conduct

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For business-critical direct suppliers that agree to participate, we aspire to have a third party examine them for compliance with our [Supplier Code of Conduct](#) by the end of 2022. We plan to segment other suppliers into different tiers and update our commitment in due course.

## Recyclability of Our Packaging by Customers

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Each region has recycling programs 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 more information, please see the [Environmental Sustainability Statement](#).



# Environmental



## Packaging

KPI	2021	2020	2019	2018	Coverage	GRI Standard	SASB Standard
Total Rigid Plastic in Packaging (metric tons)	15765 <sup>7</sup>	Not Available	Not Available	Not Available	Global	301-1	FB-PF-140a.1
Total Virgin Rigid Plastic in Packaging (metric tons)	15510 <sup>7</sup>	Not Available	Not Available	Not Available	Global	301-1	
Percent of Recycled Content within Total Rigid Plastic Packaging	1.6 <sup>7</sup>	Not Available	Not Available	Not Available	Global	301-2	FB-PF-140a.1

<sup>7</sup> Verified by Apex, an independent professional services company that specializes in Health, Safety, Social and Environmental management services including assurance.

This document includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical or current facts, including statements regarding our environmental and other sustainability plans and goals, made in this document are for-ward-looking. We use words such as anticipates, believes, expects, future, intends, and similar expressions to identify forward-looking statements. Forward-looking statements reflect management’s current expectations and are inherently uncertain. Actual results could differ materially for a variety of reasons. Risks and uncertainties that could cause our actual results to differ significantly from management’s expectations are described in our 2021 Annual Report on Form 10-K.