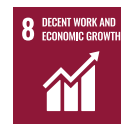




Better Life



01.



Better Life

Ausnutria is committed to doing more than just making a visible and immediate financial difference. Utilising its resources and experience, the Group organises a wide range of community programs that target the underprivileged populations. These programs align with its long-term vision of promoting health and well-being for the public and giving all levels of the community access to nutrient-rich dairy and healthcare products. By leveraging potential in areas including, but not limited to, poverty, child development and empowerment, and healthcare, the Group addresses social needs by coordinating the work of diverse firms and overseas subsidiaries. More than fostering a healthy and caring community, Ausnutria strives to create a work environment that is fair, peaceful, and stimulating for its employees as a way of valuing their contributions to the organization. For employees to feel valued, trusted, and continuously supported – especially during uncertain times – Ausnutria strongly prioritises diversity and inclusivity. Through the provision of many training and educational opportunities, the Group fully supports its employees' professional and personal growth.

**Community
investment**

**Consumer health
& well-being**

**Employee welfare
& development**

**Employee health
& safety**

**Diversity &
inclusion**

Key Highlights in Year 2023

- **Donated millions of cash and materials for charitable and fighting against the extreme natural disasters.**
- **Awarded in the PRC**
 - ESG Outstanding Social Responsibility Practice Corporation Case;
 - CSR Competitiveness Responsibility Model Case Selection of the Year's CSR Contributing Enterprise;
 - New Hunan Contribution Award;
 - 2023 Top 100 Private Enterprises in Hunan; and
 - The public welfare film "Zhengzheng's World," sponsored by Ausnutria, was nominated for the 18th Huabiao Film Awards for outstanding "Children's Theme Film Award".
- **Promoted healthy lifestyle via sponsorship of sports events by**
 - continuing to be the main sponsor for SC Heerenveen football team in the Netherlands;
 - supporting the Changsha Marathon in the PRC;
 - supporting LOOP Leeuwarden in the Netherlands; and
 - supporting Zwolle Half Marathon in the Netherlands.
- **Provided assistance to local communities in the PRC and the Netherlands through**
 - Ausnutria Foundation Hyproca Galsang Flower Project in Tibet, the PRC and supported over 6,000 families;
 - Donations to **First Aid Association** which conducts training sessions to demonstrate effective techniques for resuscitating children in the Netherlands;
 - Donations to **The Foundation Kika** to support childhood cancer research; and
 - Organised creative reading project around 70 primary schools to encourage children reading in the Netherlands.
- **Launched the "U classroom Micro-Training Camp" with three thematic sessions to boost general staff skills and attract broad departmental engagement in the PRC.**
- **Continue to support the Employee Assistance Programme in Australia in the upcoming year.**
- **Zero cases of work-related fatalities over the past three reported years.**

COMMUNITY INVESTMENT Awards

Ausnutria has received recognition from the business sector for its commitment to community involvement. The Group was recognised for their efforts in 2023 with awards.

- In September 2023, Ausnutria was awarded the "ESG Outstanding Social Responsibility Practice Corporation Case" (2023 企业ESG杰出社会责任实践案例).



- The public welfare film "Zhengzheng's World," sponsored by Ausnutria, was nominated for the 18th China Film Huabiao Award for outstanding "Children's Theme Film Award". This is the first time for Ausnutria to support public welfare films to reflect the problems of left-behind children, with the objective to urge greater attention and encourage efforts towards enhancing and addressing the related problems.



- On 5 September 2023, the China Corporate Social Responsibility Innovation and Development Forum presented awards the "CSR Competitiveness Responsibility Model Case Selection of the Year's CSR Contributing Enterprise" (2023"CSR竞争力"责任典型案例精选"年度社会责任贡献企业"), which is an affirmation of Ausnutria's past courageous commitment to social responsibility, but also a spur to the future.

The Ausnutria Foundation

Ausnutria Foundation was founded to reduce poverty, aid in the aftermath of natural disasters, and enhance public health, to encourage corporate social responsibility and social harmony systematically. In 2019, the Group promised to provide the foundation with RMB100

million in cash or in-kind contributions within ten years. To provide the community with practical support, the Ausnutria Foundation gave more than RMB5.5 million in cash or in-kind donations in 2023. Additionally, by establishing strategic alliances with academic institutions and charitable groups, Ausnutria and the foundation want to encourage community investment and benefit community progress. As an industry pioneer, the Group will persist in its proactive actions to fulfill its social duty in the future.



- On 1 December 2023, Ausnutria was awarded the 2nd "New Hunan Contribution Award" and was listed in the "2023 Top 100 Private Enterprises in Hunan" by the Hunan Provincial Party Committee and the Hunan Provincial People's Government in recognition of its outstanding entrepreneurial spirit and pioneering role in giving back to society.



Fighting Against the Extreme Natural Disasters

The Group is aware of the detrimental effects of severe natural disasters, like the decreasing social stability caused by the nation's frequent earthquakes, widespread flooding and hurricanes. Ausnutria continually worried that children and families in the disaster area were short on living supplies and promoted equitable access to donations and other resources, such as nutritional and healthcare products. Ausnutria aims to build social resilience for better recovery and growth.

CASE STUDY

Cash and in-kind Donation to Support Disaster Area



- On 2 August 2023, the Ausnutria Foundation donated more than 1,000 cans of Goat Milk Formula to assist the affected areas in Hebei Province and help ensure the supply of baby rations.

Ausnutria has actively responded to natural disasters in the PRC, including floods in Hebei and Heilongjiang provinces and a 6.2-magnitude earthquake in Gansu Province. Related topics such as “the masses are stranded” and “children are in urgent need of formula milk” touched the hearts of the whole country. Ausnutria continued to pay attention to the progress of the disaster and worked with the people in the affected areas to overcome the difficulties. Through the China Children and Teenagers’ Fund (CCTF), Ausnutria assisted in the affected regions of Hebei, Heilongjiang, and Gansu Provinces. In addition to providing charitable infant milk to children and families, the Group donated various resources to support emergency relief and post-disaster recovery and reduce social inequality in the affected areas. Ausnutria’s actions serve as an inspiration for others to come together and contribute to the betterment of society during challenging times.



- Further to the first batch, this is the second time to help the flood-affected areas after the joint donation of more than 1,000 cans of Goat Milk Formula to Hebei. On 11 August 2023, the Ausnutria Foundation donated nearly RMB160,000 worth of infant formula for flood relief in Heilongjiang.



驰援甘肃 共渡难关

澳优乳业携手佳贝艾特、海普诺凯1897

捐赠市场价值**150万元**的婴幼儿配方奶粉

- The Ausnutria Foundation donated infant formula worth RMB1.5 million to support emergency rescue, post-disaster recovery, and reconstruction in Gansu disaster-stricken areas.

Providing Health Support for Tibetan Family

Tundra Rose Public Welfare Project

CASE STUDY

The “Hyproca Tundra Rose Project” has been Ausnutria’s active charity project in Tibet for seven years. To provide infant care and high-quality maternity care to the PRC’s underdeveloped regions, Ausnutria Foundation and Hyproca 1897 collaborated with several external organizations, such as the Peking University Health Science Centre, the Red Cross Society of Xizang, the Tibet University, and the Tibet Mother and Child Association. In 2023, 11 partners of the Hyproca 1897 Honor-Win Maternal and Infant Alliance also joined in the “Tundra Rose Project”.

Ausnutria contributed to the upkeep of an impactful scientific learning platform in clinics, hospitals, and other healthcare institutions. The initiative seeks to enhance the quality of healthcare services and support the local mother and child health professionals through the organization of healthcare professional training and academic exchange events and financial and in-kind donations. Meanwhile, women and moms-to-be in the area received nourishing diet guidance during charitable clinics and family visits. This initiative was intended to enhance their comprehension of the need for nutrition intake for dynamic infant development and to promote excellent cleanliness, a healthy diet, and good feeding practices.

Ausnutria works with practitioners and the maternal community to improve the physical well-being of Tibetan mothers and infants. To this point, the effort has mostly served approximately:

Three primary public welfare brands comprise the project: “Little Red Flower,” “Iris,” and “Tundra Rose”. These brands concentrate on emotional and physical well-being of children and mothers, the nutritional status of Tibetan living in mountainous regions. Each of the three leading brands provides ongoing support and care to women and children.



6
prefecture
level cities
and 1 district



42
rounds of
donations



55
charitable
clinics events
and academic
exchanges



Over
1,000
doctor
specialists
trained



Over
6,000
families



RMB9
million of cash
and in-kind
donations

From July 20 to 31, the “Tundra Rose Public Welfare Project” (格桑花公益行) entered Tibet and travelled more than 1,500 kilometres in 12 days. In 6 prefecture-level cities or towns in Tibet, Hyproca 1897 donated infant formula, school supplies, and cash with a value of more than RMB2 million. It carried out 12 public welfare activities, such as the scientific popularization of nutrition knowledge, charitable clinic events, and training rural doctors. In the next step, the project will increase the training of rural doctors and clinical professionals so that the trainees can learn how to use knowledge and can transfer and train others. Ausnutria insists on helping improve the nutritional health of maternal and infant groups in Tibet and help vulnerable maternal and infant groups.

This year, in addition to the offline charitable force. Online, Ausnutria also launched the interactive topic of “Insisting on one thing for seven years” on Weibo through the Weibo public welfare exhibition, cloud relay, and other forms so that more people will pay attention to and even join the general welfare action to improve the nutritional health of mothers and infants in Tibet. By 2 August, more than 77 million people had read the topic, and 90,000 people had participated in the interaction and discussion.

Educational Growth of the young talents in the community

Ausnutria is committed to supporting the young talents by sponsoring a range of educational resources and giving institutions financial support.

Contributing to the educational growth

CASE STUDY



On Children's Day, Ausnutria visited the Grassland school in Longhui County, Hunan Province, significantly contributing to the children's education. They donated music and art classrooms, teaching equipment, and stationery, creating a more conducive learning environment for the students. Additionally, Ausnutria organised the Fairy-tale Adventure Art Market, where children could participate in various creative activities. The Hyproca 1897 public welfare brand "Little Red Flower" also performed an original fairy tale drama at the school, sparking the children's imagination and fostering their love for storytelling. Ausnutria's efforts on Children's Day exemplify their commitment to positively impacting education and enriching children's lives.



On 29 March, Ausnutria supported "The 9th China University Students PR Contest", which was the third time to sponsor. The contest has built an excellent interactive platform for academia and industry. University students exercise their will and put knowledge into practice. In parallel, enterprises and PR companies share their experiences and discover talents on this platform. Ausnutria hopes to promote the industry's development and progress by supporting the competition's organization, contributing PR power to the high-quality development of the new era, and helping cultivate more excellent PR talents.



On July 14, the closing ceremony of the first "Meishan Shangjun" (梅山商俊) Xinhua County Young Entrepreneurial Talent Training Program was held in Changsha, presenting completion certificates to the trainees who participated in the first phase of the training programme. The "Meishan Shangjun" talent training plan is devoted to constructing a cutting-edge rural training system that will enable Xinhua County's small- and medium-sized business leaders to expand their business vision, sharpen their managerial and technical skills, and foster collaboration and exchange amongst small and medium-sized businesses in the area, finally providing a steady stream of endogenous power for the rural revitalization of Xinhua County.

Promoting Healthy Lifestyles in the Communities

Ausnutria aspires to contribute to society in which everyone, regardless of background or socio-economic status, lives a healthy and prosperous life. The Group has collaborated with strategic partners to encourage healthy lifestyles and revitalise its marketing strategies. Ausnutria seeks to encourage sports and create public knowledge about the importance of maintaining a healthy lifestyle.

CASE STUDY

Ausnutria remains the main sponsor for SC Heerenveen football team in the Netherlands



Ausnutria has been the primary sponsor of the whole club since 2020, including the youth and women's teams. This sponsorship helps to raise brand recognition in the Netherlands and assists sports development for all parties involved in the province of Friesland, particularly Heerenveen. Ausnutria aspires to make the world a better place where everyone is strong enough to live a long, healthy life. This includes seeking out possibilities for personal growth in addition to nutrition. Supporting SC Heerenveen is a fantastic match for that vision. Ausnutria Netherlands will prioritise children's well-being throughout this sponsorship to assist them in having the greatest possible future. As a result, Ausnutria kept playing a crucial role in developing SC Heerenveen and provided Friesland's youth with extra support in their attempts to have a healthy upbringing.



The pre-match activity showing the close relationship between Ausnutria and SC Heerenveen in Abe Lenstra Stadion, the home stadium for SC Heerenveen.

CASE
STUDY

Empowering the community through sport events



On 29 Oct, the Changsha Marathon started, and 26,000 runners worldwide gathered in Changsha. This is the fifth time that Ausnutria has been designated as the special partner of the Changsha Marathon, giving full play to its professional advantages in the field of nutrition and health, providing complete nutrition care and support for the event. Through involvement, Ausnutria continues to empower the community by encouraging individuals to prioritise their well-being and embrace the healthy lifestyle by sports.

On 14 May, the highly anticipated LOOP Leeuwarden event unfolded, with Ausnutria proudly serving as the primary sponsor for the 1 km Kids Run, specifically designed for children aged 4 to 8. In line with its commitment to empowering the community through sports, Ausnutria ensured that all children could participate in the kids run free of charge. By removing financial barriers, Ausnutria aimed to create equal opportunities for every child, regardless of background. Through its support of the Kids Run, Ausnutria continues to demonstrate its unwavering commitment to promoting community sports and empowering children to lead healthy, fulfilling lives.



On 10 June, Ausnutria was the main sponsor of the Heroes Run of the Zwolle Half Marathon, which gathered 9,500 runners in total. Ausnutria believes it is essential that everyone, regardless of background and mental or physical condition, including children and adults with a disability or chronic condition, can enjoy sports. After the finish, Ausnutria was waiting for the runners of the Heroes Run and the 4 English Miles with a well-deserved Goat Milk Formula to support the recovery after such a hard effort. And Ausnutria was proud of employees who again participated in one of the distances this year.



Partnering with Employees in Community Programmes

Ausnutria has promoted employee-led charitable initiatives to support staff involvement in community programs that benefit the local communities. Ausnutria strongly emphasises initiative and creativity and provides the execution funding for chosen projects. It is intended that Ausnutria would be able to recognise and assist community initiatives whose objectives align with those of the local communities.

Community Service to Improve Child Nutrition

CASE
STUDY



On 28 June, our employees from Ausnutria Foundation, in partnership with Kabrita, contributed to the Liangshan community. They visited Nelonghe Village in Haili County to understand the local nutritional situation deeply. With a heartfelt commitment to helping those in need, our employees personally distributed 1,000 cans of Goat Milk Formula, valued at RMB408,000, to the families who needed it the most. Through their community efforts, our employees brought warmth, support, and assistance to 504 families, positively impacting their lives.

Community Service to Encourage Children Reading

CASE
STUDY



From March to May, our employees in the Netherlands ran the "Score a Book!" reading program around 70 elementary schools in Friesland. All participating children are stimulated to read as many books as they can. Ausnutria provided a present for every participant and also arranged that the winning class could visit a soccer match in Ausnutria's business lounge, the SC Heerenveen stadium. Young students were actively encouraged to participate in this creative and engaging program, which aimed to ignite a lifelong love for reading. Through their unwavering commitment to community service, employees made a meaningful contribution to the educational development and well-being of the children in the province of Friesland.

Cash Donations to First Aid Association Gramsbergen

CASE STUDY



Our employees actively engage in community programs, exemplified by a cash donation to First Aid Association Gramsbergen. This generous contribution was utilised to acquire a new CPR baby doll specifically for training. It is worth mentioning that one of our colleagues, a volunteer at the association who conducts this training herself, applied for the cash donation. The training sessions are crucial in demonstrating effective and enjoyable techniques for resuscitating children, particularly for families.

CONSUMER HEALTH AND WELL-BEING

Ausnutria commits to cultivating a lasting rapport and trust with our customers, demonstrating our unwavering dedication to safeguarding their health and well-being. The Group actively endorses breastfeeding practices, firmly believing that breast milk is the primary source of nutrition for the growth and development of infants and young children. In obedience to the World Health Organisation's recommendations, Stage 1 (0-6 months) infant formula products are not promoted. Additionally, in the PRC, stage 2 (6-12 months) infant formula products are not promoted due to legislative provisions. Through the study of breast milk nutrition, Ausnutria engages in a continuous R&D process to improve the nutritional value of its milk formula. As part of its strategic approach to gain more scientific insights into the nutritional value of breast milk for infants and young children, the Group has established several breast milk banks. We are dedicated to developing milk formula that can cater to the specific nutritional needs of infants in rural villages in the region by conducting breast milk composition studies with various samples. Ausnutria is resolutely committed and inspired to ceaselessly enhance our knowledge and product line through extensive research into infant formula, breast milk, goat milk, and dairy products. In the Netherlands, the responsibility of the R&D department is to improve our comprehension of infant nutrition and to guarantee the creation of baby products that boast optimal nutritional merit. Consequently, to embark on scholarly investigations, Ausnutria has engaged in a partnership with Wageningen University located in the Netherlands, financing a series of projects. In 2023, researchers from Wageningen University & Research visited the Ausnutria Headquarters to present the latest developments and outcomes of their research projects.

To ensure that all product labels and statements of Ausnutria convey impartial, accurate, and fair information, all products and promotional materials will undergo a rigorous review process that aligns with the Group's branding requirements. In order to achieve full compliance with local legislation and regulatory standards, all products must receive final approval in line with the stipulations set forth by our esteemed distributors or the local brands prior to distribution in the marketplace. The Compliance Management System has been established for Kabrita products, which outlines the duties and responsibilities of incumbent upon the respective departments along the production process to form clear and organised procedures for reviewing and approving marketing materials. Meanwhile, Ausnutria Australia has maintained active participation in the Voluntary Incidental Trace Allergen Labelling Programme. Prior to making any declarations of our nutritional products being "allergen-free" on the product label, it is incumbent upon us to subject every ingredient to an exhaustive and rigorous allergen detection process.

EMPLOYEE WELFARE AND DEVELOPMENT

As a responsible and considerate employer, Ausnutria adheres to all relevant laws and regulations governing employment practices in all of our operating locations. The Group strictly prohibits any form of operational control, child labour, and forced labour. Besides, our human resources department is responsible for closely monitoring the recruitment procedures to ensure that all prospective employees are eligible for lawful employment and to prevent any violations of employment standards. In the event of a dispute, the management will be promptly informed, enabling the Group to make decisions that serve the best interests of the individuals involved.

In 2023, Ausnutria has unified its organisational and talent inventory system through a “Strategy-Organisation-Talent” review model, further promoting the construction of leadership tiers. The Group has developed a full-chain approach that integrates business, organisational, and talent strategies. This ensures the improvement and optimisation of structures at all levels and enhances the talent pool. It also establishes clear plans for recruiting, developing, and retaining key talent. There is strong agreement among managers on the need to build organisational capacity and develop leadership talent, aiding them in refining their talent management strategies and boosting their expertise in this vital area. To boost general staff skills, the “U Classroom Micro-Training Camp” with three thematic sessions throughout the year attracted broad departmental engagement. This initiative honed practical office software skills, communication efficacy, and financial literacy. To enhance professional skills, the Group consistently refined the application of headquarters’ qualification standards. Directed by career pathways and grounded in those standards and capability assessments, outcomes were solidified with rank evaluations and certifications, ensuring remuneration aligned with skill, role, and value. In addition, a system was introduced to evaluate cultural values, reinforcing behaviour norms rooted in the Group ethos. The Group drives the development of a high-performance culture through executive cultural workshops, while fostering a positive cultural atmosphere with online comic promotions and role model employees. These efforts set the stage for Ausnutria’s forthcoming strategic phase, steering business practices and daily employee conduct to facilitate strategic execution.

To promote communications with our employees, Ausnutria employs a diverse channel of communication, including email, newsletters, mobile applications, social media, and intranet systems to ensure that staff are abreast of the latest corporate developments and intelligence. Commencing in Year 2022, Ausnutria provides updates to its workforce using monthly newsletter throughout all regions. In the PRC, Ausnutria persistently disseminates updates to its workforce via the customised mobile application (U享家) and social media platforms such as WeChat. Additionally, forums are regularly convened for the induction of new personnel, serving to enhance our comprehension of their requirements and expectations.

The Group places a high priority on upholding transparency and honesty in interactions between management and employees, and we welcome feedback from employees at all levels regarding their workplace experiences. Our Workplace Communication and Consultation Policy, the Communication Protocol, and other documents accurately outline the principles, rights, and responsibilities associated with efficacious communication to ensure effective communications between employees and management. We arrange a combination of formal and informal meetings to encourage staff to express their job expectations, reservations, and professional growth ambitions, thereby promoting the effectiveness of work collaborations. The Group is committed to cultivating a productive and dynamic working environment.

In Australia, mechanisms such as feedback forms and surveys are established to capture the employees’ responses. To keep employees apprised of corporate news, the circulation of internal emails is also deployed. Meanwhile, in the Netherlands, the Group has made available an advanced intranet system that allows employees to stay current with the latest progress within the Group, such as the external collaborations, and updates on our governance structure. In 2023, the intranet system has been upgraded throughout the organisation so that messages can be uploaded by not only the Communication Department in the headquarter, but also by designated employees at the various plants.

In the PRC, the Group conducted a comprehensive employee satisfaction survey in 2023, aiming to evaluate room for improvement from the ideas and recommendations from employees in a transparent and unbiased manner. Regularly orientation meetings for new employees are held to help the Group understand their needs. The active involvement of our employees provided valuable insights on how to enhance existing employment practices, contributing to a deeper understanding of employees’ expectations from the Group. Ausnutria looks forward to engaging more profoundly with our employees and intends to broaden the survey’s reach to encompass additional subsidiaries.

In the Netherlands, we established official Works Councils across all operation locations in order to facilitate meaningful dialogue between the management and employees. In the proposal of Ausnutria’s employment policies, the Works Council acts as an advocate for employee interests, and consultative and approval rights when critical management decisions are involved. Comprising seven individuals including employee representatives and elected members, the Works Council convenes every two months with senior management to discuss concerns and feedback within the daily operation of the workplace. Regular meeting ensures that all entities within the subsidiary remain aligned with overarching corporate strategies, management decisions, and daily operations.

The Company has established standard procedures for addressing instances where employees may encounter unjust treatment or disagreements during daily operations. The Code of Conduct and the Employee Handbook explicitly state that it is both the right and responsibility of employees to report any instances of mistreatment to their supervisor. The Group is committed to protecting whistleblowers by maintaining confidentiality of their identities and by addressing the reported concerns promptly within a defined period. If necessary, the case will be escalated to higher levels of management, including the HR department and the senior leadership team until a consensus is reached. To streamline the process of managing and resolving disputes or instances of mistreatment, Ausnutria has set up a specialised performance appeal and feedback mechanism in the PRC. This system integrates both online and offline methods into the feedback process, allowing for a more effective feedback procedure.

Ausnutria is dedicated to empowering employees to gain new professional capabilities and fostering individual development. Employees are granted access to an extensive array of educational resources and materials. To optimise training resources and improve human capital management, annual training plans are instituted across various subsidiaries. This ensures that employees benefit from systematic, holistic training and supervision at work. In addition, to prepare new hires with the skills required for smooth integration and a successful start in their positions, all new joiners are required to participate in a comprehensive orientation training programme.

To augment the proficiency and productivity of our employees at the workplace, a wide variety of training programmes are accessible to employees at every level, including:

- Standard Operating Procedure (SOP) training
- Health and Safety training
- Quality training
- Human Resources training
- External training (e.g. first aid training and software training)

As for Ausnutria Australia, targeted trainings are offered to employees based on their role and seniority. To improve the leadership and managerial skills of managers, Ausnutria Australia facilitates training for Certificate III courses in Business management and leadership. For operators, periodic trainings are required by the Therapeutic Goods Administration and are provided accordingly. Additionally, since we firmly believe that offering a diverse range of learning opportunities accelerates the professional advancement of our employees, therefore, Ausnutria offers 5S training for all personnel involved in production to enhance employees' proficiency in workplace management.

In an effort to realise better learning effectiveness, Ausnutria Netherlands took advantage of the e-learning platform namely, "Dairy Academy". The platform provides online courses that deliver practical knowledge ranging from raw materials, technology application and production processes, to quality monitoring of Ausnutria's products etc. Employees can develop operational expertise by tapping into the learning materials and resources available on the platform. A 5-day voluntary training course in Business English was commenced late 2023, providing opportunities for employees to improve their Business English skills. Moreover, Ausnutria Netherlands has continued its commitment to invest in both leadership development programmes and comprehensive training programmes for employees at all levels. In 2024, Ausnutria Netherlands will intensify this commitment by working towards a centrally organised training offering that focuses on both educative and personal development, with the option of individual coaching.





● MBA Class (澳橙計劃)



● Pre-MBA Class (澳青計劃)

For employees who are preparing for management level positions, the training equips them with skills in communication, strategy implementation, and talent assessment to further tap into their potential, improve their leadership, and assist in the organisation's sustained growth. The training is offered by various department personnel to share their expertise. Throughout the implementation of the scheme, the Group will closely monitor the learning progress of our employees and cater their different needs.



● High Potential Talent Scheme in the PRC

To assess the performance of individual staff members and foster their continuous professional growth, Ausnutria has established a structured staff appraisal system. This system is designed to stimulate a sense of responsibility among employees and to boost efficiency at individual, departmental, and organisational levels. The system has been employed in the PRC, Netherlands and Australia. Hyproca conducts the "Hyproca Strivers Speak" benchmarking case sharing sessions that allows outstanding frontline business personnel to promptly share their business insights and working methods. The "Gathering Talents" talent development programme is initiated to provide coaching and mentoring to enhance the competency of regional managers, provincial managers, and office managers. Kabrita focuses on building and safeguarding a marketing talent pipeline. Starting with job profiling, tiered training and empowerment sessions coupled with practical drills are conducted. Initiatives such as "Executives Lesson", "Champions Platform", and "Experts Tips" are underway to collate and disseminate expertise. These programmes serve to distil experience across managerial, intermediate, and operational levels, thus contributing to performance achievements.



EMPLOYEE HEALTH AND SAFETY

Ausnutria is committed to establishing a safe and healthy working environment for all employees. The Group strictly adheres to all local occupational health and safety (“OH&S”) laws and regulations to ensure the health and safety of its workforce. To ensure the compliance with the latest national and regional regulations, the Company regularly reviews and updates internal standards and procedures across all subsidiaries. Moreover, the Group set out relevant health and safety instructions to raise the awareness of employees of the compliance with our internal guidance, as well as to assist employees in fully understanding their roles and responsibilities.

Ausnutria has established a health and safety committee or officer tasked with overseeing the adherence at each manufacturing site to guarantee that health and safety standards and procedures are executed effectively and diligently. In the PRC, it is mandatory for all personnel employed in upstream factories to sign the “Work Safety Responsibility Acknowledgement”. This ensures that employees are conscious of their roles and responsibilities to abide by internal regulations, as well as the potential consequences of any irresponsible behaviour.

Ausnutria has implemented risk identification and emergency response mechanisms on OH&S issues. At the subsidiary level, regular risk assessments are conducted both internally and externally to identify and mitigate potential risks and hazards in our workplace. Inspection reports will be sent to the committee for review, and follow-up measures are taken if necessary. In addition to OH&S-related personnel, general staff can also access and can review the monthly risk assessment reports in the Netherlands. This transparency contributes to increased awareness on existing black spots and decreased recurrence of similar incidents. Moreover, Ausnutria Netherlands has implemented Additional Risk Inventory and Evaluation (“ARIE”) regulation in 2023, outlining the procedures for addressing the aftermath of severe incidents involving on-site hazardous materials. In Australia, the Group consistently reviews and updates its Standard Operating Procedures, as well as performing regular site checks and risk assessments to inspect new equipment and manufacturing procedures. In the PRC, extensive checks are initiated by the management prior to major holidays like Chinese New Year and the Mid-Autumn Festival, to avoid any irregularities during these times. These inspections are exhaustive, including aspects such as site safety, fire safety, hazardous chemical use, and waste treatment. Additionally, external inspections are also conducted annually at production sites. To minimise occupational dangers and risks and ensure the safety of our employees, Ausnutria will remain attentive in its operational adherence to OH&S practices.

The Group holds a certain belief that accidents can be prevented by avoiding miscommunication between departments and employees. To foster active and efficient communication on OH&S issues, Ausnutria has introduced OH&S Meetings across its subsidiaries. In Australia, the OH&S Meetings, which bring together safety representatives from various departments, are held every two months. These meetings serve to encourage cooperation among different units, aiming to improve the management and advancement of OH&S.

The Group is committed to equipping employees with the skills and knowledge to professionally manage incidents and operational risks. This is achieved by organising OH&S training sessions and safety drills. Ausnutria Netherlands held safety training for all its employees in 2023. In Australia, annual trainings on standard operating procedure are conducted. Additionally, specialised OH&S training sessions are offered to relevant staff members, covering a range of topics including fire warden, first aid, injury, hazard and incident reporting etc. In the PRC, trainings on fire safety, food safety, and production safety are conducted in accordance with the Group’s standard protocols. Monthly training sessions on on-site safety regulations are also delivered for logistics service providers, while part-time safety officers receive safety management training every four months. Additionally, the Group arranges free health check-ups for employees annually, along with professional interpretation of the results. Through varied OH&S initiatives, the Group aims to improve employees’ readiness to deal with potential hazards and emergencies, thereby ensuring the safety and health of our workforce.



Ausnutria holds the conviction that mental health is equally as vital as physical health and safety. Therefore, the Group is dedicated to promoting mental well-being among employees. In Australia, the Group has introduced the Employee Assistance Programme which employees can call and get professional support at confidential counselling sessions. This programme has been renewed and continued in 2023. In Ausnutria Netherlands, employees are actively encouraged to voice any concerns regarding harassment, bullying, aggression, violence, discrimination, and conflicts with superiors to their counsellors. These counsellors are equipped to offer guidance and, in more severe instances, to take further measures. Every office and production site in the Netherlands has appointed new counsellors in Year 2022, ensuring that all employees have convenient access to a trusted confidant whenever necessary. In the PRC, the Group organises annual counselling talks aimed at educating employees on topics such as mental wellness and stress management.

Organising Employee Basketball Tournament

CASE STUDY



The Group recognised the positive impact of sports on both physical health and mental well-being. Therefore, we are enthusiastic about motivating our employees to engage in various sporting activities by offering them opportunities to get involved. In the PRC, the "2023 Ausnutria (China Region) Fifth 'Friendship Cup' Basketball Tournament" took place in Changsha, with 81 employees from various positions within the group forming six teams to compete. The tournament spanned 9 days and featured a total of 10 matches. The Ausnutria basketball tournament, now in its fifth consecutive year, is not only a significant event to foster a healthy lifestyle and a culture of well-being among the employees, but it is also an important initiative to strengthen team integration and group cohesion.

Healthcare needs of our employees

CASE STUDY

In the PRC, in response to the healthcare needs of our employees and to raise awareness about oral health, Ausnutria organised lectures on oral health and complimentary dental clinic events this year. Oral health specialists delivered detailed presentations on everyday dental care and the prevention of oral diseases. Additionally, through the free dental clinic events, dentists offered individualised and expert advice tailored to the oral health conditions of each attendee. At the same time, every Ausnutria employee who participated in the event received an oral health gift pack and an oral health knowledge handbook.



Ausnutria has upheld a hygienic and secure work environment through a variety of initiatives. The Group ensures regular sanitisation of all office and production areas, while implementing specific measures tailored to the local conditions and regulations of each operational region. To prioritise employees' well-being, in Australia and Netherlands, we have a remote working policy and have arranged options for working from home, as well as rotation schedules for our staff. Additionally, we provide trainings and informational posters to enhance employee awareness about the importance of good personal hygiene practices.

DIVERSITY AND INCLUSION

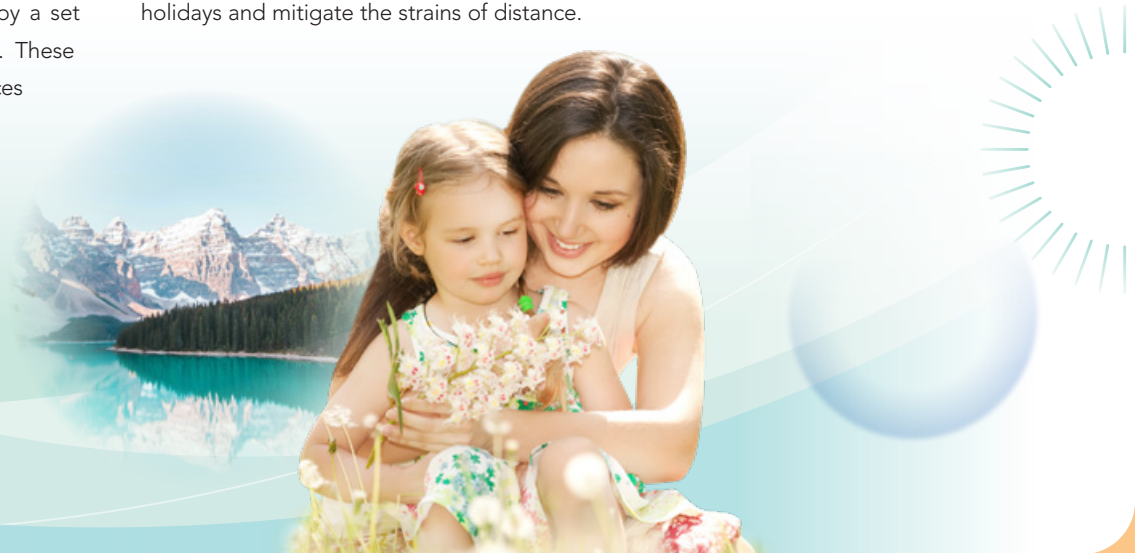
Ausnutria actively advocates diversity and inclusion in the workplace, recognising that these principles are critical for achieving sustainable and dynamic business growth. We are dedicated to establishing a fair, harmonious, and rewarding environment, where every employee feels deeply respected, trusted, and supported. To avoid a single-gender board, subsequent to the resignation of Ms. Ng Siu Hung as an executive Director on 12 September 2023, the Company was with a single gender Board. Following the appointment of Ms. Yan Junrong as a non-executive Director on 24 November 2023, the Company had achieved gender diversity on the Board and thus had re-complied with the diversity requirement of the Listing Rules and the Corporate Governance Code.

Our values and standards, along with the expected behaviours of our employees, are clearly delineated in our regional Code of Conduct and Employee Handbooks. These documents encompass policies and procedures that instruct our subsidiaries on addressing employment-related issues, including compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, training and development, OH&S, and additional benefits and welfare. To make sure that all information is easily accessible and broadly disseminated among our employees, we make efficient use of various communication channels during the onboarding process or whenever updates are available.

The Group adheres to the principles of meritocracy and non-discrimination, treating every employee with equal respect and openness. Our recruitment process is governed by a set of standard operating procedures that all regional teams are mandated to follow. These procedures undergo regular reviews and updates to align with evolving industry practices and local requirements. We seek talent through a variety of recruitment platforms, extending beyond the traditional channels to ensure a diverse candidate pool. In the PRC, the Group conducts an annual Management Trainee Programme to bolster our talent reservoir. In the year 2023, we recruited a total of 7 graduates who exhibited significant potential, providing them with a range of resources to develop specialised skills in food manufacturing industry. Participants in our Management Trainee Programme are mentored by the senior management to make sure they are well-prepared to take on pivotal roles and drive Ausnutria forward in the future.

Ausnutria acknowledges and rewards the hard work and contributions of our employees by offering competitive remuneration packages and attractive benefits. Employees are entitled to various forms of leave, allowances, bonuses, and subsidies according to their rank, position, and years of service. In the PRC, the Group offers regular meal subsidies, as well as celebratory gifts or subsidies for birthdays holiday subsidies and during traditional celebrations such as the Lunar New Year and the Mid-Autumn Festival. Employees marking 5, 10, 15, or 20 years with the Group are honoured with special anniversary presents. Additionally, employees receive subsidies for protective measures during extreme cold and extreme heat for our employees. In Ausnutria Netherlands, during times of inflation in the Netherlands, the Group offers employees access to a budget coach for financial guidance, assisting them in understanding and managing their finances effectively. Consultations with the budget coach are confidential and can be made anonymously.

Ausnutria is devoted to creating an inclusive environment that supports the diverse needs of employees while maintaining a smooth and efficient operation. Recognising the importance of family bonding, we are actively promoting a family-friendly culture across the Group. To better accommodate the work-life balance of our employees and to afford them more time with their families, the Company has introduced flexible arrangements at the subsidiary level. In the PRC, the Company is mindful of the challenges faced by employees who are geographically separated from their spouses. To address this, we grant a monthly half-day excused leave specifically for family visits, enabling employees to reunite with their spouses during public holidays and mitigate the strains of distance.



Bonding Time in Ausnutria's Family Carnival

CASE STUDY



In the PRC, Ausnutria's family carnival was held every year. As of 2023, the event coincided with a significant milestone: the 20th anniversary of Ausnutria's founding. Families have participated in the carnival to enjoy special art exhibition visit and be involved in various games and workshops in Xie Zilong Photography Art Centre, a venue exuding a strong artistic atmosphere. The events were designed around the theme of Ausnutria's 20th anniversary, allowing our employees to experience the "home culture" encouraged by Ausnutria through fun and interactive experiences, while also providing precious moments for family time and fostering closer relationships.



Moreover, Ausnutria is devoted to creating a female-friendly and mother-friendly workplace for employees. The Group has established breastfeeding facilities and offering flexible working arrangements. In the PRC, all mothers with a child under one year of age are entitled to a daily half-hour breastfeeding break, with the option to extend this to a full hour if needed. In 2023, Ausnutria hosted a team-building event for International Women's Day, demonstrating care and support for the female employees. The Group also provides opportunities for employees to gather with their families during special occasions. For example, on Children's Day, working parents are encouraged to bring their children into the workplace and enjoy family-oriented games together.

