

BROADENING Our Impact



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乳業有限公司
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PLANT-BASED NUTRITION



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As Vitasoy progresses along our sustainability journey, we remain loyal to our core mission to deliver tasty and sustainable plant-based food and beverages to more and more communities. Our plant-based portfolio offers not only nutritional and health benefits, but also a comparatively low carbon footprint and environmental impact (less water, land use). We continue to broaden our impact via both innovation and expansion into new markets.

Building on our 80 years of expertise, we continue to improve the sustainability of our enterprise year after year. From our humble beginnings as an affordable source of nutrition for Hong Kong people in 1940, we have witnessed transformative changes locally and around the world. In this changing market landscape, we are working at the same time to scale our operations whilst improving our sustainability practices so to be more beneficial to the environment and society.

Over the past year, we have further enhanced our sustainability governance structure with the establishment of a Board-level Environmental, Social, and Governance (ESG) Committee to oversee our sustainability issues. Through the ESG Committee's oversight, our Board is now able to assess ESG risks and provide strategic long-term guidance on sustainability performance, goals and priorities. We have also implemented new ESG-related policies and guidelines including the Group Climate Change Policy, Group Fair Labour Practices Policy and Sustainable Farming Guidelines. These new developments are embedded into how we conduct our business as we create long-term sustainable value for our shareholders, employees, customers, suppliers and the communities where we operate.

From our humble beginnings as an affordable source of nutrition for Hong Kong people in 1940, we have witnessed transformative changes locally and around the world. In this changing market landscape, we are working at the same time to scale our operations whilst improving our sustainability practices so to be more beneficial to the environment and society.

Our Sustainability Framework of Making the Right Products and Making Products the Right Way focuses our efforts and contributions towards the most material issues. These are connected to the goals of the 2030 Agenda outlined in the United Nations Sustainable Development Goals (SDGs). Our long-term objectives will be achieved through specific workstreams, whose progress is tracked by Key Performance Indicators (KPIs) which are shared in detail within this report. As of this year, we have met or exceeded all our 2020/21 goals in product portfolio and packaging, and stayed on track to achieve the related 2025/26 goals. This report shares the steps we have taken towards achieving our per-unit water, electricity, and fuel performance goals. Nourish Your Body, Nourish Your Mind remains the centre of our community engagement strategy. To that end we have launched a new Beverage Carton Clean Recycling Education Programme in Hong Kong to reduce packaging waste.

We have further enhanced the quality of our disclosures and provided our stakeholders with a better understanding of our sustainability practices. The information in this Report was developed in accordance with the Global Reporting Initiative (GRI) Standards, an international reporting framework, and has obtained independent third-party verification. This year, we have started to align our climate change related disclosure to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Our efforts to continuously strive for excellence in sustainability has received local and international recognition. Vitasoy International Holdings Limited, for the first time, entered the Corporate Knights ranking of the "Top 100 Global Sustainable Companies" and has been included in the Hang Seng

Corporate Sustainability Index as one of the Top 30 Hong Kong listed companies demonstrating best in class sustainability performance.

As we celebrate 80 years of plant-based nutrition, we honour our founder's vision through continuous innovation and sustainable growth. Although we formalised our Sustainability Framework in 2015, we have been Making the Right Products and Making Products the Right Way since 1940. We invite you to join our journey and thank you for taking the time to read our report.

Winston Yau-lai Lo
Executive Chairman
19th June 2020



About this Report

We welcome all our stakeholders to Vitasoy's sixth annual Sustainability Report. We are pleased to present the progress made on our Environmental, Social, and Governance (ESG) performance from 1st April 2019 to March 31st 2020¹. We have taken significant steps towards the achievement of our KPI goals through the implementation of various measures in the past year and continue to track well towards our end objectives.

This year, we have advanced our sustainability disclosure journey by reporting in accordance with the Global Reporting Initiative's (GRI): Core Option for the first time. As a company listed on the Hong Kong Exchanges and Clearing Limited (HKEX), this report has also been developed in compliance with

the reporting requirements of Appendix 27 of the Main Board Listing Rules (HKEX ESG Guide).

To help readers more easily locate relevant information related to the HKEX ESG Guide and the GRI Standards, a content index is included in the [Reporting](#) section of our Sustainability website.

For more information regarding Vitasoy's sustainability efforts, please refer to the [Sustainability](#) section of our corporate website.

Give Us Your Feedback

We welcome feedback and suggestions on this Report. Please contact us at sustainability@vitasoy.com.



¹ This report (the "Report") covers the global, aggregated data and performance for Vitasoy International Holdings Limited (referred to as "Vitasoy" or "the Company" or "the Group"), including Mainland China; Hong Kong, China; Australia; Singapore; the Philippines*, Canada and the USA.

* The new plant in the Philippines has commenced operation in 2019/20.

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Independent Assurance Report



VERIFICATION STATEMENT

Scope of Verification

Hong Kong Quality Assurance Agency ("HKQAA") has been engaged by Vitasoy International Holdings Ltd. (Vitasoy) to undertake an independent verification for its Sustainability Report 2019/20 ("The Report"). The scope of HKQAA's verification covers the sustainability data and information of Vitasoy from 1st April 2019 to 31st March 2020.

The aim of this verification is to provide a reasonable assurance on the reliability of the report contents. The Report has been prepared in accordance with the Global Reporting Initiatives ("GRI") Standards: Core option and the Environmental, Social and Governance Reporting Guide ("ESG Guide") issued by the Hong Kong Exchanges and Clearing Limited ("HKEx").

Level of Assurance and Methodology

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. Our evidence gathering process was

designed to obtain a reasonable level of assurance as set out in the standard for the purpose of devising the verification conclusion. The extent of this verification process undertaken covered the criteria set in the GRI Standards: Core option and the ESG Guide.

HKQAA's verification process included verifying the mechanisms for collecting, calculating and reporting the sustainability performance information, reviewing relevant documented information, interviewing responsible personnel with accountability for preparing the Report and verifying selected representative samples of data and information. Raw data and supporting evidence of the selected samples were thoroughly examined during the verification process.

Independence

Vitasoy is responsible for the collection and presentation of the information presented. HKQAA does not involve in calculating, compiling, or in the development of the Report. Our verification activities are entirely independent from Vitasoy.

Conclusion

Based on the verification results and in accordance with the verification procedures undertaken, HKQAA has obtained reasonable assurance and is in the opinion that:

- The Report has been prepared in accordance with the GRI Standards: Core option and the ESG Guide of HKEx. The key performance indicators specified in the ESG Reporting Guide has been adequately addressed;

- The Report illustrates the sustainability performance of Vitasoy's material topics in a balanced, comparable, clear and timely manner; and
- The data and information disclosed in the Report are reliable and complete.

Vitasoy identified its material topics through a thorough materiality assessment process. The material matrix covered the consideration of issues that are of importance to the company and with high level of stakeholders' interest as well as the perceived ability of Vitasoy to make a positive difference. In conclusion, the Report disclosure is commensurate with Vitasoy's sustainability context and materiality.

Signed on behalf of Hong Kong Quality Assurance Agency

Jorine Tam

Director, Corporate Business
June 2020

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Reporting What Matters

STAKEHOLDER ENGAGEMENT

Vitasoy maintains open communication channels with our stakeholders through ongoing dialogue conducted via regularly scheduled meetings and briefings. These engagements ensure that the implementation of our sustainability strategy remains consistent across our operations and that our measures effectively address stakeholders' feedback.

Vitasoy's top material issues, which represent the most important and impactful aspects of our core business, were identified through a formal materiality assessment. The stakeholders engaged in this process were selected based on their expertise and working relationships with Vitasoy, and included our employees, suppliers, customers, investors, academics, media, non-government organisations and consultants/think tanks. For more information on our stakeholder engagement process, please refer to the [Materiality Assessment](#) section of our Sustainability website.

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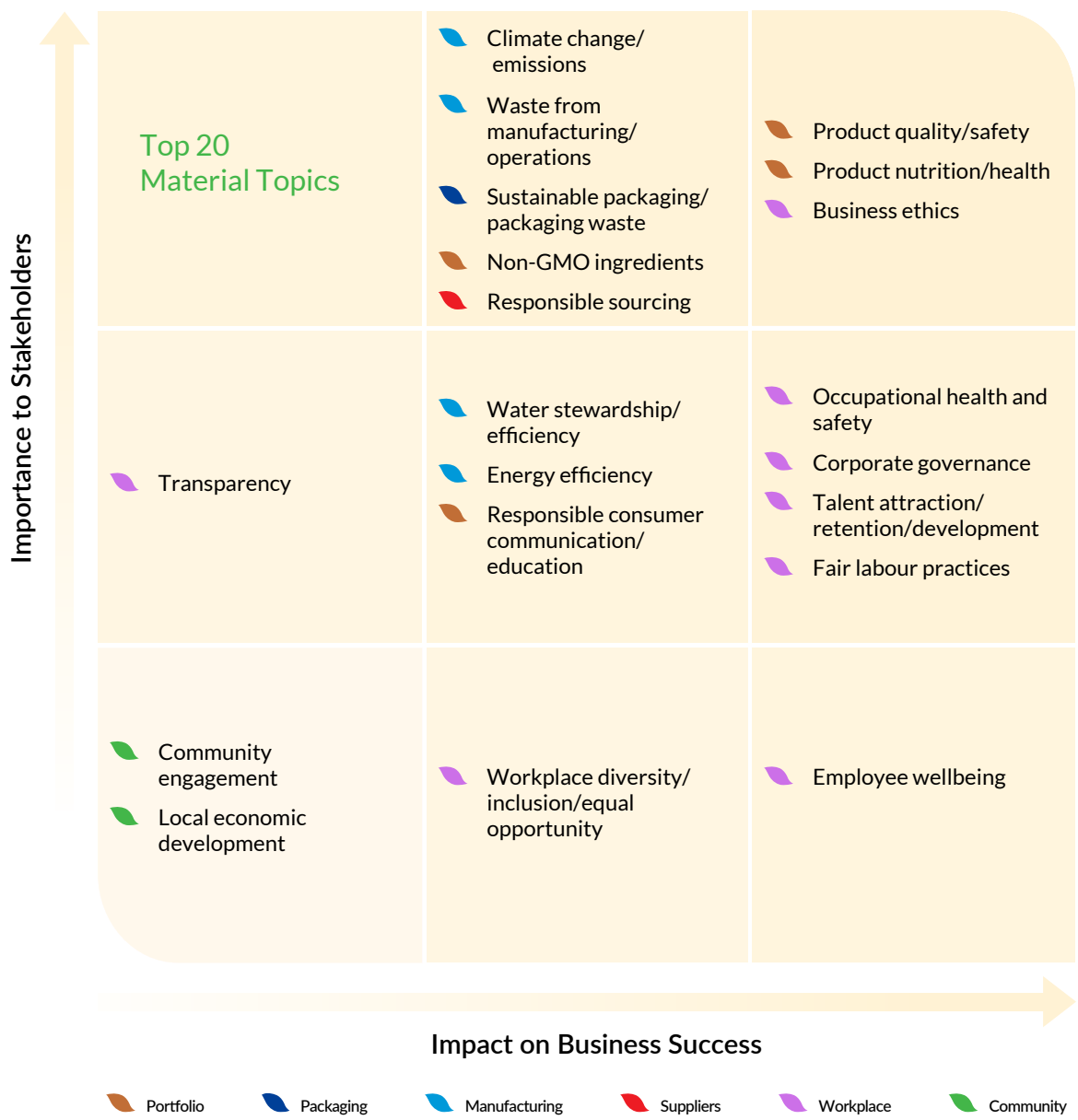
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STAKEHOLDER ENGAGEMENT (continued)

Our Material Issues

We identified a list of potentially material topics through a formalised assessment process. The materiality matrix presents these topics based on their importance to our stakeholders and the potential impact they have on the success of our business. This year, we identified climate change as one topic which has become increasingly impactful to Vitasoy. Droughts in Australia exacerbated by climate change have significantly affected the supply of soybeans which in turn impacted our business in the region.

While our focus remain on addressing the most material issues, we will continue to manage all issues affecting Vitasoy and our stakeholders. We will also dedicate our reporting efforts on our top material issues through the disclosure of relevant KPIs, targets or initiatives which are described in subsequent chapters of this Report. For details of our materiality matrix, please refer to the [Materiality Assessment](#) section of our Sustainability website.



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About Vitasoy and Plant-Based Nutrition



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A SNAPSHOT OF OUR COMPANY

Our Presence/Markets



Our Global Presence

~40 markets



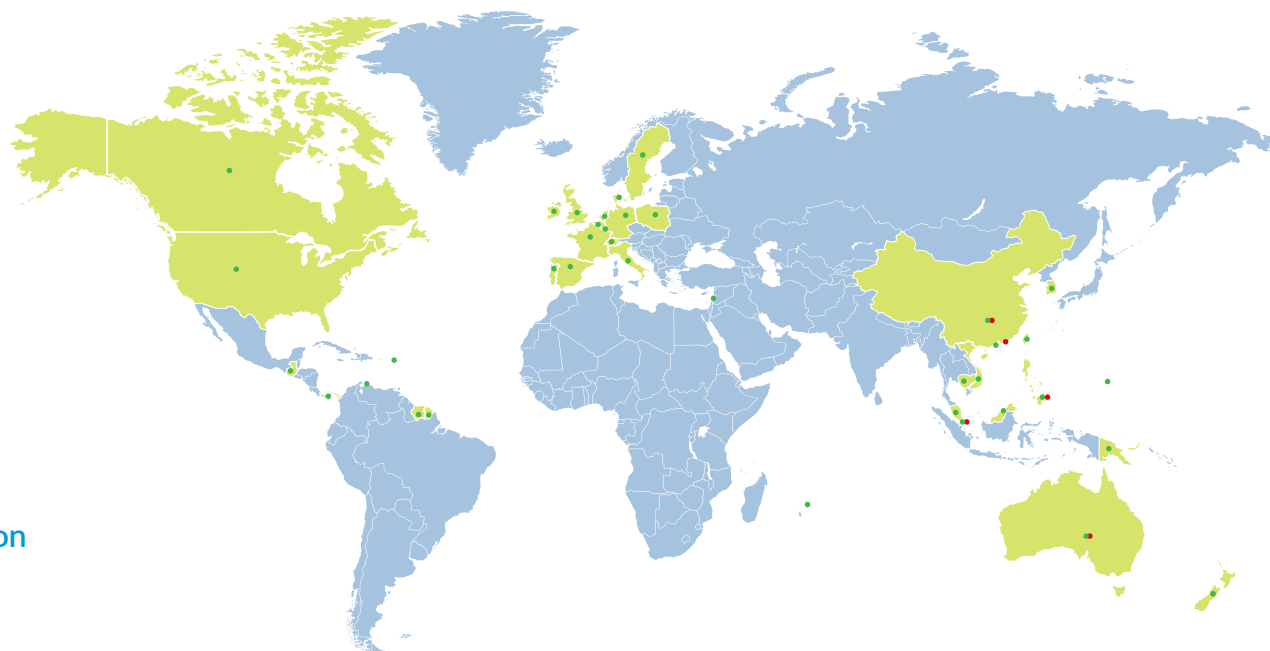
Our Workforce

7,651 employees



Our Revenue

HK\$7,233 million



Export Markets



Manufacturing Presence

Established in 1940, Vitasoy is a listed company (SEHK: 0345) headquartered in Hong Kong. Since our founding, we have grown to become one of Asia Pacific's leading plant-based food and beverage producers while respecting our brand heritage and core values. With a significant presence locally and around the world, the economic value we create extends to a wider set of stakeholders, including employees, suppliers and business partners, shareholders, the Government and the community at large. For details on our financial performance, please refer to our [Annual Report 2019/20](#).

Click above buttons to see more

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A SNAPSHOT OF OUR COMPANY (Continued)

Our Brands



Some of Vitasoy's Flagship Products

Mouse over product image to see more



Plant Milk



Tofu

Tea

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OUR PLANT-BASED HERITAGE

Our Business

Making nutritious and tasty plant-based food and beverages has been Vitasoy's heritage since its establishment. In a time of food shortages, malnutrition and soaring commodity prices, Dr. K. S. Lo created the first ready-to-drink soy milk to offer the people of Hong Kong an affordable and healthy alternative to dairy milk.

Drawing on 80 years of expertise, Vitasoy's product portfolio is available in about 40 markets with manufacturing facilities in Hong Kong, Mainland China, Singapore, Australia and the Philippines. As we scale up our business, we remain committed to our founding vision of providing sustainable plant-based beverages and food products which are good for the people and the planet while innovating to embrace opportunities.

Nutritional benefits of soy and other plant ingredients

Soybeans

- Rich in high quality protein which supports cellular growth and repair
- Rich in isoflavones, natural antioxidants which are good for the heart and bones
- Good source of heart-healthy omega-3 fatty acids
- Rich in B vitamins which help to obtain energy from foods
- Rich in minerals such as potassium, magnesium and phosphorus



Oats

- Rich in oat beta-glucan, a soluble fibre which helps to lower cholesterol and protect the heart
- Good source of dietary fibre which helps to promote a healthy digestive system
- Rich in B vitamins which help to obtain energy from foods
- Rich in minerals such as magnesium, iron, phosphorus and zinc



Almonds

- Rich in vitamin E, a natural antioxidant which helps to protect body cells against free radical damage
- Rich in heart-healthy monounsaturated fatty acids
- Good source of health-promoting plant compounds such as flavonoids and plant sterols
- Rich in essential nutrients such as potassium, calcium, B vitamins and dietary fibre

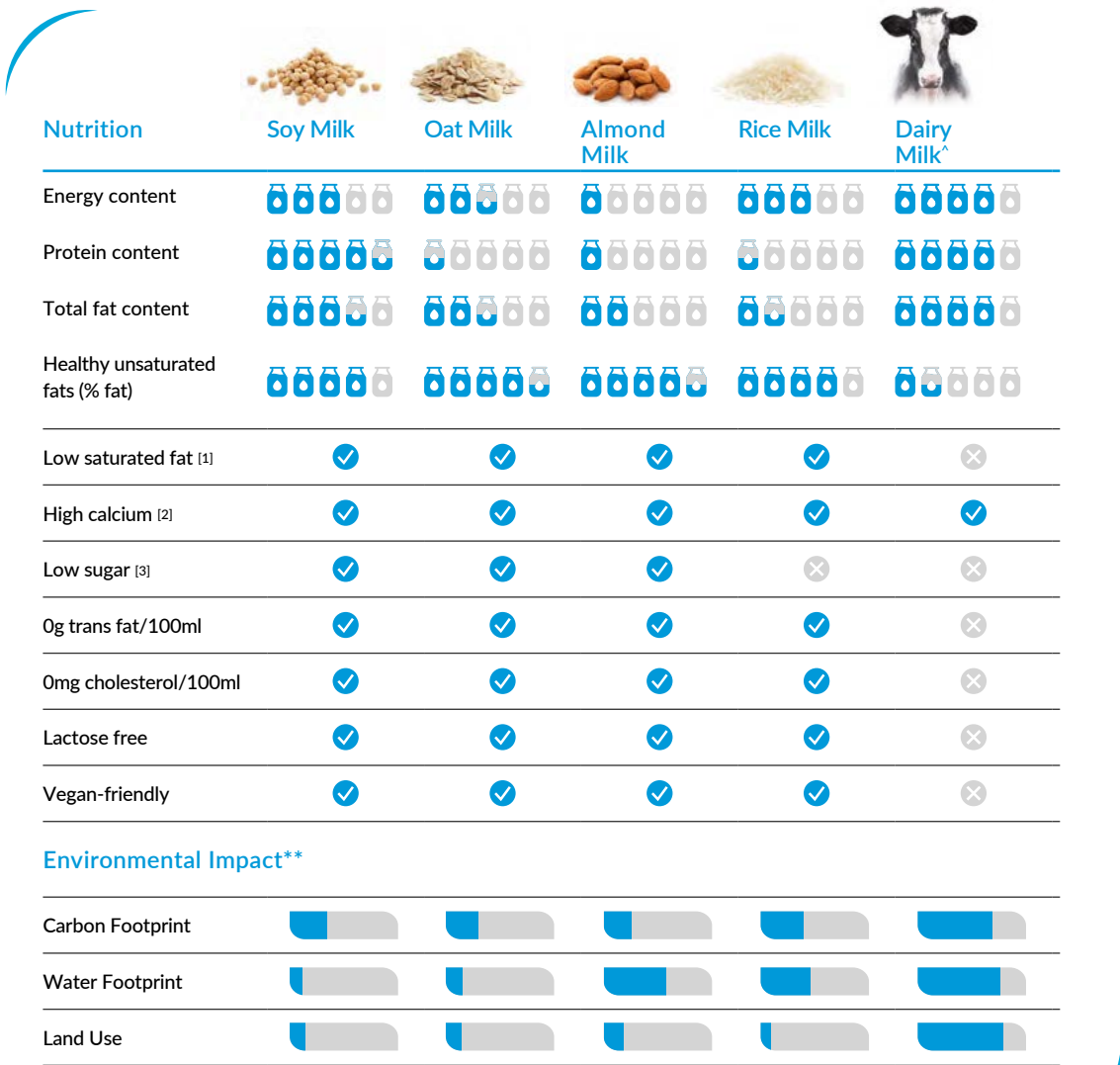


OUR PLANT-BASED HERITAGE (Continued)

Plant-Based Benefits

Soy and other plant milks have lower environmental impact. This is a comparison based on Vitasoy Australia products*.

- Soy milk: Vitasoy Soy Milk Protein Plus
- Oat milk: Vitasoy Oat Milk Unsweetened
- Almond milk: Vitasoy Almond Milk Unsweetened
- Rice milk: Vitasoy Rice Milk Unsweetened



* Nutrition information on Pack – 2020 May
^ Nutrition information based on Milk, cow, fluid, regular fat (3.5% fat) from Australian Food Composition Database
[1] Low saturated fat: not more than 0.75g saturated fat per 100ml; saturated fat contributes to not more than 10% of energy
[2] High calcium: not less than 100mg calcium per 100kcal
[3] Low sugar: not more than 2.5g sugars per 100ml for products sold in Australia
** Data for environmental impact from Poore J, Nemecek T. Science. 2018 Jun 1; 360(6392): 987-92; additional calculations by J. Poore



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SUSTAINABILITY VISION



As we expand and scale up our business, we reaffirm our commitment to providing sustainable plant-based nutrition through the continuous innovation and development of products in line with our triangle of Core Values of Nutrition, Taste, and Sustainability.

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SUSTAINABILITY VISION (Continued)

SUSTAINABLE DEVELOPMENT GOALS



Alongside our commitments to operating business sustainably, we are also cognisant of our role within an international context. The global challenges of population growth and natural resource availability are becoming increasingly prevalent across all industries worldwide. Coupled with climate change, the negative impacts of these global challenges exacerbate other concerns such as accessibility to nutritious food and food security. In response to these challenges, governments and private organisations are working together to mitigate the risks through their support of the United Nations Sustainable Development Goals (SDGs). Vitasoy has identified the SDGs most applicable to our business and thus are the most relevant for strategic alignment. Please visit the [SDGs website](#) to learn more about these goals.

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SUSTAINABILITY FRAMEWORK AND GOVERNANCE

Our Sustainability Framework takes a holistic approach to the alignment of our ESG issues and our business focus areas. Since achieving organisational alignment under this Framework, our sustainability strategies have become more efficiently implemented across our operations. Presided over by the Vitasoy Board, Vitasoy's management team developed the Framework to consist of two major pillars:



Making the Right Products

Taste and nutrition are important considerations during the development of our product offerings. We support healthy consumer choices by providing great tasting plant-based beverages with low fat and low sugar content. To deliver our product to consumers safely and sustainably, Vitasoy has focused on evaluating and minimising packaging impacts on the environment without compromising our product quality.

Making Products the Right Way

Working together with our stakeholders and partners, Vitasoy strives to conduct our business in a manner which is sustainable for the environment and its natural resources, promotes responsible procurement practices, creates a safe and inclusive workplace, and fosters community development.



Providing tasty, sustainable plant-based nutrition

Making The Right Products

Making Products The Right Way

PORTFOLIO

PACKAGING

MANUFACTURING

SUPPLIERS

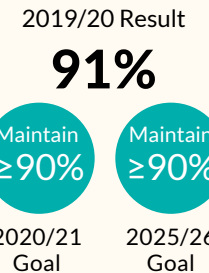
WORKPLACE

COMMUNITY



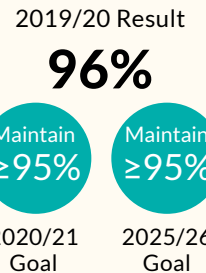
Plant-based

Increase plant-based beverage offerings



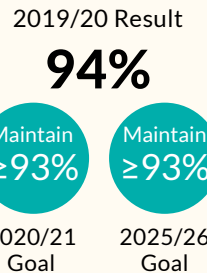
Nutritious Plant Milk

Increase nutritious plant milk beverage offerings



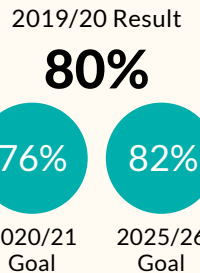
Low Fat

Increase "low fat" or "low saturated fat and zero trans-fat" beverage offerings



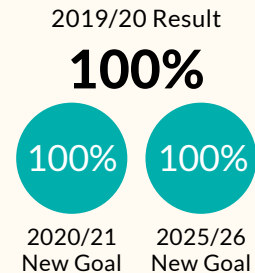
Moderate to Zero Sugar

Increase "moderate to zero sugar level" beverage offerings



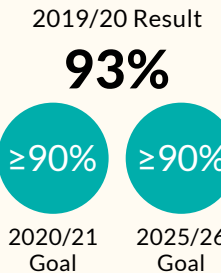
Carton Paper

Increase fresh-keeping laminated carton pack with FSC label



Glass

Glass bottle recycling rate



Plastics

Weight reduction

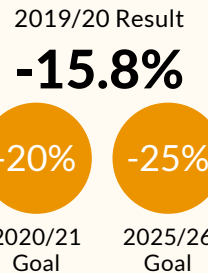
Pilot bio-based PET

Implement recycled PET



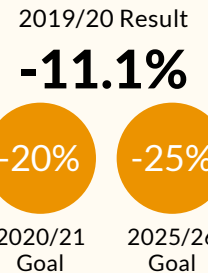
Water

Reduce water used to manufacture each unit of product against 2013/14 level



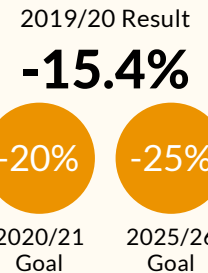
Electricity

Reduce electricity used to manufacture each unit of product against 2013/14 level



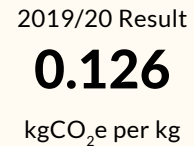
Fuel

Reduce fuel used to manufacture each unit of product against 2013/14 level



Carbon Footprint

Scope 1 + 2 emission intensity



Waste

Maintain okara (soy residue) recycling rate at or above 99%



Supplier Management

Supplier Responsibility Principles

Responsible Procurement Policy

Non-GM Policy

Sustainable Farming Guidelines



Inclusive Workplace

Gender ratio

42% : 58%

Female Male

Lost time injury rate

0.69 vs 1.32

2019/20 2014/15

Average training hours per employee

11.2 p.a.



Community Engagement

Vitasoy Beverage Carton Clean Recycling Education Programme

Vitasoy University Grant in Mainland China

Vitasoy Nutrition Exploration Journey: partnership with St. James' Settlement in HK

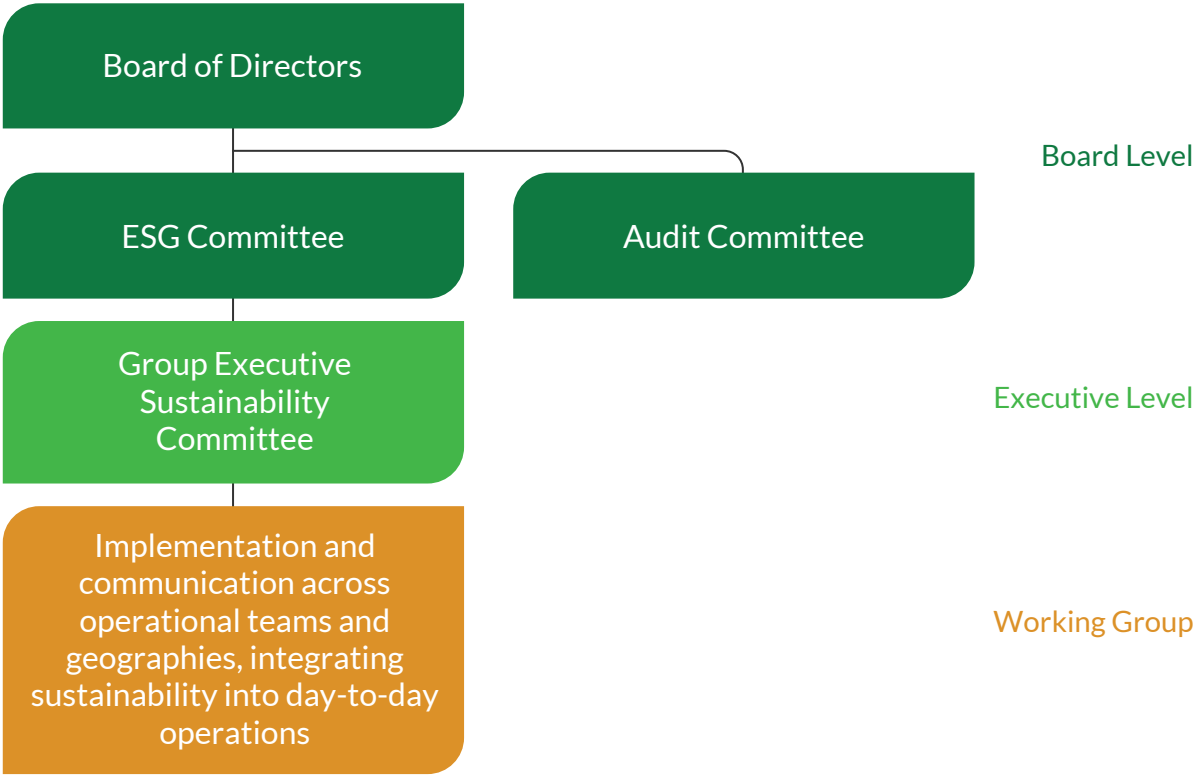
SUSTAINABILITY FRAMEWORK AND GOVERNANCE (Continued)

Material Issue(s) Addressed:

- Corporate governance
- Transparency

Sustainability Governance

Corporate governance and transparency are material issues for Vitasoy. We regularly review our systems and guidelines across our operations to ensure we maintain high level of transparency and accountability. To learn more about company shareholdings, our Board and Sub-board Committee structure, and our governance policies such as Corporate Governance Policy, Director Nomination Policy, Board Diversity Policy, Whistleblowing Policy and Shareholders Communication Policy, please visit our [corporate website](#) and our [Annual Report](#).



VITASOY – ESG BOARD STATEMENT



Board of Directors Oversight

The Board holds the overall accountability for the company's ESG strategies and performance. To drive our ESG agenda with dedicated Board-level oversight, we have set up a Board-level ESG Committee. This Committee meets at least twice annually to provide vision and guidance based on Vitasoy's Sustainability Framework and will report back to the main Board on the progress of Vitasoy's goals, strategies, and initiatives. Appointed by the Board from amongst the Board members, the ESG Committee consists of not fewer than four members including one independent non-executive director. Details on the ESG Committee can be found in the [ESG Committee's Terms of Reference](#).



Group Executive Leadership

On an operation level, our Group Executive Sustainability Committee ("Sustainability Committee") reports to the above mentioned ESG Committee, recommending goals, strategies and initiatives, overseeing their communication and implementation across the Company, and integrating sustainability into day-to-day operations. Chaired by the Group Director-Sustainability & Corporate Communications, the Sustainability Committee meets quarterly together with the Group Chief Executive Officer, the function heads and the market heads. Their output and recommendations are endorsed by the Board, for the Executive Team to then drive ESG performance accordingly.



Governance and Risks

Our business nature and the environment in which we operate exposes us to potential risks that could impact the sustainability of our Company. The Board has the oversight on material ESG issues, including their associated risks and opportunities. While its Audit Committee oversees the Company's overall risk management and governance issues, the ESG Committee specifically assesses environmental and social risks, advises the Board on risks of strategic significance and provides anticipatory and mitigation plans. Correspondingly, the relevant material risks are integrated into our Enterprise Risk Management Framework to be monitored and proactively mitigated along with other business risks.



Material ESG Issues

We identify, evaluate and prioritise ESG issues through regular internal and external stakeholder engagements. Our focus has been based on previously conducted independent third-party materiality assessment, results of which were discussed and endorsed by the Sustainability Committee. Based on these prioritised issues, we develop and update corresponding group policies to be implemented by relevant functions with the support of local leadership teams. We also regularly review international sustainability trends and benchmark against our peers to stimulate continuous improvement.

Details on our governance and management approach on ESG issues, including our goals, targets and progress are disclosed in our [Annual Report](#), [Sustainability Report](#) and [corporate website](#).

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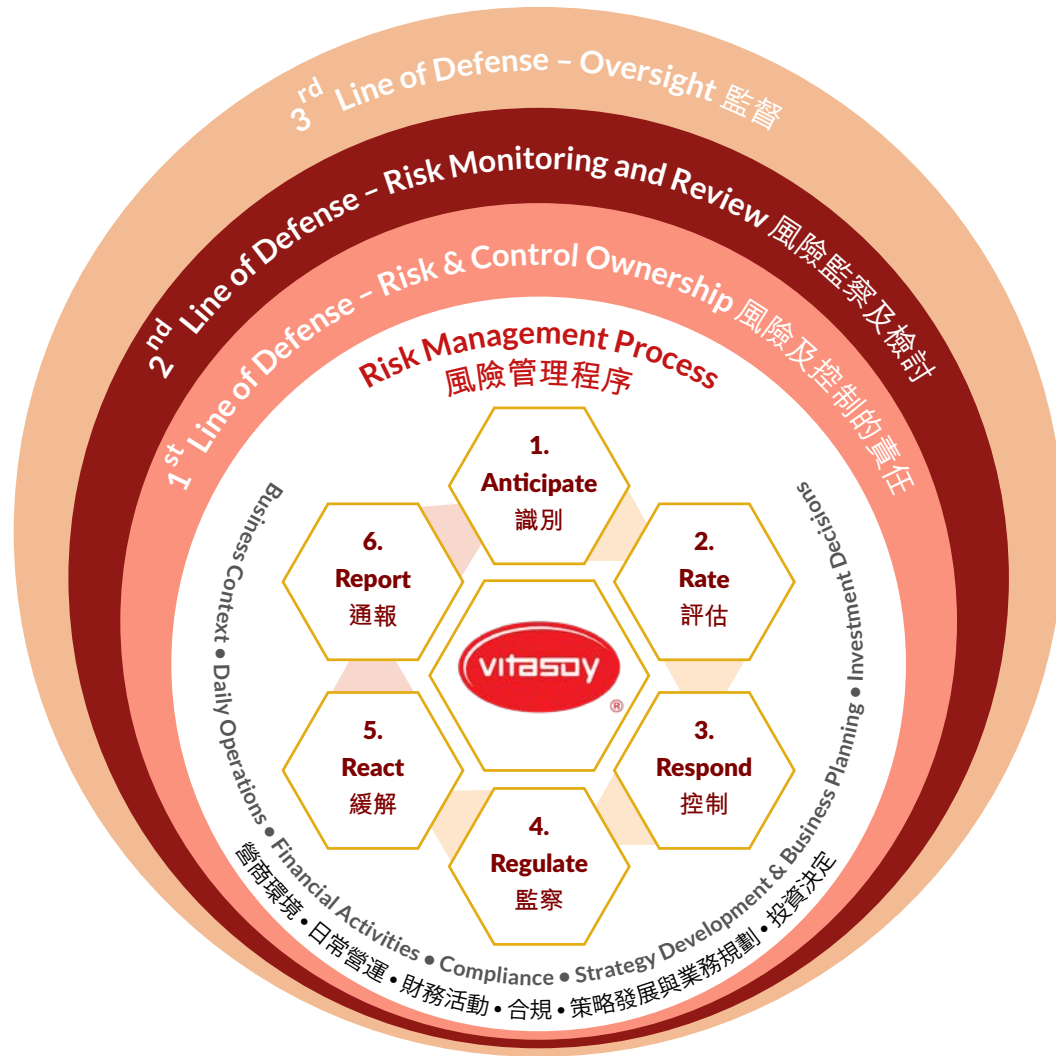
RISK MANAGEMENT

Our risk management framework allows Vitasoy to effectively balance risks and opportunities and drive the long-term sustainability of our business. We understand that potential risks are inherent to the nature of our business and the environment in which we operate. These risks, which are not limited to ESG issues, include climate change, fair labour practices, and responsible raw material sourcing. Through our risk management framework, we monitor them closely. To learn more about our risk management, please refer to the [Governance](#) section of our Sustainability website.

Sustainability Risk Management

The management of sustainability risks is embedded within the Vitasoy Enterprise Risk Management (ERM) Framework and includes considerations of ESG risks alongside other business risks. During the year, ESG risks were further integrated with other relevant business and operational risks to monitor and mitigate relevant risk areas more comprehensively. All risk items with ESG considerations are indicated in the Risk Register and require respective Risk Owners to include ESG implications when implementing the Anticipate, Rate and Response ERM Processes. In conjunction with the improved alignment with our ERM, Vitasoy conducted an assessment of potential ESG issues embedded in our supply chain by leveraging recognised risk assessment tools such as the World Resources Institute's Aqueduct and Global Forest Watch and the World Wide Fund for Nature's Water Risk Filter. The analysis provides a more expansive perspective on our sustainability risks beyond our immediate scope of operations.

Vitasoy Enterprise Risk Management Framework



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BUSINESS ETHICS AND INTEGRITY

Material Issue(s) Addressed:
Business ethics

Business Ethics is one of the top material issues identified by our stakeholders. The Group maintains our high standards of business ethics and corporate governance through the Group's Business Ethics Policy and the Code of Business Conduct for Suppliers and Customers. Vitasoy has zero tolerance for all forms of corruption and bribery.

The Group Business Ethics Policy sets out the guiding principles for ethical business conduct which all staff must adopt. Included in the Policy are stipulations related to compliance with laws, rules and regulations, conflict of interest, employment of immediate family members and relatives, anti-corruption, and bribery. To further reinforce the Policy, Vitasoy has revised the existing policy with specific sections on anti-bribery and anti-corruption over the past year.

Vitasoy sets clear guidelines and expectations for ethical conduct from our suppliers and customers through the Code of Business Conduct for Suppliers and Customers. Included in these

guidelines are stipulations related to conflict of interest, anti-corruption and fraud, which are applied irrespective of country and territory. To support ethical conduct along our value chain, the Code also provides direction for local entities to incorporate the relevant guidelines into agreements with suppliers and customers.

We encourage all staff and business partners to raise their concerns if they have any suspicions of misconduct, malpractice, or irregularities through our Whistleblowing Policy. Vitasoy has set up an independent channel to report such cases. All concerns raised through this channel are directly handled by the Group Internal Audit and Risk Management Department for further investigation.

To disseminate information on Vitasoy's principles and values and to align the behaviour of our employees, suppliers, and customers with our expectations, we provide training to all staff through our e-learning programme established in 2018. This year, we provided additional refresher training through e-learning specifically aimed towards general operations, tuck shop operations, Mainland China sales staff, distributors, and suppliers. Anti-corruption and anti-bribery information were also covered in the e-learning programme. To further confirm our staff understand Vitasoy's ethical standards, all staff are required to sign the Business Ethics Commitment Declaration Form to demonstrate their full understanding and compliance with the Group Business Ethics Policy as well as their responsibility and obligation to report any case of misconduct or irregular behaviour. Throughout the year, Vitasoy also publishes relevant articles under the "Business Ethics" Section of Vitasoy News to keep our employees up-to-date on the latest information on ethical conduct.



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OUR PRODUCT PORTFOLIO

Vitasoy has uncompromising quality standards pertaining to every aspect of production, from the initial stages of raw material management to production, and from process control to finished goods assurance. To ensure our products meet the high-quality, taste, nutrition, and safety standards, we established the [Group Food Safety Policy](#) to align our manufacturing and quality assurance process with

international best practice. As stated in the Policy, Vitasoy strictly adheres to the following international management systems and principles to assess and achieve food safety for all our products:

- Hazard Analysis Critical Control Point (HACCP): A preventive approach to systematically identify, assess, and control potential food safety hazards within food processing systems
- Good Manufacturing Practices (GMP): Set of principles to ensure hygienic conditions for production processes, product storage, and product delivery
- Food Safety System Certification FSSC 22000, ISO 22000 International Standard of Food Safety, and ISO 9001 International Standard of Quality Management



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OUR PRODUCT PORTFOLIO: SUSTAINABLE NUTRITION

Material Issue(s) Addressed:





- Product quality/safety
- Product nutrition/health

Plant-based nutrition is at the heart of our business. Providing a sustainable source of nutrition and contributing to a healthy lifestyle remains one of Vitasoy's top material issues. We recognise the global

shift in focus towards environmental and population-related challenges. Our plant-based product portfolio delivers our strategic objective to promote a less carbon-intensive source of nutrition compared to animal-based products.

Vitasoy's four product portfolio KPIs demonstrate our commitment to produce healthy product choices for consumers. We assess our product health and nutrition against the nutritious beverage criteria to guide our reformulation initiatives and the development of new products.

Our newly developed **Group Product Health and Nutrition Policy** further drives our Company to deliver healthy plant-based products with less saturated fat, trans fat and sugar, and more essential nutrients such as protein, vitamins and minerals to help support a healthy lifestyle. Vitasoy has reformulated over 15% of our current beverage portfolio within the past three years, increasing vitamins and minerals as well as reducing sugar and saturated fats to improve the nutritional value of our products.

Our Health and Nutrition Strategy and KPIs	Results					Goals	
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2025/26
 Increase plant-based beverage offerings	80%	83%	89%	90%	91%	Maintain $\geq 90\%$ ✓	Maintain $\geq 90\%$ ✓
 Increase nutritious plant milk beverage offerings	82%	89%	90%	93%	96%	Maintain $\geq 95\%$ ✓	Maintain $\geq 95\%$ ✓
 Increase "low fat," "low saturated fat and zero trans-fat" beverage offerings	91%	91%	92%	93%	94%	Maintain $\geq 93\%$ ✓	Maintain $\geq 93\%$ ✓
 Increase "moderate to zero sugar level" beverage offerings	63%	65%	68%	76%	80%	76% ✓	82%

- Note:
- All nutrition KPI percentages are rounded-off to whole number
 - All figures here denote percentages of total formulations of all beverage offerings except those in "Nutritious Plant Milk Beverage" which represent percentage of all plant milk formulations only
 - Refer to previous Sustainability Reports for more details on each KPI

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OUR PRODUCT PORTFOLIO: SUSTAINABLE NUTRITION (continued)

Plant-based Beverages

Plant-based beverages continue to be Vitasoy's main focus. Our current product portfolio consists of 91% plant-based beverages. Furthermore, all new product formulations launched in 2019/20 were plant-based in helping us to surpass our 2025/26 goal to maintain our plant-based product portfolio at or above 90%.

Nutritious Plant Milk

In support of healthy diets and the nutritional needs of our consumers, Vitasoy has allocated resources to launch more nutritious plant milk options. Plant milks are an excellent source of nutrients such as protein, dietary fibre, and antioxidants; many plant milk options are also fortified with essential vitamins and minerals such as vitamin B6, B12, D and calcium and are free of lactose, which make them a suitable source of nutrition for health-conscious individuals, vegetarians and people with lactose intolerance.

Over the past year, the proportion of plant milk products which meet nutritious beverage criteria further increased to 96% from 93%, surpassing our 2025/26 goal of maintaining at 95% or above well ahead of schedule.

In 2019/20 we launched the following nutritious plant milk products. We will continue to deliver quality to consumers as well as improve on our existing plant milk products.

Australia



VITASOY Prebiotic Almond Milk and VITASOY Prebiotic Soy Milk contain prebiotics, are low in sugar and are good sources of calcium



Mainland China and Hong Kong



VITASOY No Added Sugar Soyabean Milk is a source of high-quality protein and B vitamins



Mainland China



VITASOY Health Plus Protein+ and Prebiotic+ Soy Milk are low in sugar, high in calcium and plant protein



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OUR PRODUCT PORTFOLIO: SUSTAINABLE NUTRITION (continued)



Fat Reduction

Vitasoy plant milks, such as soy milk, almond milk and oat milk beverages, have a heart-friendly fat profile. They are naturally low in saturated fat and free of trans fat and cholesterol. Our product offerings also provide low fat options for those who want to limit fat intake. Since 2018/19, we had already achieved our 2025/26 goal of having 94% of beverage portfolio being “low fat” or “low saturated fat with zero trans-fat.”

Sugar Reduction

As the general public grows more aware of their daily consumption of sugar, Vitasoy has increased the proportion of products which meet moderate to zero sugar levels. Since 2015/16, we have achieved a 17% total increase of moderate to zero sugar products in our portfolio to 80% this year. The main driver of this progress was a focus on the development of more moderate to zero sugar beverages, as well as the reformulation of our existing products to reduce the sugar content.

No sugar or no added sugar products launched in 2019/20 include:

Hong Kong



VITA Cold Brew No Sugar
Tea Drinks such as Earl Grey
Tea and Ceylon Lemon Tea



Mainland China and Hong Kong



VITA No Added Sugar
Soyabean Milk



Mainland China



VITA No Sugar Tea Drinks
such as Oolong Tea and
Chrysanthemum Tea



Australia



VITASOY Prebiotic
Almond Milk and Prebiotic
Soy Milk





OUR PRODUCT PORTFOLIO: SUSTAINABLE NUTRITION (continued)

Non-GMO

Our commitment to the use of non-genetically modified (non-GM) ingredients is well-established as demonstrated through the use of non-GM soybeans to produce all our soy-based beverage and tofu products. We further formalised our position on GM materials in a Group Non-GM Policy which details our commitment to use only non-GM materials in Vitasoy beverage and tofu products. For more details on our Group Non-GM Policy, please refer to the [Policy Formulation and Implementation Section](#) of this Report.

More organic ingredients

We are increasing the use of certified organic soybeans in our portfolio as well as launching new USDA NOP² organic certified products.

Made with certified organic soybeans:

- VITASOY SANSUI Soya Fresh Milk range:**
 Fresh Soya Milk; No Added Sugar Fresh Soya Milk; Hi-Calcium Low Sugar Fresh Soya Milk; Low Sugar Fresh Black Soya Milk in Hong Kong
- VITASOY Soy Milk Original in Australia**

Reducing artificial ingredients

To demonstrate our commitment to providing nutritious products with more natural ingredients for our consumers, we have reduced the use of artificial ingredients such as artificial flavours and colours. Moreover, our entire range of products are 100% free of added preservatives and our reformulation programmes further reduce the use of artificial ingredients. In 2019/20, we had successfully eliminated the use of artificial flavours in our Australia VITASOY Soy Milky range.

Maintaining low sodium levels

Beverages are not a major source of salt and sodium intake. As beverage manufacturing is our main business, our overall product portfolio contains relatively low sodium content. We shall maintain low sodium content in all of Vitasoy's beverage offerings as we continue to limit the use of salt in the products.

Certified (USDA NOP) organic products:

- VITASOY Organic Soy Milk Creamy Original (Café for Baristas) in Hong Kong**
- VITASOY SANSUI Organic Tofu range:**
 Silken Tofu, Pan-Fried Tofu, Hard Tofu in Hong Kong
- VITASOY Premium Organic Sprouted Tofu range:** Pressed Tofu; Tofu Soup; Tofu Steam; Tau Kwa in Singapore



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² United States Department of Agriculture's National Organic Program

PRODUCT PACKAGING

Material Issue(s) Addressed:

Sustainable packaging/
packaging waste

Our packaging serves as the storage, transportation and delivery system for our products. We place a high degree of care on the hygiene, safety, strength and durability of any packaging materials we use. We also recognise that the waste generated when consumers discard our product packaging has a big impact on the environment and have worked to adopt more efficient and less wasteful alternatives. We also have a dedicated team working on more environmentally-friendly alternatives.

Guiding our decisions relating to packaging is our Group Responsible Packaging Policy. The policy pertains to both primary packaging which is in direct contact with products, such as bottles and carton packs, and secondary packaging which refers to materials used on top of primary packaging. This policy aligns with our commitment to reducing the environmental impacts of our packaging while safeguarding the quality and safety of our products through four focus areas: material choice and usage, packaging weight optimisation, operations considerations, and innovation. For more details on our Group Responsible Packaging Policy, please refer to the [Policies](#) section of our Sustainability website.



We have conducted a packaging life cycle assessment on both primary and secondary packaging to allow us to understand the impact and identify improvement

opportunities along the life cycle stages. Equipped with the results of this assessment, we are weighing the costs and benefits of alternative packaging solutions to most efficiently and holistically reduce our environmental impacts.

To enhance beverage carton recycling capabilities in Hong Kong, we launched the Beverage Carton Clean Recycling Education Programme to collect and recycle beverage cartons as well as to educate students and the local community on recycling. Under this programme, we worked closely with Mil Mill to increase carton recycling collection points and opened the Beverage Carton Sustainability Education Centre on their premises. Vitasoy has furthered our involvement in Hong Kong's sustainability efforts through the implementation of various initiatives including reverse vending machines.

Framework for Packaging Management



Our Packaging KPIs		Results					Goals	
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2025/26
	Increase fresh-keeping laminated carton pack with FSC label	52%	62%	91%	99%	100%	100% ✓	100% ✓
	Glass bottle recycling rate	N/A	N/A	94%	95%	93%	≥90% ✓	≥90% ✓

Note:
• All packaging KPI percentages are rounded-off to whole number

In 2019, we have achieved 100% Forest Stewardship Council (FSC) certified wood fibres sourced from sustainably managed forests for our beverage cartons, which is our major packaging type. In view of this, we have committed to maintaining 100% use of FSC carton paper.

Vitasoy optimised our PET bottle packaging to reduce bottle weight, thus minimising the use of plastics. In Hong Kong the weight of the PET bottle packaging was reduced by 9.1%, and in the Philippines by 9.6%. Overall, the optimised PET bottle packaging has saved 90 tons of plastic per year. Further to the overall reduction of our use of plastics, Vitasoy is also piloting the use of recycled and renewably sourced plastic. In the past year we launched 30% Bio PET bottles for VITASOY GREEN Soya Milk in Mainland

China and 100% rPET bottles for distilled water in Hong Kong.



We have consistently collected, sanitised, and reused our glass bottles to minimise the post-consumption environmental impacts of our beverage products. Through our efforts, we have achieved a 93% glass bottle recycling rate, already meeting our 2025/26 goal of maintaining or surpassing 90%.

PACKAGING MANAGEMENT FRAMEWORK

To further understand the environmental impact of packaging and the best ways to mitigate those impacts, we completed a Life Cycle Assessment (LCA) on three of our packaging materials from our selected Mainland China operations. The results will serve as a base to enhance our Framework and determine the most effective approach to implement initiatives and track on-going performance. The framework for packaging management below highlights our initiatives in the last two years.

Framework for Packaging Management

Carton Paper	Plastics	Glass	Aluminium
			
N/A	The Philippines <ul style="list-style-type: none"> 330ml soy milk bottle weight reduced by 9.6% Hong Kong (FY2018/19): <ul style="list-style-type: none"> 430ml VITA distilled water bottle weight reduced by 6.9% 700ml VITA distilled water bottle weight reduced by 9.1% 	N/A	N/A
<ul style="list-style-type: none"> Carton made with FSC certified wood fibres and achieved 100% with FSC labelling Explore other renewably and responsibly sourced materials e.g. bio-based cap 	Mainland China <ul style="list-style-type: none"> Launched 30% Bio PET bottle in VITASOY GREEN Soya Milk Hong Kong <ul style="list-style-type: none"> Launch 100% rPET bottle for all distilled water (except carboy) 	N/A	N/A
Hong Kong <ul style="list-style-type: none"> Collaborated with a local carton recycling facility Double school carton collection points by 2021 	Hong Kong <ul style="list-style-type: none"> Launched water filling station and continue to use reusable carboy Launched the Vitasoy Resource Conservation – Clean PET Bottle Recycling Programme in 6 schools via Hong Chi Association's Hong Chi Super Service Team 	<ul style="list-style-type: none"> Maintained glass bottle recycling rate at ≥90% 	<ul style="list-style-type: none"> High value for recycling
N/A	Mainland China <ul style="list-style-type: none"> Replaced PVC sleeve with PET sleeve in PET Vitasoy (330ml) Replace PVC shrink wrap with PE shrink wrap for liquid carton products 	N/A	N/A



COMMUNICATING WITH CONSUMERS

Material Issue(s) Addressed:
Responsible consumer
communication/education



Australia



Singapore



Hong Kong



Product Labelling

When it comes to food and beverage products, consumers are faced with a plethora of choices every day. Vitasoy's [Group Product Health and Nutrition Policy](#) includes principles and commitments to provide consumers with accurate and reader friendly nutritional information to encourage healthy well-informed decisions. The commitments formalised under this policy include labelling of ingredients, allergens, and nutritional information on our product packaging. Vitasoy continues to improve nutritional communication by adopting simple icons to illustrate key nutritional information or benefits directly on the packaging. To further help consumers understand the nutritional value of our products, we remain participants of various voluntary graphical labelling schemes, including the Health Star Rating, front-of-pack labelling system in Australia, Healthier Choice Symbol Programme in Singapore, and the Salt/Sugar Label Scheme for Pre-packaged Food Products in Hong Kong.

In Mainland China, we have begun to provide QR codes on a variety of product lines, including our VITASOY Soy Milk range, VITASOY Health Plus range, VITA No Sugar Tea range, VITA Chrysanthemum Tea, and VITA Lemon Tea. Those who scan the QR code will be redirected to Vitasoy's WeChat page, which contains easily accessible articles on the nutritional benefits of soy milk and other plant-based products.

For more information on product labelling and nutrition information, please refer to our [Group Product Health and Nutrition Policy](#).

Consumer Privacy

As stipulated in our [Internet Privacy Policy](#), Vitasoy has taken the relevant steps to safeguard the privacy of our website visitors and to protect their personal data. All personal data collected through our customer hotline, marketing activities or online platforms are handled securely in strict adherence with local regulatory requirements and can only be accessed by authorised personnel of the Company.

Crisis Management

Our Group level Crisis Management Manuals provide guidance on product quality and business continuity contingencies in the event of unexpected situations such as employee injury, product recalls, and natural disasters. The manuals also spell out the detailed roles, procedures, and responsibilities of different personnel within the Crisis Management Teams. All crises are reported and managed using the Incident Management Application of the Governance, Risk Management and Compliance System.

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ENVIRONMENTAL RISK

For the first time, environmental risks represent the top five global risks in terms of likelihood according to the World Economic Forum Global Risks Report 2020. These risks are extreme weather events such as floods and storms; failure of climate change mitigation and adaptation; major natural disasters such as earthquakes, tsunamis, volcanic eruptions and geomagnetic storms; major biodiversity loss and ecosystem collapse; and human-made environmental damage and disasters. The agricultural industry faces pronounced climate-related risks including decreased crop yields as a result of water scarcity and shifts in seasonal rainfall and temperatures. Vitasoy relies on agricultural outputs as key ingredients and we have already experienced the near-term consequences of climate risks in our value chain. In Australia, soybean crop yields declined due to prolonged drought has affected our production in the country. We have taken steps to better understand and mitigate the impacts of climate change on our ability to produce plant-based product portfolio. This year, we introduced our [Group Climate Change Policy](#) which outlines our approach to mitigation, adaptation and resilience applied to our whole value chain. We have also started to align our disclosures based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board.

Vitasoy's portfolio of plant-based products has a comparatively lower impact on the environment in terms of greenhouse gas (GHG) emissions, water consumption, and land use than animal-based food and beverages³. Nonetheless, we are committed to contributing to the protection of the Earth's natural resources. Aligned with our Sustainability Framework is the [Group Environmental Policy](#) which systematically lays out our management approach to water and energy consumption, raw material sourcing, and the reduction of waste and GHG emissions. Seeking to embed sustainable practices throughout our value chain, our newly launched [Sustainable Farming Guidelines](#) outline our expectations with regards to agricultural production such as fertiliser and pest management, water conservation, energy use, waste disposal, biodiversity and workplace conditions. See the [Policy Formulation and Implementation](#) section for more details.

OUR MANUFACTURING

In connection to our environmental progress and overall performance in 2019/20, we will focus on the relevant issues as determined through discussions and other engagements with our stakeholders. Amid these dialogues with internal and external stakeholder groups, it became clear that climate change, water stewardship, energy efficiency and waste management were fundamental issues to both Vitasoy and our stakeholders.

Amid the COVID-19 outbreak, we have experienced an overall decrease in production and resource usage but this also translated to a lower KPI efficiency due to ongoing maintenance of necessary facilities such as waste water treatment, cold room for raw materials and emergency lighting. Despite the challenging situation, we still achieved some reductions across all three metrics of water, electricity and fuel usages per unit production. We are confident that once we can assume normal operations, we will be able to achieve better resource efficiency and progress towards meeting our goals for the following years.



³ Source: Poore J, Nemecek T. Science. 2018 Jun; 987-992

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Making Products the Right Way: Our Manufacturing



Resource and Waste Management KPIs	Results				Goals	
	Base Year 2013/14	2017/18	2018/19	2019/20	2020/21	2025/26

Reduce fuel used to manufacture each unit of product

	Consumption (GWh)	168.25	230.64	264.70	256.26	
	Intensity (kWh per kg product)	0.284	0.236	0.239	0.240	0.227 0.213
	Change (%)		-16.9%	-15.8%	-15.4%	-20% -25%

Reduce electricity used to manufacture each unit of product

	Consumption (GWh)	66.47	92.36	106.80	106.46	
	Intensity (kWh per kg product)	0.112	0.094	0.096	0.100	0.090 0.084
	Change (%)		-15.8%	-14.0%	-11.1%	-20% -25%

Reduce water used to manufacture each unit of product

	Consumption (kt)	3,009.91	4,088.94	4,814.98	4,563.23	
	Intensity (kg per kg product)	5.076	4.181	4.370	4.273	4.061 3.807
	Change (%)		-17.7%	-13.9%	-15.8%	-20% -25%

Okara recycling rate

	Recycling rate (%)	—	97.8%	95.5%	99.4%	≥99% ✓ ≥99% ✓

Note:

- All manufacturing KPI percentages are rounded-off to 1 decimal place

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CLIMATE CHANGE AND EMISSIONS MANAGEMENT



Material Issue(s) Addressed:
Climate change/emissions

Regardless of the industry or size of the company, climate change affects all businesses worldwide. Vitasoy has taken steps to holistically embed a clear understanding of climate change across the organisation by aligning with the disclosure recommendations provided by the TCFD. These disclosures help us to raise awareness of climate change risks and opportunities, and communicate information from Senior Management down to the front lines and vice versa.

In addition to the raw materials necessary to produce our food and beverage offerings, energy is a key input for Vitasoy to maintain smooth operations. We recognise the importance of the responsible management of these resources, which include the direct and indirect consumption of electricity and fuel. The [Group Climate Change Policy](#) details our approach to mitigation which includes adopting industry best practices to reduce emissions and increasing the use of renewable energy across our

manufacturing sites. In line with our approach, we have implemented energy management initiatives to increase our energy efficiency. For instance, according to different process requirements, we have strengthened the syrup cooling control and pipe network application. In addition, we changed the traditional air-cooled cooling system to a water-cooled cooling system, thereby improving the refrigeration efficiency, and added heat insulation materials on the steam components to prevent heat loss.

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CLIMATE CHANGE AND EMISSIONS MANAGEMENT (continued)

Governance

Vitasoy's Board-level ESG Committee provides long-term guidance on the Company's sustainability goals, strategies, and priorities and reports details to the Board.

We have also formulated a Group Climate Change Policy, which was reviewed by the ESG Committee, to guide our management approach and strategy on climate change mitigation, adaptation, and resilience. For more details on Vitasoy's climate change governance, please refer to the [Policy Formation and Implementation](#) section and the [Sustainability at Vitasoy](#) section.

Strategy

Our objectives and business focus areas are aligned with the Vitasoy Sustainability Framework to minimise our carbon footprint and address the climate risks we face. We have committed to the implementation of an Environmental Management System aligned with the ISO 14001 international standard at all our manufacturing sites to more effectively manage our climate change issues.

To strengthen our climate change resilience and ensure business continuity, we regularly engage our suppliers and contract farmers to identify practical means to improve their agricultural systems through the implementation of our Sustainable Farming Guidelines.

Risk Management

The evaluation and management of our sustainability risk is well integrated with the Vitasoy ERM Framework. Any business risk with ESG considerations are indicated in the Risk Register. Respective Risk Owners are required to include ESG implications when implementing the ERM Processes (anticipate, rate and respond to risk items). Moreover, a dedicated risk analysis has been conducted to identify and assess sustainability risk relating to the sourcing of our supplies. This provides additional insights into our exposure to sustainability risks.

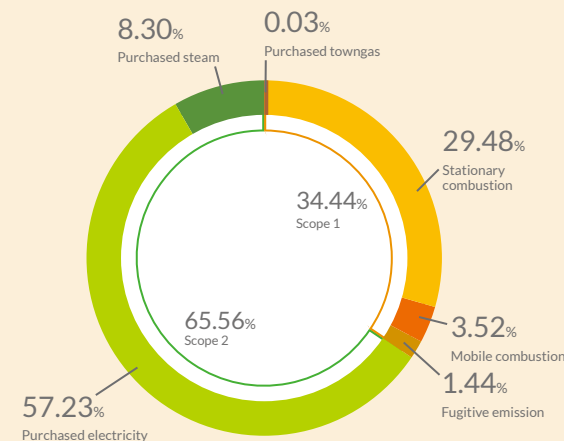
Metrics and Targets

Our Group-wide GHG inventory summary was prepared in line with the Greenhouse Gas Protocol, an internationally accepted standard developed by the World Business Council for Sustainable Development and the World Resources Institute. Our GHG inventory accounts for our operations which directly and indirectly contribute to carbon emissions.

The majority of our direct (scope 1) emissions arise from the fuel burned in our boilers during the production process, while our indirect (scope 2) emissions are primarily due to electricity consumption throughout Vitasoy's operations. In 2019/20, our total Group-wide GHG emissions were 134,719 tonnes, which equates to an intensity of 0.126 kgCO₂e/kg of production. Vitasoy continuously evaluates climate impacts across each of our major operational divisions, including production, transportation, packaging, and cultivation.

We have 2 relevant targets. The first one is to reduce the amount of electricity used to manufacture each unit of product by 25% by 2025/26 against 2013/14 level; The second one is to reduce the amount of fuel used to manufacture each unit of product by 25% by 2025/26 against 2013/14 level. We are currently working to determine carbon reduction targets to guide us towards further reduction in our carbon emissions.

Group-wide carbon emission breakdown centred by sources



WATER MANAGEMENT AND WASTE MANAGEMENT



Material Issue(s) Addressed:

- Water stewardship/efficiency
- Waste from manufacturing/operations

Water Management

Potential droughts and water scarcity are risks that may significantly affect our production and supply chain. To elevate our water stewardship, we have conducted a water risk analysis which includes mapping water risks on current and 2030 scenarios⁴. The risk types which were identified for the risk assessment include overall water risk, baseline water stress, drought, flooding, and reputational risks.

In order to keep up production of our food and beverages, we require a large and steady supply of clean fresh water. Currently, 100% of the water we use in our manufacturing processes within the scope of this report comes from municipal water sources except our new plant in the Philippines. To ensure that the water meets our high purity standards, we utilise a stringent purification treatment and distillation process.

Vitasoy is committed to efficient water usage without sacrificing the quality and safety of our food and beverages. We have already begun to implement initiatives to improve the efficiency of our Reverse Osmosis water treatment system.

Waste Management

The main waste output resulting from our production process is “okara”, a solid residue which is the by-product of soy milk production. Having steadily improved our recycling rate over time, we have achieved our goal of a 99% okara recycling rate this year. We have also been exploring alternative methods to retain the nutrition value of okara to promote circular waste systems.

Comparatively, commercial and other production solid wastes such as plastic, scrap metal and paper comprise a relatively small percentage of our overall waste output according to the waste assessment conducted last year. Due to the nature of our product and operating procedures, Vitasoy does not generate a significant volume of hazardous waste apart from small amounts of lubricating oil and laboratory waste which are collected by specialised waste contractors and disposed of at regulated hazardous waste disposal facilities. In 2019/20, we formed a solid waste management working group and developed a waste management roadmap.

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⁴ Identified by World Resources Institute's Aqueduct Water Risk Atlas.

OUR SUPPLIERS

Material Issue(s) Addressed:
Responsible sourcing

As producers of plant-based food and beverages, the source and quality of the edible raw materials used as the ingredients of our products have a substantial impact on our business. The success of our business is heavily reliant on securing a steady supply of quality soybeans, tea leaves, and other plant-based ingredients. The materiality assessment and stakeholder feedback have identified “responsible sourcing of raw materials” as one of the top material issues which have a significant impact on our business. We are aware that as the potential for climate-related emergencies escalates, our suppliers are at risk of bearing the negative impacts of unstable and extreme weather conditions, water scarcity, and soil degradation. Mindful of the environmental challenges that confront our supply chain, we must also be vigilant to manage possible social and ethical pitfalls. It is vital for Vitasoy to work together with our supply chain partners in an open and collaborative manner to share our values of sustainable and responsible sourcing and ethical business.

Supply Chain Management

Vitasoy continues to exercise due diligence to ensure we engage with suppliers who share our sustainability vision, adopt sound sustainable practices, and demonstrate strong ESG performance, whenever possible. In line with our Supplier Responsibility Principles, we proactively seek out suppliers whose practices have been certified by recognised authorities

such as the FSC, the Roundtable on Sustainable Palm Oil (RSPO), and the ProTerra Foundation. In support of the local economies where we operate and to minimise the impacts of transportation on the environment, we prefer to work with local suppliers when appropriate. In 2019/20, 100% of the soybeans we used to manufacture product in Mainland China were sourced in the country.

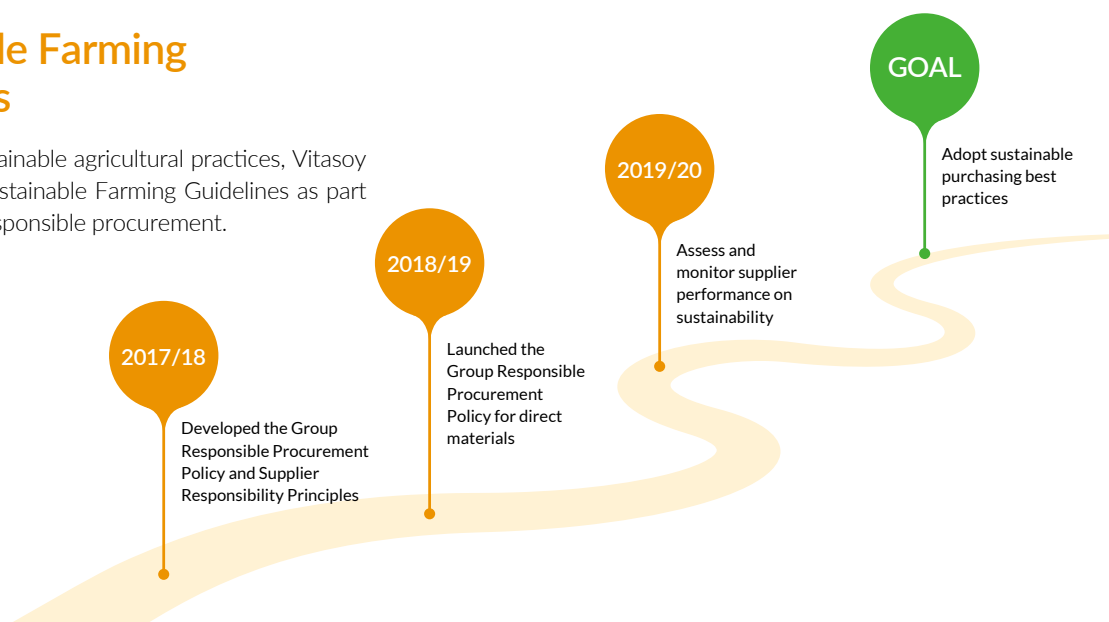
Through our responsible procurement initiative, we have secured commitments to our Supplier Responsibility Principles from 98% of our direct material suppliers. To facilitate the identification, assessment, and prioritisation of sustainability risks within our supply chain, we are in the midst of a supply chain sustainability risk assessment. This step will be followed by a self-assessment questionnaire to verify supplier performance and identify potential areas for further improvement which will be applied to direct material suppliers. Currently, we are piloting the self-assessment questionnaire with some of our major suppliers.

Sustainable Farming Guidelines

In support of sustainable agricultural practices, Vitasoy has developed Sustainable Farming Guidelines as part of our effort in responsible procurement.

The guidelines incorporated our experience in sustainable and organic farming practices in our Australian contract farms. The guidelines stipulate requirements on the control of relevant farming practices including the proper management of fertiliser, land, water, waste, energy usage, greenhouse gas emissions, pest, weed and disease, biodiversity, social aspects, and the supplier’s own value chain. While many of these practices have already been implemented in our Australian contract farms, we are piloting the guidelines with two selected contract farms in Mainland China. The results from this pilot will be analysed as we look to expand these guidelines to our contract farms across the entire Group in the future.

For more details on our procurement and supplier related policies, such as our Group Responsible Procurement Policy and Sustainable Farming Guidelines, please visit the [Policy Formation and Implementation](#) section.



OUR WORKPLACE

Material Issue(s) Addressed:
Fair labour practices

Engaging, Diverse, Inclusive and Safe Workplace

Vitasoy recognises that an engaging, diverse, inclusive and safe workplace helps to enable greater engagement between colleagues and the Company as a whole. An engaged workforce strengthens our branding as an employer and attracts diverse talent which increases our capacity to meet the challenges and opportunities of a complex business environment.

7,651
Employees



2019/20 Workplace



85,854
Total hours of training



42 : 58
Female/male ratio

24.09%
Turnover rate



0.69
Lost time injury rate



EMPLOYEE ENGAGEMENT AND WELL-BEING

Material Issue(s) Addressed:

- Talent attraction/retention/development
- Employee wellbeing

Regular engagements with our employees help us to stay connected with their needs and keep the channels of communication open. Employees are updated on the Company's latest business developments and strategies through a variety of channels such as staff newsletters and townhall meetings. We want our employees to know that we are listening to their opinions. To encourage more two-way communication and collect staff feedback, we organise regular engagement surveys, employee forums, and staff briefings. Moreover, we are fully committed to the physical well-being of our workforce and have organised an Employee Wellness Series of recreational activities which included yoga, mindfulness, body exercises and a Chinese Medicine Wellness Enhancement Talk.

Vitasoy Success Drivers (VSD)

Rooted in Vitasoy's vision and mission, the VSDs are our Core Competency Model in which the expectations for employee behaviour and performance are laid out. VSD applies to all teams and operations across our business and in this manner, staff are encouraged to practice the principles of the VSDs in the course of carrying out their daily duties.

From top to bottom, VSD promotes collaboration, accountability and innovation within Vitasoy to build a mutually respectful workplace, engage our employees, and meet the needs of customers.

Core Competency Model – Vitasoy Success Drivers



Learning and Development

Vitasoy invests in staff development through providing them with opportunities to learn vital skills and knowledge for their continuous professional growth. Through a diverse set of internal and external training programmes on topics including management skills, sales techniques, customer service, quality improvement and technical skills, we help our employees maximise their potential and their contributions to our success. Overall, in 2019/20 the Company provided an average of 11.2 training hours per employee.

Our Learning and Development team manages and presides over our various talent management programmes which nurture selected high potential staff by matching them with learning and development opportunities to prepare Vitasoy's next generation of leaders.

Supervisory Development Program

The SDP is a 9-month programme aimed at developing new or first-time supervisors through the maturation of effective management tools and insights in managing their own job duties and those of their teams'. This programme is anchored around four critical success areas: supervisory capability, personal effectiveness, relationship management and practical knowledge at Vitasoy.

Employee Recognition Awards

We recognise employee's contributions and continue to offer long service awards to recognise those who have dedicated their hard work to drive the success of Vitasoy. In 2019, in addition to the existing team recognition category, a new category for individual merit was introduced to the Vitasoy Global Excellence Award to reward entire teams and individual colleagues who demonstrate the VSD spirit by going the extra mile to drive sustainability and yield tangible and significant business results.

Making Products the Right Way: Our Workplace

DIVERSITY AND INCLUSION

Material Issue(s) Addressed:

Workplace diversity/inclusion/
equal opportunity

Diversity and Inclusion is integral to our success. It helps us gain insight by maximising the power of diverse thinking and fosters more creative problem-solving, open mindedness and collaboration. To cultivate these behaviours at work, Vitasoy's management team led by example and developed our diversity agenda. Part of our diversity agenda is to progressively build a more gender balanced management team.

A key part of this shift is to expand our understanding of diversity and inclusion, and enhance employees' awareness across our operations by developing various human resources policies to ensure that our labour practices are in line with local or international standards and requirements. We are reviewing management processes to address different aspects under the [Group Fair Labour Practices Policy](#), against international best practice. These aspects include, but not limited to, diversity and inclusion, and anti-discrimination and harassment. These standards and requirements include stipulations in our policies and Employee Handbook which cover equal opportunity, anti-discrimination, anti-harassment, employee health and safety, ethical business practices and grievance procedure. We take great care to provide an equal opportunity working environment free from harassment or discrimination.

We have developed policies which require all our subsidiaries and joint ventures to have aligned equal opportunity principles in all aspects of employment including hiring, training and development, performance management, compensation and benefits and employment termination. Our [Group Fair Labour Practices Policy](#) was established to uphold human rights across our operations through the promotion of diversity and equal opportunity, the prohibition of discriminatory practices, and the prohibition of the use of child and all forms of forced labour. For more details on our policies, please visit the [Policy Formation and Implementation](#) section.

Grade	Female	Male
Overall	42%	58%
Management	44%	56%
Office Supervisor	40%	60%
General Staff	69%	31%
Operational Staff (Manufacturing & frontline sales)	26%	74%



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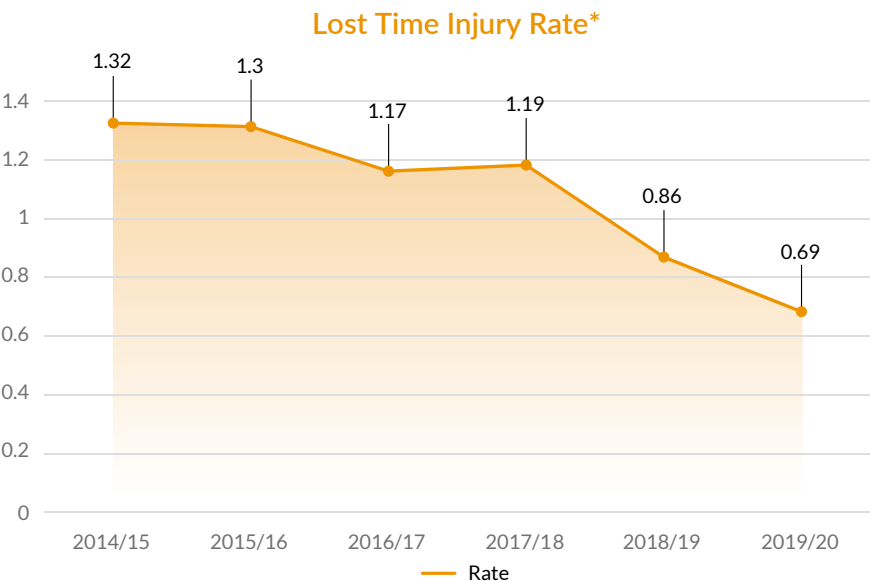
HEALTH AND SAFETY

Material Issue(s) Addressed:
Occupational health and safety

The Company remains steadfast and resolute when it comes to the health and safety of our staff. We have taken precautionary measures to minimise potential occupational hazards on premises and our operations. Our Occupational Safety and Health (OSH) Committees, which comprise of management and technical staff, are responsible for the review of our OSH policies and practices. We provide resources on our company intranet which promote OSH and have

developed emergency preparedness procedures, hazard identification and risk assessments, and other relevant operating guidelines to prevent workplace accidents and illnesses. Standard OSH training is provided to all new staff, whilst regular scheduled training is conducted for existing staff to renew and reinforce their safety knowledge and awareness, based on their specific job needs. On our production lines, external accreditation organisations conduct safety audits in accordance with Good Manufacturing Practice and ISO Standards.

In our Hong Kong and Mainland China operations, we arranged health and safety training for staff to enhance their OSH awareness and refresh their knowledge.



* Lost Time Injury Rate is calculated based on the number of lost time injury cases per 200,000 hours worked, which is approximately equal to the number of hours worked by 100 people in one year.

Training

Hong Kong

- Safety Always Come First
- Drive Safe and Work Safe, Driving and Road Safety
- First Aider Training
- Occupational safety & health Committee training

Mainland China

- Road Traffic Safety
- Safety Awareness in the Workplace
- Personal Protective Equipment
- Forklift Safety Operation
- OHSAS 18001 Training
- Chemical Safety Training

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COMMUNITY

Material Issue(s) Addressed:
Community engagement

We believe education is fundamental to developing a healthy and thriving community. Our community efforts are focused on two key areas – nutrition and environmental education. To maximise the positive impacts of our efforts, we have leveraged our resources in collaboration with local non-government organisations (NGOs) to tailor our initiatives to best suit the needs of the local communities.



Nourish Your Body, Nourish Your Mind

Vitasoy is passionate about supporting healthy lifestyles through our product offerings and our advocacy and education initiatives, aiming to develop the minds of individuals living in the communities

where we operate. We have continued our efforts via two core programmes:

- The Vitasoy University Grant; and
- Nutrition Exploration Journey – Food Knowledge and Resources Programme

Support for Environmental Protection

Besides our efforts to nourish and educate communities, we also encourage people to adopt a more environmentally conscious mindset to support the protection of natural resources. Given the nature of our business and the impacts on the environment, we have focused our efforts on improving waste reduction and recycling initiatives. In support of waste reduction from single-use beverage packaging, Vitasoy participated in Drink Without Waste, a cross-sector working group to tackle the common problem of waste management in Hong Kong. Initiatives planned through this working group include various public engagement campaigns to promote four key strategies: Reduce, Redesign, Recover, and Recycle. To learn more about our community programmes, please refer to the [Community](#) section of our Sustainability website.

Other Contributions

In support of Wuhan City and Hubei Province during their time of need, Vitasoy made a monetary donation of RMB 2,000,000 to the Red Cross Society of Xinzhou District, Wuhan. The funds were specifically designated to three medical institutions in local efforts against COVID 19:

- People's Hospital of Wuhan Xinzhou District;
- Chinese Medicine Hospital of Xinzhou District; and
- Yangluo District of the Third People's Hospital of Hubei Province

Vitasoy also cares deeply for the health and safety of our local employees in Wuhan. We have organised support groups and established one-on-one communication to ensure our employees and their families have the resources to get through these tough times.



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Policy Formulation and Implementation

Vitasoy continues to develop and implement new policies and guidelines to help steer and formalise our existing practices. During the year, we have developed and introduced several new policies and guidelines to supplement our existing ones as we strengthen the management of our most pressing ESG issues.

ENVIRONMENT

Group Climate Change Policy

Vitasoy is committed to addressing climate change risks and opportunities and to developing measures in line with global best practice to enhance our climate change impact management. The Group Climate Change Policy provides guidance on the mitigation, adaptation and resilience to the climate issues most relevant to Vitasoy. All operations under our direct management control shall adhere to this policy. Stakeholders in the value chain, from farm to manufacturing and distribution to post consumption, are encouraged to follow the Policy wherever applicable.

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SUPPLY CHAIN

Sustainable Farming Guidelines

As part of Vitasoy's responsible procurement approach, we continue to support sustainable agricultural practices through the newly implemented Sustainable Farming Guidelines. The Guidelines require suppliers to respect and comply with all national and local legislations applicable to their businesses. This includes, but is not limited to, corporate governance, anti-corruption practices, agricultural standards, labour standards, environmental protection, and health and safety standards.

To ensure a clear understanding of the Guidelines, sustainable and responsible sourcing is clearly defined within the context of our value chain. We have set out stipulations for the control of relevant practices including the proper management of fertilisers, land, water, waste, energy and greenhouse gases emissions, pests, weeds and diseases, biodiversity, social aspects, and the supplier's value chain.

PRODUCT

Group Non-GM Policy

Vitasoy's Group Non-GM Policy demonstrates our dedication to the use of non-GM raw materials in our food and beverage products. Our Group Product Development works closely with our Purchasing Department and Group Quality Management on the alignment and implementation of the principles and requirements stipulated in the Policy.

Group Food Safety Policy

In line with Vitasoy's vision to provide high-quality, tasty, and nutritious products, we work diligently to ensure food safety without compromise. We developed the Group Food Safety Policy to guide our approach in a systematic and holistic manner. In accordance with the Policy, we adopted and strictly adhere to the following international quality management systems and regulatory standards to ensure food safety:

- Hazard Analysis Critical Control Point (HACCP)
- Good Manufacturing Practices (GMP)
- Food Safety System Certification FSSC 22000
- ISO 22000 International Standard of Food Safety
- ISO 9001 International Standard of Quality Management

Group Product Health and Nutrition Policy

The Group Product Health and Nutrition Policy formalises our approach to product innovation, development, and communications to encourage healthier diets and support consumers in making informed purchasing decisions. The principles and commitments set out in the Policy include improvements to the nutritional quality of our beverage product portfolio and the provision of product nutrition information on our packaging to promote healthier consumer choices. The Group Product Development and Quality Management is

responsible for overseeing the implementation of the Policy through collaboration with Sales and Marketing teams. Vitasoy further engages relevant stakeholders such as local authorities, industrial associations, and academics on health and nutrition for partnership and advisory opportunities. We ensure our efforts are effective and reflect the latest market trends and research information.

SOCIAL

Group Fair Labour Practices Policy

The Group Fair Labour Practices Policy ensures the highest standards of business and ethical behaviour and recognises our corporate responsibility to uphold and protect human rights employment including fair hiring practices, compensation and dismissal, working hours, rest periods, anti-discrimination and employee welfare. We aim at meeting or exceeding local legal requirement. We also strive to promote an honest and collaborative workplace. This policy is guided by the principles contained in the International Bill of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work.

For more information on Vitasoy's well-established policies and guidelines, please refer to the [Policies](#) section of our Sustainability website.

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“Nutritious beverage” criteria for plant-milk beverages

Plant milk beverage is defined as “nutritious” if it meets the following criteria:

- A source of one or more of the essential nutrients, namely protein, fibre or vitamins and minerals; and
- Low in one or more of the following: sugar, fat or saturated fat and trans-fat

	Australia ¹	Mainland China ² and Hong Kong ³	Other Markets ⁴
1) A source of one or more of the essential nutrients			
Source of protein	At least 10g per serving	At least 3g per 100kcal	At least 2.5g per 100kcal or 5g per serving
Source of fibre	At least 4g per serving	At least 1.5g per 100ml	At least 1.5g per 100kcal
Source of essential vitamins/minerals, e.g. calcium, vitamin D, vitamin A	At least 25% Recommended Dietary Intake (RDI) of a vitamin or mineral per serving	At least 5% of the Chinese Nutrient Reference Value (NRV) of a vitamin or mineral per 100kcal	At least 5% of Nutrient Reference Value (NRV) of a vitamin or mineral per 100kcal
2) Low in one or more of the following			
Low sugar	Contains not more than 2.5g sugars per 100ml	Contains not more than 5g sugars per 100ml	Contains not more than 5g sugars per 100ml ⁵
Low fat	Contains not more than 1.5g total fat per 100ml		
Low saturated fat and zero trans fat	No detectable trans-fatty acids or not more than 0.3g trans fat per 100ml of food ⁵ ; Contains not more than 0.75g of saturated fat and trans-fatty acids combined per 100ml of food; and The sum of saturated fat and trans-fatty acids contributes not more than 10% of energy		

Reference:

1. FSANZ – Australia New Zealand Food Standards Code – Standard 1.2.7 – Nutrition, Health and Related Claims
2. National Health and Family Planning Commission of the People's Republic of China – National Food Safety Standard
3. Hong Kong Centre for Food Safety – Technical Guidance Notes on Nutrition Labelling and Nutrition Claims
4. Codex Alimentarius – Guidelines for Use of Nutrition and Health Claims (CAC/GL 23-1997)
5. No official definition for “low sugar” and “zero trans fat” in Codex Guidelines. Criteria is set based on Hong Kong and Mainland China regulations

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