

Planting Goodness Everyday

Sustainability Report 2021/22

Stock Code : 0345





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Chairman's Message

The year 2021 has continued to present the world with a profound set of challenges, with the continued outbreak of the pandemic causing disruptions to our health, economy, society and environment. In our core markets, consumers have increasingly embraced healthier food options, partly driven by an adjusted lifestyle under the pandemic. Plant-based beverages and foods excel in this respect as they are not only rich in nutrients, but also have relatively lower carbon emissions when compared to animal-based foods. At Vitasoy, we continue to iterate our product portfolio, innovating more plant-based options, with reduced sugar and saturated fat content, for consumers.

Vitasoy, at its core, has stayed resilient and committed to its sustainability targets with strong governance and active, goal-based planning. Our unified purpose to bring sustainable, plant-based taste and nutrition to more

communities, and to improve the wellness of people and planet is of long-term interest to the company, to its investors in terms of shareholders' value, and to society and the environment for its stakeholders' benefits.

This year, we built our scope 3 greenhouse gas emissions inventory for the first time to understand our emissions associated with business activities throughout our value chain, and reviewed the strategic direction to decarbonise our operation and product portfolio line up with the Paris Agreement.

In order to help better understand the impact of climate change on our business, a climate scenario analysis was conducted during the year to identify opportunities to strengthen the resilience across our group, and to transition to a low-carbon economy. The results of the climate risk assessment were reviewed by the company's

Mr. Winston Yau-lai LO
(SBS, BSc, MSc)

Executive Chairman





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Board-level Environmental, Social, and Governance (ESG) Committee and integrated into the risk register of the company's Enterprise Risk Management framework to further strengthen the governance of climate risks. In this sustainability report, we have included the actions we have taken to reduce our vulnerabilities to climate change across our operations and supply chain.

The ESG Committee has reviewed and approved the evolution of our ESG Framework, based on two pillars: "Making the right products" and "Making products the right way". These include our long-term targets and nutrition standards, expanding them to cover plant-based foods in addition to beverages. The new 2025/26 targets include 90% of products complying with the new Vitasoy Nutrition Criteria, 100% of products with front-of-pack labels outlining nutritional information, no manufacturing waste ending in landfill and a zero lost-time injury rate. In the community contribution section of our Framework, we have enhanced our Nourish Your Body, Nourish Your Mind initiative, by expanding our community engagement in Mainland China. This has included the launch of a multi-year school nutrition

and education programme, in collaboration with local governments, non-governmental organisations and schools, to bring nutrition to more students and to enhance the prosperity in rural areas. These new targets and initiatives help to govern and unite the company in the same direction, reinforcing our commitment to making the correct products in the appropriate way.

Our efforts are increasingly recognised by external parties. For the second consecutive year, we have been included in the Dow Jones Sustainability Asia/Pacific Index as well as other local and international ESG ratings.

I look forward to treading new trails together with our stakeholders to achieve shared prosperity, while contributing to the wellness of people and the planet.

Winston Yau-lai Lo

Executive Chairman
29 June 2022





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About this Report

Vitasoy publishes its sustainability report annually to share with its stakeholders specific environmental, social and governance (“ESG”) issues that contribute to the sustainability of the Company. This Sustainability Report (the “Report”) focuses on the review of our sustainability performance during the reporting period from 1st April 2021 to 31st March 2022¹. Our [corporate website](#) provides additional and prevailing information which is updated periodically.

In line with our commitment to transparency and accountability, this report discusses not only the progress we achieved, but also the challenges we faced in our sustainability journey, pursuing our 2025/26 targets. During this reporting year, we renewed our near-term targets for 2025/26 and introduced new performance indicators to guide our pursuit of sustainability.

¹ This Report covers the global, aggregated data and performance for Vitasoy International Holdings Limited (referred to as “Vitasoy” or “the Company” or “the Group”), including the Company’s operations in Mainland China, Hong Kong, China, Australia, Singapore, the Philippines, Canada and the US.

This Report has been developed in accordance with the Global Reporting Initiative’s (“GRI”) 2021 Standards and the Hong Kong Exchanges and Clearing Limited’s reporting requirements in Appendix 27 of the Main Board Listing Rules (“HKEX ESG Guide”). To help readers reference information related to the two disclosure standards, a detailed content index is provided in the sustainability section of our corporate website.

Hong Kong Quality Assurance Agency was commissioned by the Company to perform independent assurance of the Report’s compliance with GRI Universal Standards and HKEX ESG Guide. The Independent Assurance Report can be found below in this section on page [55].

Give us Your Feedback

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





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VITASOY AND PLANT-BASED NUTRITION AT A GLANCE



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ZERO HUNGER



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GOOD HEALTH AND WELL-BEING





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Vitasoy is a listed company (SEHK: 0345) headquartered in Hong Kong, China. First established in 1940 to provide a source of soy-based nutrition, we have grown to become one of Asia Pacific's leading plant-based food and beverage producers. With manufacturing facilities in Hong Kong, China and Mainland China, the Philippines, Singapore and Australia, we produce products for more than 40 export markets, creating value for the communities in which we operate, including employees, suppliers, business partners, shareholders, and local governments.

For details on our financial performance, please refer to our [Annual Report 2021/22](#).



A Global Business

Our Brands are Available in

>40 Markets



A Plant-Based Company

Our Product Portfolio

87% Plant-based Food and Beverages

We Have Accumulated

>80 years

experience of innovating plant-based food and beverages



A Team with One Purpose

"One Vitasoy" with

6,498

employees work under the same purpose to improve the wellness of people and planet

Markets that we operate in:

China



Mainland China
Hong Kong SAR, China
Macau SAR, China



North America



New Zealand



Singapore



Philippines



Australia



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Our Brands and Products

We offer a wide range of great-tasting, healthy plant-based products under The VITASOY brands. We continue to innovate and develop new varieties of plant-based food and beverages in line with our core values of nutrition, taste and sustainability. Currently, 87% of our products are plant-based.

Our Brands

維他奶
Vitasoy

維他
VITASOY

Plant-Based Food and Beverages

Our Products

Plant-based Milk Beverages



Tofu



Tea Beverages





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Our Plant-Based Nutrition

Drawing on more than 80 years of experience and expertise in innovating sustainable, plant-based food and beverages that are great-tasting and nutritious for our consumers, we endeavour to further mainstream healthy plant-based diets and enable our consumers to pursue a healthy and sustainable plant-based lifestyle. We continually innovate our product offering with the use of nutrient-rich plant ingredients and optimise the “nutrients to encourage” and the “nutrients to limit” in our product design and manufacturing processes.



Plant-Based Milk



Nutrition*	Soy Milk	Oat Milk	Almond Milk
Energy content			
Protein content			
Total fat content			
Healthy unsaturated fats (%fats)			

Low saturated fat ^[1]	✓	✓	✓
High calcium ^[2]	✓	✓	✓
Low sugar ^[3]	✓	✓	✓
0g trans fat /100ml	✓	✓	✓
0mg cholesterol/ 100ml	✓	✓	✓
Lactose Free	✓	✓	✓
Vegan-friendly	✓	✓	✓

Environmental Impact**	Soy Milk	Oat Milk	Almond Milk
Carbon footprint			
Water footprint			
Land use			

* Nutrition comparison based on Vitasoy Australia products
^[1] Low saturated fat: not more than 0.75g saturated fat per 100ml
^[2] High calcium: not less than 200mg calcium per 250mL serving
^[3] Low sugar: not more than 2.5g sugars per 100ml for products sold in Australia
 ** Poore J, Nemecek T. Science. 2018 Jun 1; 360(6392): 987-92; additional calculations by J. Poore



Key Ingredients Used



Soy

- Legumes with plant-powered protein
- Provide all 9 essential amino acids
- Heart-friendly unsaturated fats



Oats

- Whole grains filled with fibre
- Provide soluble fibre for healthy digestion
- Heart-friendly beta-glucan



Almonds

- Nuts rich in vitamins and minerals
- Rich in vitamin E antioxidant
- Heart-friendly unsaturated fats

Our Plant-based Innovations

How We Optimise Nutritional Content

Increase “nutrients to encourage”, such as

- Protein
- Calcium
- Dietary fibre
- Vitamin D



Reduce “nutrients to limit”, including

- Sugar
- Saturated fat
- Trans fat
- Sodium





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FOCUSING ON WHAT MATTERS





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Engaging with Stakeholders

Our business model is founded on creating shared value for our stakeholders and Vitasoy. This philosophy has supported our growth in plant-based nutrition innovation over the years. Through open, transparent and regular communication with our stakeholders, we are able to understand their evolving expectations and make more informed and up-to-date decisions for driving our business strategy.

Active Engagement in Investor Disclosures



Included in Dow Jones Sustainability Indices (DJSI) – Asia Pacific for the two consecutive years



Rated A by the MSCI ESG Research, according to its performance on ESG issues



Participated in CDP questionnaires which helped us identify improvement areas in how we approach the topics of climate change, water security and forest-related risks



Prioritising Material Issues

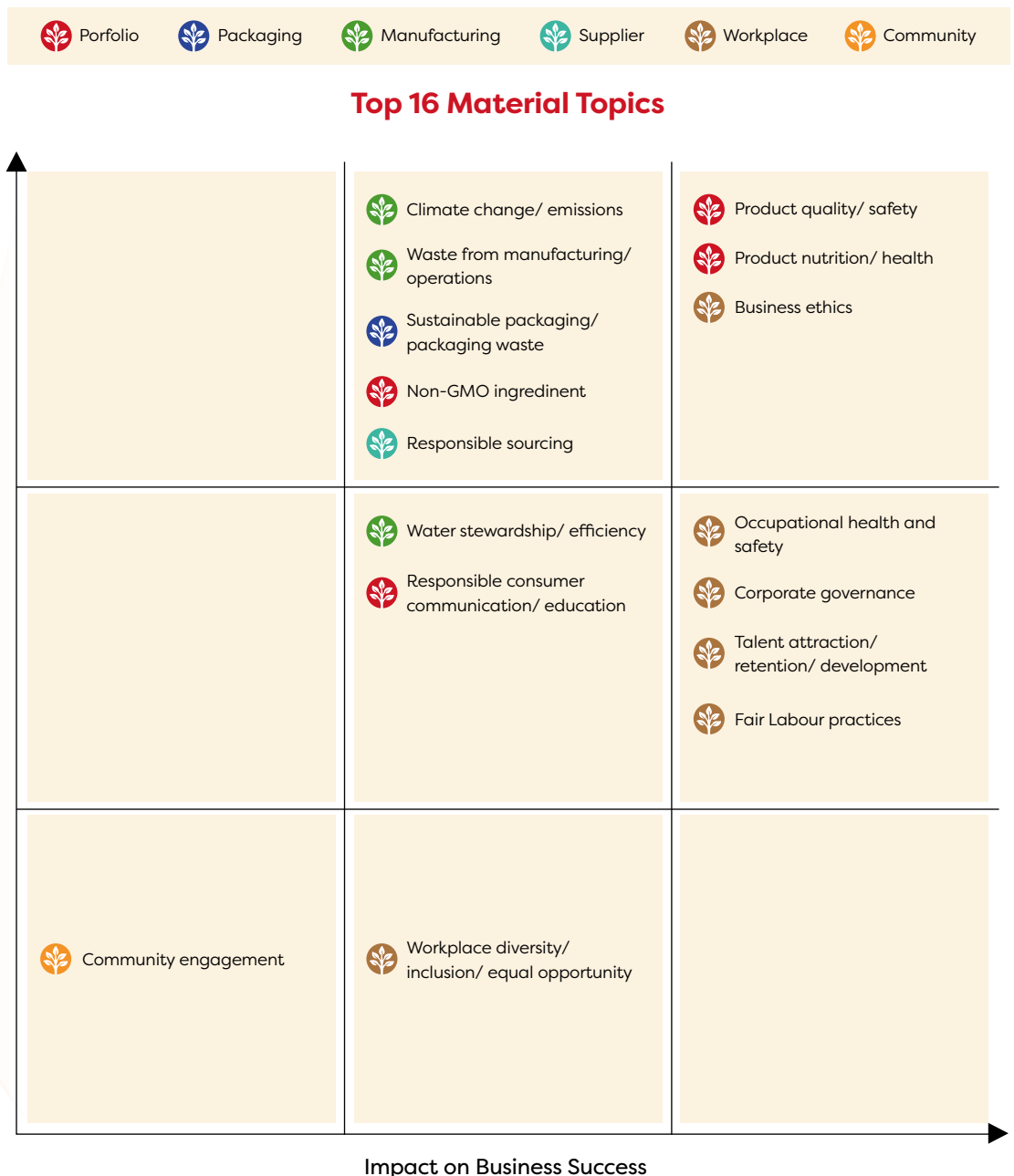
The materiality matrix presents the top sustainability topics to our stakeholders that impact our business success. Vitasoy carefully manages these topics throughout our value chain, ensuring we are “making the right product” and “making products the right way”.

The Board-level ESG Committee oversees the material issues identified, and advises the Board on the related risks and opportunities for the Company and other emerging sustainability topics that may affect our business in the long term. Group-level policies are also developed and enforced

across the Company to govern our management of these material topics.

While ensuring all topics are well governed in response to our stakeholders’ expectations, we prioritise our efforts and resources for the top material aspects at both the strategic and operational levels.

For more information on our stakeholder engagement and the materiality assessment approach, please visit the [Materiality Assessment section](#) on our corporate website.





Understanding SDG Impacts



Sustainable Development Goals (SDGs) provide a global agenda to shape the world’s sustainable development and require the collective contributions from businesses and other stakeholders. Informed by our materiality assessment and engagement with stakeholders, we have identified seven SDG impact areas and the specific SDG targets that are most relevant to our business. The following outlines our approach in managing our impact to the SDGs, supported by our strong focus on corporate governance and business ethics.

SDG Impact Areas	SDG Targets	Relevant Material issues	Our Impact Management Approach
Goal 2 Zero Hunger 	Target 2.2 Address the nutritional needs Target 2.4 Sustainable food production systems	<ul style="list-style-type: none"> Product quality/ safety Product nutrient/ health Responsible sourcing Community engagement 	<ul style="list-style-type: none"> Our sustainability framework and “Vitasoy Nutrition Criteria” state our commitment to provide food and beverages that contribute to a healthy and balanced diet. The “Sustainable Farming Guidelines” instill sustainable practices at our raw materials suppliers.
Goal 3 Good Health and Well-being 	Target 3.4. Reduce premature mortality from noncommunicable diseases through prevention	<ul style="list-style-type: none"> Product nutrient/ health Responsible consumer communication/ education 	<ul style="list-style-type: none"> Expanding our plant-based portfolio. Offering a greater variety and healthier versions of plant-based products, helping our customers reduce the risk of developing obesity, diabetes, cardiovascular diseases, and some forms of cancer.
Goal 6 Clean Water and Sanitation 	Target 6.4 Increase water-use efficiency and ensure sustainable withdrawals	<ul style="list-style-type: none"> Water stewardship/ efficiency 	<ul style="list-style-type: none"> Driving water efficiency is one of our KPIs under the sustainability framework. We continue to invest in our manufacturing plant to improve water efficiency.
Goal 7 Affordable and Clean Energy 	Target 7.2 increase the share of renewable energy in the energy mix	<ul style="list-style-type: none"> Climate change/ emission 	<ul style="list-style-type: none"> Installing solar panel in our factories and purchase more renewable energy
Goal 8 Decent Work and Economic Growth 	Target 8.8 Protect labour rights, and promote safe and secure working environments for all workers	<ul style="list-style-type: none"> Fair labour practices Occupational health and safety Talent attraction and retention Workplace diversity/ inclusion/ equal opportunity 	<ul style="list-style-type: none"> Implemented policies committing to improve health and safety, and drive anti-discrimination, anti-harassment, diversity and inclusion, and fair labour practices among our workforce.
Goal 12 Responsible Consumption and Production 	Target 12.1 Implement the 10-year Framework of programmes on sustainable consumption and production	<ul style="list-style-type: none"> Sustainable packing/ packaging waste Waste from manufacturing/ operations Responsible consumer communication/ education 	<ul style="list-style-type: none"> Our sustainability framework and 2025/26 goals have sealed our commitments and efforts in driving sustainable consumption and production since 2015/16
Goal 13 Climate Action 	Target 13.2 Integrate climate change measures strategies and planning	<ul style="list-style-type: none"> Climate Change/ emissions 	<ul style="list-style-type: none"> Conducted climate scenario analysis to understand climate-related risks and opportunities for our business, and integrated key climate risks in our enterprise risk management system



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MANAGING SUSTAINABILITY AT VITASOY





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Sustainability Vision

Vitasoy aims to unlock the potential of plant-based food and beverages, innovating products for a healthier society and planet. We strive to make the right products, and ensure that the way we make our products are aligned with our core value trinity of nutrition, taste and sustainability. We consider our sustainability vision as an engine of value creation and sustainable growth, guiding us in making the right choices and actions for the Company, society and the planet.



Sustainability Framework to Guide Actions

Our sustainability framework helps us align the Company’s worldwide operations in moving towards our company’s purpose. It provides a holistic approach for integrating our prioritised sustainability topics and contributes to meeting the relevant SDGs at the core of our business, to maximise what we can contribute and minimise the negative impacts we create. We review and enhance our sustainability framework continuously, ensuring that our approach and

aspirations are in line with evolving consumer demand and stakeholder expectations.

The Framework consists of two major pillars: Making the Right Products and Making Products the Right Way. The Board provides oversight of the Framework, while the management team is responsible for the effective implementation of the Framework.



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Enhancing the Sustainability Framework

In this reporting year, the Board-level ESG Committee reviewed and approved the refreshed Sustainability Framework, after achieving the 2020/21 mid-term goals. As a result, we enhanced our 2025/26 goals developed back in 2013/14, and expanded the scope by introducing new performance indicators and extending the coverage from our beverages portfolio to our food portfolio.

Following the ESG Committee's approval of the renewed framework, we have already started tracking performance and planning actions for achieving the new 2025/26 goals.

In addition to the new and upgraded goals for 2025/26, we also developed during the year a longer-term plan for decarbonising our operation and product portfolio. More details about our decarbonisation effort are available in the [TCFD section](#) of this Report.

The sustainability framework, with its expanded scope and enhanced ambitions, helps to govern and unite the company in driving continuous and sustainable improvement to make the right products, the right way for people and the planet.



Setting New Targets

- Introducing a new set of comprehensive nutrition criteria, called the "Vitasoy Nutrition Criteria", to guide our future product development and reformulation initiatives
- 100% front-of-pack nutrition labels by 2025/26 to support our customers to make healthier choices
- Zero manufacturing waste to landfill by 2025/26 to strengthen our commitment in resource management
- Zero lost-time injury rate by 2025/26 to strengthen our commitment to health and safety



Raising the Bar to Drive Continuous Improvement

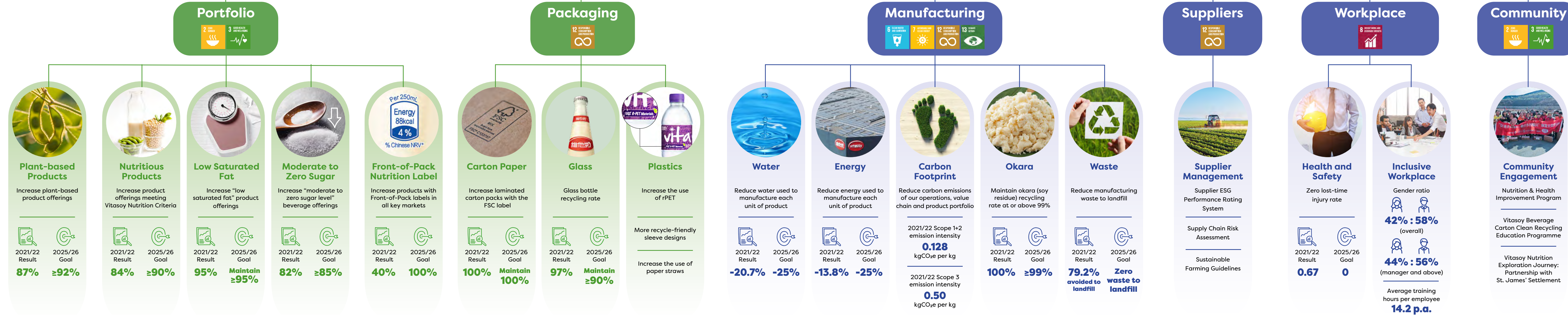
- Raising the level of ambition for four product portfolios KPIs to drive continuous improvement in product design and innovation since all 2020/21 goals were achieved

VITASOY SUSTAINABILITY FRAMEWORK



Making the Right Products

Making Products the Right Way



*Refer to Sustainability Report for KPI definitions

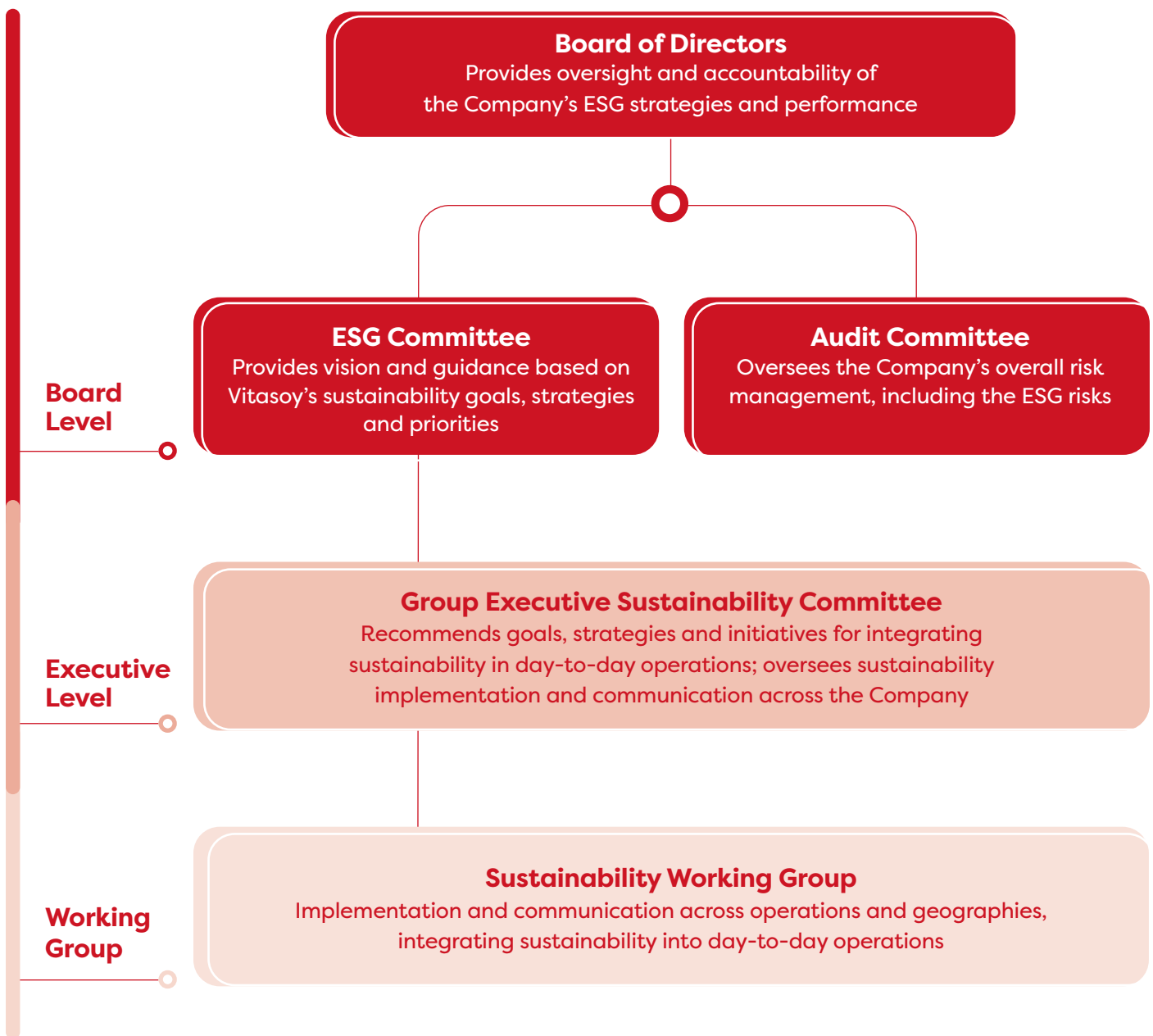


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How We Govern and Manage

At Vitasoy, we strictly adhere to our established standards of [corporate governance policies](#), maintaining a high level of transparency, accountability, responsibility and fairness. To learn more about our company shareholdings, our Board and Board Committee structure, and our governance and sustainability policies, please visit the Corporate Governance section of our [website](#) and [Annual Report](#).

The Board holds overall accountability for the Company's ESG strategies and performance. We believe that our strong sustainability governance structure strengthens our capacity in identifying and responding to the opportunities and risks in ESG, and thus the long-term growth and resilience of the business.





Embedding Sustainability in Corporate Governance

Key Decisions and Actions during this Reporting Year

Board of Directors’ Oversight

The Board holds overall accountability for the Company’s ESG strategies and performance. We have set up a Board-level ESG Committee to provide dedicated Board-level oversight to drive our ESG agenda. This Committee meets at least twice annually to provide strategic 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 among Board members, the ESG Committee consists of not fewer than four members including one independent non-executive director of the Board. Details of the ESG Committee can be found in the [ESG Committee’s Terms of Reference](#).

- Reviewed the performance milestones achieved by 2020/21 and approved the enhancement of the sustainability framework and its scope of coverage and levels of ambition for 2025/26.
- Reviewed the strategic direction for the Company to invest in decarbonising its operations and product offerings.

Risk and Opportunity Integration

The nature of our business and the environment in which we operate expose us to risks that might negatively impact our Company’s sustainability. Whilst the Board has overall accountability for the oversight of material ESG-related risks and opportunities, the Board’s Audit Committee is mandated to oversee the Company’s overall risk exposure and the response and mitigation strategies. The ESG Committee places specific focus on assessing environmental and social risks, advising the Board on risks of strategic significance and the associated response strategy. Correspondingly, potential risks with significant impact to the Company’s business are integrated into our Enterprise Risk Management (ERM) Framework to be monitored and reviewed regularly.

- Climate risks incorporated into ERM Framework

Group Executive Leadership

At the management level, our Group Executive Sustainability Committee (“Sustainability Committee”), reporting to the Board-level ESG Committee, is responsible for formulating strategies and initiatives for advancing Vitasoy’s sustainability practices. The Sustainability Committee also oversees the implementation and communication of sustainability initiatives across the Company. Chaired by the Group Director-Sustainability, the Sustainability Committee meets quarterly and comprises the Group Chief Executive Officer, function heads and market heads. The Committee provides strategic recommendations for the Board’s consideration and follow through on decisions made to drive actions and performance.

- Conducted climate scenario analysis to assess the Company’s exposure to climate-related risks and opportunities.
- Performed scope 1,2 & 3 emissions accounting to measure the Company’s emissions across the value chain, as part of the foundation for setting decarbonisation goals for endorsement by the Board.
- Monitored and drove performance progress towards the set of 2025/26 goals and provide recommendations to the Board on renewing the sustainability framework.

Materiality Assessment and Stakeholder Engagement

Based on the independent materiality assessment conducted by third-party and regular engagement with internal and external stakeholders, we identify, evaluate and prioritise ESG topics which are important to the company and our stakeholders. Materiality assessment results are discussed and endorsed by the Sustainability Committee. We develop, review and update corresponding group policies to govern the management of the priority topics being implemented by relevant functions with the support of local leadership teams. We also regularly review international sustainability trends and benchmark them against our peers to stimulate continuous improvement. Details of our governance and management approach on ESG issues, including our goals, targets and progress, are disclosed in the relevant sections of this report.

- Participated in investor-related ESG disclosures as a means to communicate and engage with investors.





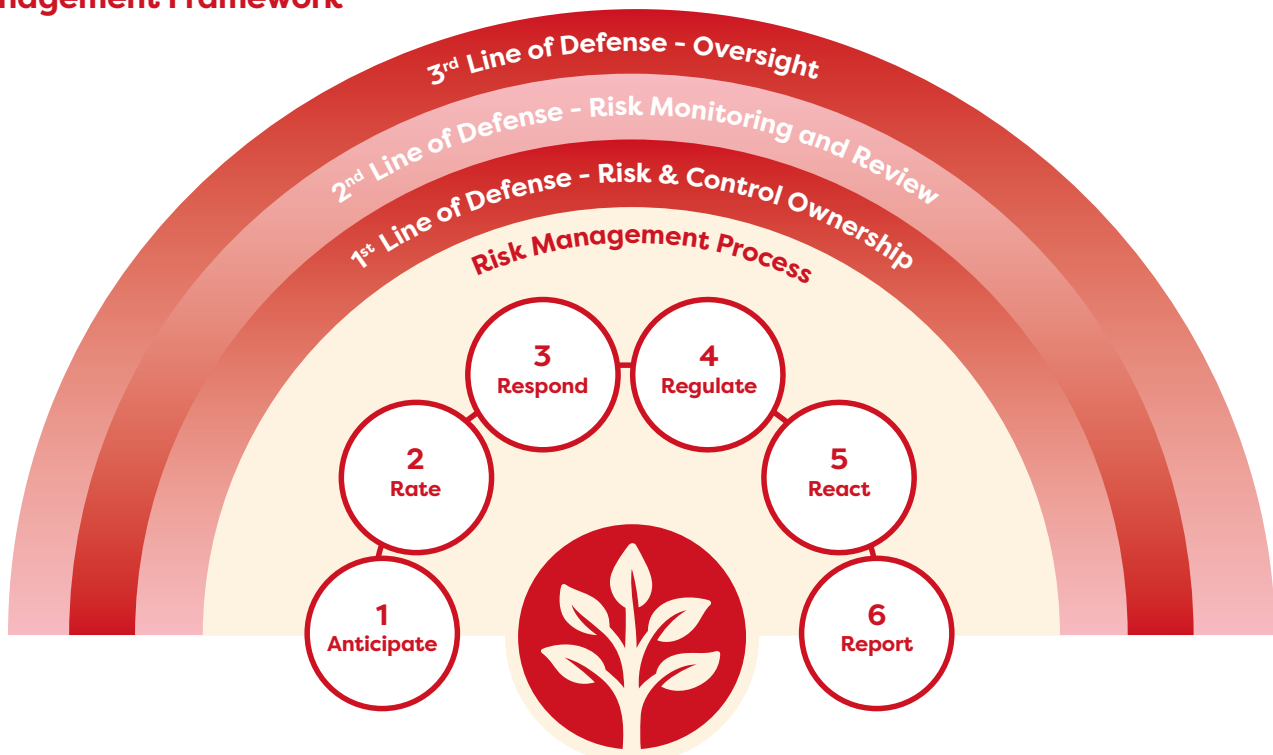
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Sustainability Risk Integration

The Vitasoy Enterprise Risk Management (ERM) Framework helps us manage the risks and opportunities that have a significant impact on our organisation. For the enduring success of our business, ESG issues, including climate change impacts, fair labour practices and responsible sourcing of raw materials, are incorporated in the Company’s enterprise

risk register. The Group CEO and Group Senior Director of Internal Audit and Risk Management are both members of our ERM Executive Committee and Group Executive Sustainability Committee, which report ESG-related updates to the Board of Directors via the Audit Committee and ESG Committee.

Vitasoy Enterprise Risk Management Framework



Business context • Daily Operations • Financial Activities • Compliance • Strategy Development & Business Planning • Investment Decisions

To fully leverage our ERM Framework to consistently and methodically manage ESG risks, we have commenced an initiative to further expand our ESG risk register in our Governance, Risk and Compliance (GRC) System. This enables a more systematic approach and higher resolution of ESG risk assessment, mitigation and monitoring for the relevant business units and senior management. This initiative is made possible by our established risk management approach that is consistent with the recommendations from “Enterprise Risk Management - Applying enterprise risk management to environmental, social and governance-related risks” published by the World Business Council for Sustainable Development (WBCSD) and the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

To strengthen the Company’s understanding of climate change impacts, we conducted a scenario-based climate risk assessment to evaluate the potential implications for our business and operations in a range of climate scenarios and time horizons. Findings of the climate risk assessment have been integrated into our ERM Framework and ESG risk register. We are collaborating with relevant business units to develop and implement the corresponding mitigation and adaptation measures. A detailed discussion of this is available in the TCFD disclosure in this Report.

In respect of our supply chain, we incorporated ESG considerations in the evaluation of critical purchasing decisions as part of the formal management decision-making process.



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Business Ethics and Integrity

Material Issue:

- Business Ethics

How We Govern:

- [Group Business Ethics Policy](#)
- [Whistleblowing Policy](#)

We believe that maintaining high standards of ethics is essential to the long-term success and sustainability of our business, and is what our stakeholders expect from us. Vitasoy has always adhered to zero tolerance for all forms of corruption and bribery.

To assess and monitor the risk of corruption and bribery across all our operations, the Company's Group Internal Audit and Risk Management Department makes use of data analytics to identify red flags of misconduct or abnormality for further investigation. We also recently enforced the Enterprise Integrity Risk Management Framework (EIRM) Policy, mandating the implementation of integrity risk controls and the evaluation and identification of integrity-related improvement areas as part of the accountability of supervisors.

The [Group Business Ethics Policy](#) outlines our commitment to integrity, and sets out the standards of behaviour that we expect at all times from all directors and employees. It covers topics such as compliance with laws, rules and regulations, conflict of interest, employment of immediate family members and relatives as well as anti-corruption and anti-bribery. Vitasoy has also set clear expectations on the ethical conduct of our suppliers and customers. Our Code of Business Conduct for Suppliers and Customers provides guidelines on conflicts of interest, anti-corruption and fraud, irrespective of country or territory. The Code also provides local contexts for our entities to incorporate relevant guidelines into the agreements with suppliers and customers.

Our [Whistleblowing Policy](#) provides a confidential reporting channel to facilitate whistleblowers to report suspected misconduct, malpractice or irregularity of behaviours.

Vitasoy Global Integrity Portal

Group Internal Audit and Risk Management Department launched the Vitasoy Global Integrity Portal across our operations in Mainland China in June 2021, as the first phase of a global roll-out.

The portal, with its e-learning platform, policy and publication library and online complaint channel, aims to enhance two-way communication of Vitasoy's standards and expectations for business ethics and integrity from our employees, suppliers and distributors.

All of our employees and key suppliers and distributors are required to sign an Annual Integrity Commitment Declaration to acknowledge their compliance in the portal.



Looking Ahead:

We will continue to engage our employees, suppliers and customers, to ensure the policy is implemented at the operational level, including the expansion of the Vitasoy Global Integrity Portal to more operations worldwide.



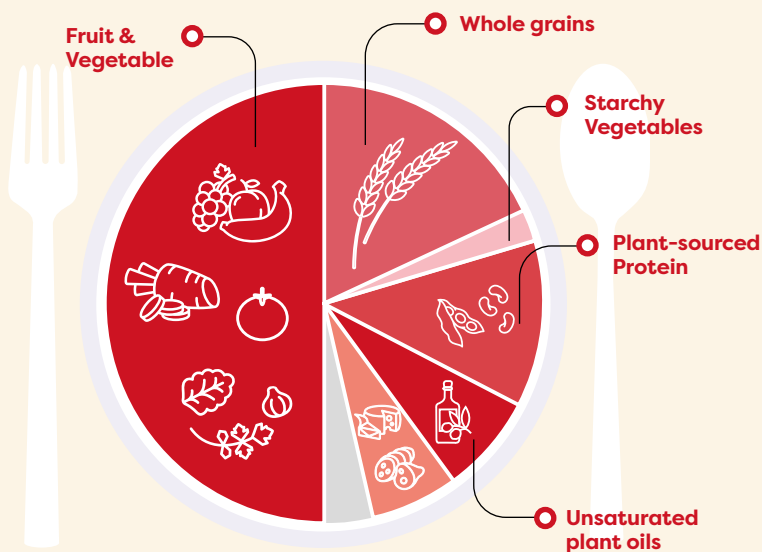
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Spearheading the Shift to Plant-based Diet

As a company, Vitasoy is committed to delivering increasingly more sustainable, plant-based beverage and food products that can provide important daily nutrients and support a healthy, plant-based lifestyle. Health challenges continue to remain prevalent, particularly given the high risks of heart disease, diabetes and obesity. We firmly believe that by expanding our plant-based portfolio with tastier and more sustainable and nutritious offerings, we can help spearhead the shift to a plant-based diet that is better for both people's health and that of the planet, contributing towards the solution to an increasing global population, changing food system and rise in global temperatures.

Moreover, the adverse effects of climate change remain a top global risk. The recent EAT-Lancet Commission Summary report on healthy diets and sustainable food production notes that while global food production of calories has generally kept pace with population growth, more than 820 million people still lack sufficient food, and many more consume either low-quality diets or too much food. It adds: "Global food production threatens climate stability and ecosystem resilience and constitutes the single largest driver of environmental degradation and transgression of planetary boundaries. Taken together the outcome is dire.

A plant-based diet that includes a variety of plant-based foods such as whole grains, fruits, vegetables, nuts and legumes and fewer animal source foods is proven to be better for both people and the planet¹.



Facts

According to health authorities and scientific reports, this shift to a plant-based diet that incorporates a lower intake of meat will help to:

- Improve the intakes of various nutrients, including dietary fibre, healthy polyunsaturated fat and antioxidants from plants
- Lower the risk of chronic diseases, such as heart disease, type II diabetes and certain cancers
- Save natural resources and lower the impact of diet on the environment, with about a 40-70% reduction in diet-related GHG emissions

The Intergovernmental Panel on Global Change (IPCC) estimates that delivering a shift to a plant-based diet would result in an annual reduction in carbon emissions of 8 billion tonnes by 2050. While global plant milk and food revenues are growing strongly, they remain at US\$30 billion, a small proportion compared with the US\$1 trillion plus per annum for non-plant-based options.

As such, plant-based diets are increasingly being advocated by health authorities globally, as one of the key solutions for protecting against chronic diseases and climate change. Choosing a plant-based diet that includes a wide variety of plant foods such as fruits, vegetables, whole grains, legumes and nuts, has been found to be good for the body and sustainable for the environment.

¹EAT-Lancet Commission Summary Report: https://eatforum.org/content/uploads/2019/07/EAT-Lancet_Commission_Summary_Report.pdf



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MAKING THE RIGHT PRODUCTS





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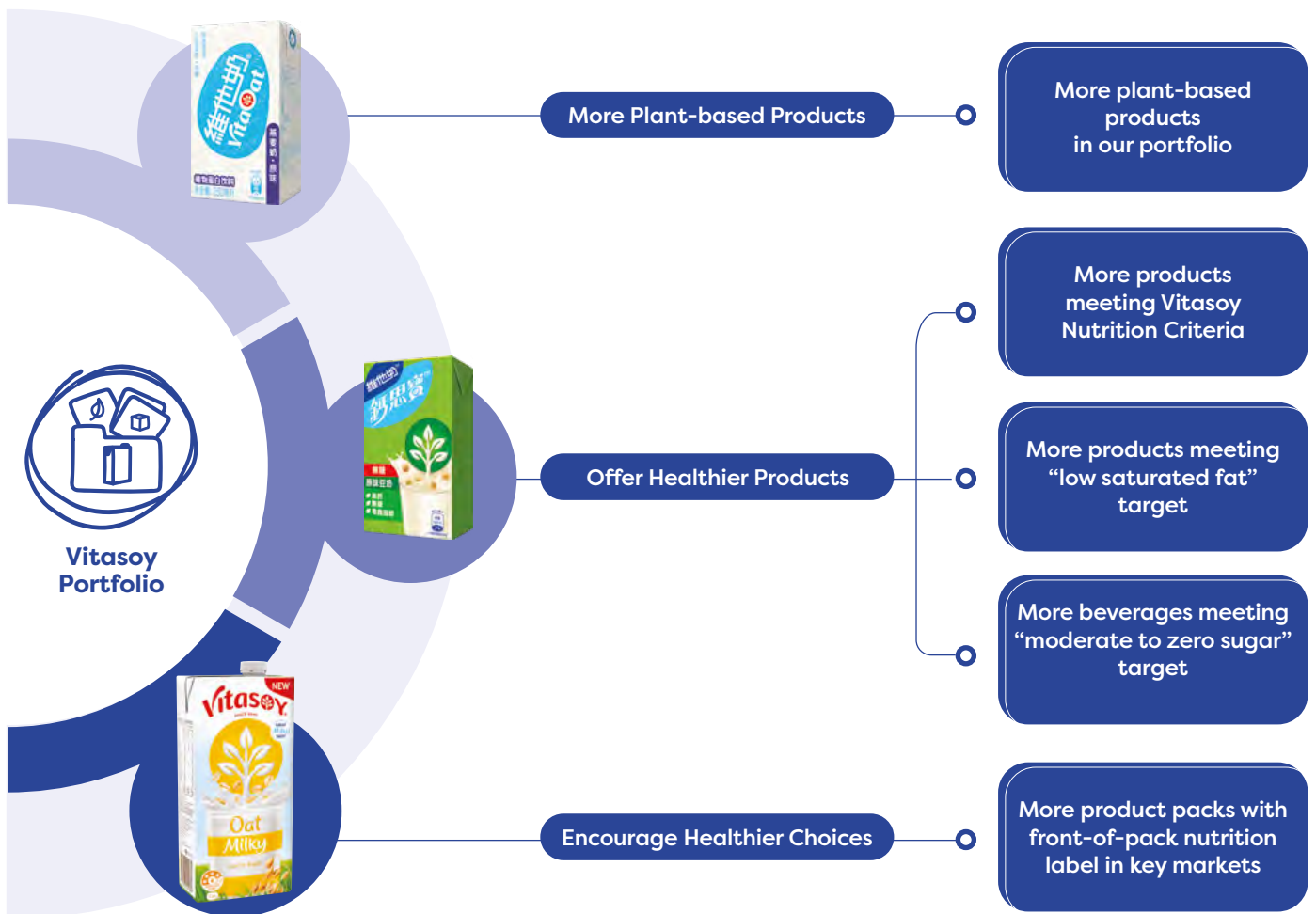
Our Health and Nutrition Strategy and new KPIs for 2025/26

Our [Product Health and Nutrition Policy](#) formalises our approach to product innovation, development and communications, supporting the World Health Organisation’s (WHO) recommendations that advocate a healthy diet based on a variety of plant-based foods while reducing the intake of free sugars, saturated fats, trans-fats and salt.

A healthy, balanced diet can help prevent malnutrition in all forms, as well as non-communicable diseases (NCDs) such as obesity, cardiovascular diseases, diabetes and cancers. Vitasoy is committed to providing accurate and user-friendly nutrition information to our consumers. This helps support them in making informed choices, and encourages healthier diets and lifestyles.

As consumers become more aware of dietary health and climate change, we believe that providing more plant-based products compatible with a healthy and sustainable diet is a powerful way to support this movement.

We have updated our Health and Nutrition Strategy and introduced a new set of KPIs for 2025/26 to cover a wider scope of products, higher targets and more comprehensive nutrition criteria under three main pillars, namely More Plant-based Products, Offer Healthier Products and Encourage Healthier Choices. This can better serve our purpose in bringing sustainable and delicious plant-based nutrition to more communities, and improving people’s and the planet’s well-being.






Our Health and Nutrition Strategy and new KPIs for 2025/26

	2021/22 Result	2025/26 Goal
 <p>More plant-based products in our portfolio¹</p>	87%	≥92%
 <p>More products meeting Vitasoy Nutrition Criteria¹</p>	84%	≥90%
 <p>More products meeting “low saturated fat” target¹</p>	95%	Maintain ≥ 95%
 <p>More beverages meeting “moderate to zero sugar” target²</p>	82%	≥85%
 <p>More product packs with front-of-pack nutrition label in key markets³</p>	40%	100%

Note:

1. Updated KPI with revised scope, definitions and goals. By formulation. Include foods & beverages. Excluding water (distilled water and mineral water) and products developed for food service purposes only. Please refer to Appendix for details of Vitasoy Nutrition Criteria. “Low saturated fat” refers to saturated fat content of not more than 0.75g/100ml or 1.5g/100g or 10% energy from saturated fat for plant-based products and 1.5g/100ml or 100g for other products.
2. By formulation. Include beverages. Excluding water (distilled water and mineral water) and products developed for food service purposes only. “Moderate to zero sugar” refers to total sugar content of 0g/100ml to not more than 7.5g/100ml for beverages.
3. New KPI and goal. By product packaging type. Applicable to products sold in key markets with local packaging: Mainland China, Hong Kong, China, Australia and Singapore. Excluding multi-label products for sale in various markets; glass bottles; products packaged for food services; baristas products; water products such as distilled water and mineral water. Front-of-pack refers to the front of the primary product packaging.



Looking Ahead:

We are committed to build upon our plant-based portfolio further through product innovation to optimise the nutrition content.



A Committed Journey since 2015

Since 1940, Vitasoy has always been a company driven by the purpose to nourish our society through offering sustainable, plant-based taste and nutrition. One of our flagship products Calci-Plus was launched in FY1999/20 to further emphasise on the nutrition benefits. In 2015, we established our Sustainability Framework with related Portfolio KPIs and targets to widen and deepen our efforts systematically.

Roadmap for building a healthier, plant-based portfolio since we launched Product Portfolio Goals in 2015

Milestones of Our Health and Nutrition Strategy

Launched Product Portfolio Goals for 2020/21 and 2025/26

Achieved all ESG portfolio goals for 2020/21

Launched the Group Product Health and Nutrition Policy

Achieved all ESG portfolio goals for 2025/26

Releasing New Product Portfolio goals for 2025/26

Product Innovation and Development

Launched the first-ever Vita No Sugar Tea range in the Hong Kong market



Launched the Calci-Plus High Calcium Plant milk range in the Hong Kong market

Launched the plant-based Vitasoy Soya Milk range in the Philippines



Expanded high calcium “milky” plant milk with Almond Milky and Coconut Milky in Australia



Reduced the sugar content of the VITA Gor Yin Hai Tea range in the Hong Kong market

Reduced the sugar content and optimised the nutrition of Vitasoy flavoured variants in Mainland China

Expanded the plant-based Café For Barista range with Oat Milk option

2015

2016

2017

2018

2019

2020

2021

2022



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More Plant-based Products

Material Issue:

- Product nutrition/ health
- Climate change missions

How We Govern:

Group Product Health and Nutrition Policy

SDG Impact Area:



Vitasoy is passionate about the continued development of our portfolio using wholesome plant-based ingredients. For our new plant-based KPI, the scope covers all of our food and beverage offerings, including tofu, plant-based milks and tea beverages. Moving forward, we will continue to expand our product offerings in different product categories to facilitate consumers in adopting a more plant-based dietary pattern.



Plant-based Products

Increase plant-based product offerings

2021/22 Result **87%** 2025/26 Goal **≥92%**

Vitasoy Plant Based Product Offerings

Plant Based Milk:



Tea Beverages



Tofu





Healthier Products: Introducing “Vitasoy Nutrition Criteria”

Material Issue:

- Product nutrition/health

How We Govern:

[Group Product Health and Nutrition Policy](#)
[Vitasoy Nutrition Criteria](#)

SDG Impact Area:



At Vitasoy, we support consumers by making nutritious and tasty food and beverage choices through our commitment to the continual development of plant-based products that are lower in saturated fat and sugars, without compromising on taste. We have used “Nutritious Beverage Criteria” since 2015/16 to assess the nutritional profile of our plant milk portfolio. In 2021/22, we have launched a new set of comprehensive nutrition standards called [Vitasoy Nutrition Criteria](#) (VNC), covering all of our product categories.[^] The VNC summarises the nutritional targets for different product categories, based on the dietary recommendations and nutrition labelling guidelines from the World Health Organization (WHO) and other international and national health authorities, providing a compass to guide our continuous pursuit of product innovation and optimisation.

With the VNC, our product development efforts will focus on increasing formulations under “nutrients to encourage” and reducing those under “nutrients to limit”. The former includes essential nutrients such as protein, calcium, vitamin B12 and D, while the latter are linked to health concerns when consumed in excess, particularly saturated fat and sugar. We are committed to ensuring that by 2025/26, ≥90% of our product portfolio will meet the VNC.

More consumers are shifting to plant-based alternatives, such as plant milk, tofu and other soy foods for nutrition. Integral to this plant-based movement are plant milk beverages, one of the key product categories that we seek to deliver more of the “nutrients to encourage”. This means the launch of more nutritious plant milks rich in essential nutrients such as protein, dietary fibre, vitamin D and calcium, without any dairy or lactose, meeting the dietary needs of a fast-growing segment of health-conscious consumers, flexitarians, vegetarians and lactose intolerant individuals.

* All product claims are based on the food labelling regulations of the local markets

[^] Excluding water (distilled water and mineral water) and products developed for food service purposes.



KPI

Nutritious Products

Increase product offerings meeting Vitasoy Nutrition Criteria

2021/22 Result	2025/26 Goal
84%	≥90%

Highlights of New Products Compliant with Vitasoy Nutrition Criteria in 2021/22*



Vitasoy VitaOat Oat Milk in Mainland China and Hong Kong Markets

- High Calcium
- Low Saturated Fat
- Zero Cholesterol
- Low Sugar



Vitasoy PLANT+ Almond Milk, Soy Milk and Oat Milk in the Singapore Market

- High Calcium
- Zero Cholesterol
- Lower Sugar



Vitasoy Oat Milky in the Australia Market

- High Calcium
- Low Saturated Fat
- Low in Sugar
- Taste and mouthfeel closer to dairy



Vitasoy+ Soy Milk & Oat Milk in the Mainland China Market

- High Calcium
- Source of Vitamin A and D
- Zero Cholesterol
- Low Sugar



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Healthier Products: Reducing Saturated Fat and Sugar

We have also made consistent progress in the reduction of saturated fat and sugar in our products.



Keeping Saturated Fat at Low Level

The majority of our plant-based product offerings, with the use of soybeans, oats, and almonds as the main ingredients, are naturally low in saturated fat and are free of trans fat and cholesterol. The percentage of product portfolio meeting the low saturated fat target has been upgraded to covering food products and reaching $\geq 95\%$ for 2025/26, from $\geq 93\%$. We have successfully maintained at 95% of low saturated fat products in 2021/22.

Limiting Sugars in Beverages

In 2021/22, 82% of our product offerings in the beverage portfolio met our “moderate to zero sugar” target*, improving from 63% in the 2015/16 base year. We have therefore pushed our 2025/26 goal further to $\geq 85\%$ after last year’s review.

Sugar can help to improve the taste and texture of foods, but when consumed in excess is linked to higher risk of overweight and obesity. To help our consumers to manage their daily sugar intake and follow a healthy, balanced diet, Vitasoy has been developing more products with lower level of sugars, such that consumers can enjoy our products as part of a healthy diet on a daily basis. We will continue to adopt new technology, reformulate our existing beverage products and develop more great-tasting beverages with low or no added sugar.

New No Sugar / Low Sugar Beverage Products Launched in 2021/22



* Moderate to zero sugar : total sugar content of 0g/100ml to not more than 7.5g/100ml
 + Low sugar : total sugar content of not more than 5g per 100ml



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Encouraging Healthier Choices

Material Issue:

- Responsible consumer communication/ education

How We Govern:

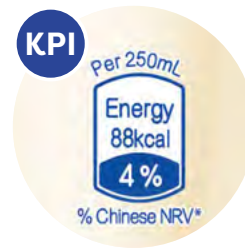
[Group Product Health and Nutrition Policy](#)

SDG Impact Area:



Consumers are faced with a multitude of choices when it comes to food and beverage products. Vitasoy’s [Group Product Health and Nutrition Policy](#) stipulates our commitment to providing consumers with accurate and reader-friendly nutritional information, enabling them to make healthy, well-informed decisions. The commitments formalised under this policy include the labelling of ingredients, allergens, and nutritional information on our product packaging.

Our voluntary nutrition labels use simple icons to illustrate key nutritional information and are increasingly featured on the front of pack (FoP) of our products. We actively participate in different voluntary graphical labelling schemes that are evaluated by government-endorsed nutrient profile models, 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 the Hong Kong market. We have also been working to provide FoP nutrition labels on more of our products even when this is not a mandatory



Front of Pack Nutrition Label

Increase products with front-of-pack labels in all key markets

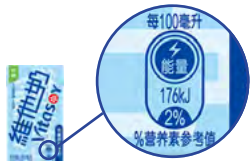
2021/22 Result	2025/26 Goal
40%	100%

requirement in our key markets. These efforts exemplify our commitment to responsible communication with consumers. Additionally, we conduct various programmes to bring nutrition education to schools and the public. More details are in the [community engagement section](#).

New 2025/26 Goal: 100% Products with Front-of-Pack Labels

Moving forward, we are rolling out a new Product Portfolio KPI for product front-of-pack nutrition labels and strive to implement front-of-pack labelling on all of our applicable product packaging in our key markets*.

Front-of-pack Nutrition Label we use in our Key Markets



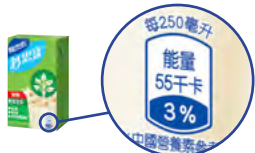
Mainland China

Energy Label with Percentage of Chinese Nutrient Reference Value



Singapore

Healthier Choice Symbol; Guideline Daily Amounts (GDA)



Hong Kong, China

Energy Label with Percentage of Chinese Nutrient Reference Value



Australia

Health Star Rating



Looking Ahead:

We are developing a timeline for adding FoP nutrition label on all our brands and products, to guide our actions towards the 2025/26 goal.

* Applicable to pre-packaged products sold in key markets : Mainland China, Hong Kong, Australia and Singapore. Excluding multi-label product packaging for used in various markets; glass bottles; products packaged for food services; baristas products; water products such as distilled water and mineral water. Front-of-pack refers to the front of the primary product packaging.



Ensuring Product Safety and Quality

Material Issue:

- Responsible consumer communication/ education

How We Govern:

- [Group Food Safety Policy](#)
- Crisis Management Manual

SDG Impact Area:

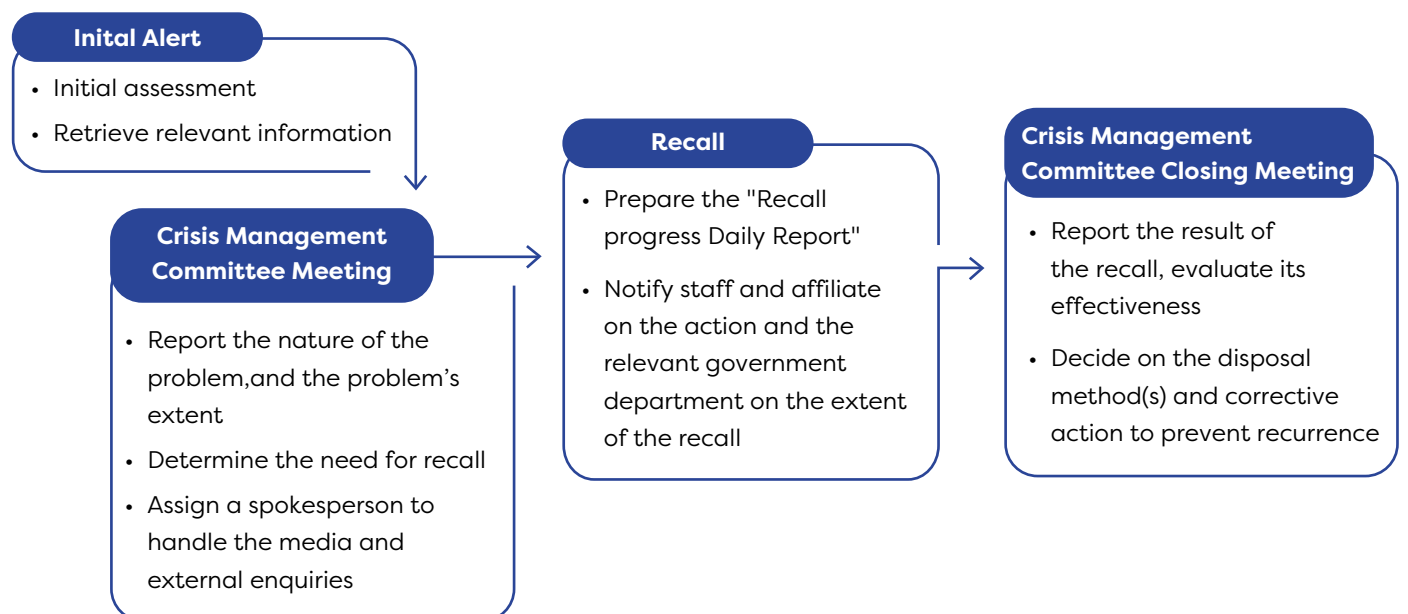


Vitasoy maintains strict quality requirements for every aspect of our production process, from the procurement of raw materials through to finished goods. Our [Group Food Safety Policy](#) governs our approach to meet the highest quality standards in taste, nutrition and product safety, and aligns our manufacturing and quality assurance process with international best practice. We adhere to the following international management systems and principles to ensure food safety for all our products:

Consumer Protection and Crisis Management

Our Group Crisis Management Guideline provides guidance on product quality and business continuity contingencies for unexpected situations such as employee injury, product recalls and natural disasters. The Guideline also clearly spells out the detailed roles, procedures and responsibilities of different personnel within a crisis management team. Each business unit further adapts the protocol and guidelines provided in the Manual to its business context for implementation. In case there is an incident on product recall as an example, the process is as follows:

Front-of-pack Nutrition Label we use in our Key Markets	
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)	A set of principles to ensure hygienic conditions for production processes, product storage and product delivery.
International Standards	<ul style="list-style-type: none"> • Food Safety System Certification FSSC 22000 • ISO 22000 International Standard of Food Safety • ISO 9001 International Standard of Quality Management





Committing to Non-GM, Natural and Organic Ingredients

Material Issue:

- Product nutrition/health
- Non-GMO ingredients

How We Govern:

- [Group Non-GM Policy](#)
- [Vitasoy Nutrition Criteria](#)

Non-Genetically Modified Ingredients

Vitasoy takes a firm stance against the use of genetically modified (GM) raw materials in our beverage and tofu products. The stipulations detailed in the [Group Non-GM Policy](#) confirm our commitment on the use of non-GM ingredients.

Organic and Natural Ingredients

To maintain the highest standards of tasty and nutritious products, we continue to advocate the use of organic and natural ingredients in our product development. All Vitasoy product offerings manufactured by our factories are free of added preservatives. For a long time we have formulated many of our soy-based products with organic soybeans, including the followings:

Maintaining Low Sodium Levels

Vitasoy’s overall product portfolio contains relatively low sodium content as our main product offerings are predominantly plant-based beverages, which are not a major source of salt or sodium. Nevertheless, we remain committed to limiting the use of salt across our portfolio. In 2021/22, we have set sodium limits for our product categories as part of the [Vitasoy Nutrition Criteria](#) to ensure our products remain limited in sodium.

Made with Certified Organic Soybeans

- VITASOY PURE Soyabean Extract range in the Hong Kong market
- VITASOY SANSUI Soya Milk range in the Hong Kong market
- VITASOY Soy Milk Original in Australia



Certified (USDA NOP) Organic Products

- VITASOY Café for Baristas Organic Soyamilk (Creamy Original) in the Hong Kong market
- VITASOY SANSUI Organic Tofu range in the Hong Kong market
- VITASOY Premium Organic Sprouted Tofu range in Singapore



¹ United States Department of Agriculture’s National Organic Program



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Transforming Product Packaging

Material Issue:

- Sustainable packaging/ packaging waste

How We Govern:

- [Vitasoy Responsible Packaging Policy](#)
- [Group Zero Deforestation Policy](#)

SDG Impact Area:



Carton Paper

Increase laminated carton packs with the FSC label

2021/22 Result	2025/26 Goal
100%	100%



Glass

Glass bottle recycling rate

2021/22 Result	2025/26 Goal
97%	≥90%

Demand for sustainable packaging is growing rapidly as consumers and investors worldwide are increasingly attentive to how businesses are managing single-use packaging. Governments, too, have taken the initiative with Mainland China banning single-use straws in all restaurants at the start of 2021 and announced the goal to cut 30% of the use of non-degradable single-use plastic tableware for takeaways in cities by 2025. The EU's Directive on single-use plastics targets to incorporate 25% of recycled plastic in all plastic beverage bottles from 2030.

Vitasoy is determined to adopt sustainable packaging across our business. Our [Responsible Packaging Policy](#) formalises the expectations for all packaging materials meeting our high standards for hygiene, safety, strength, and durability, whilst also having the lowest-possible

impact on the environment. The policy covers both primary packaging, which refers to materials in direct contact with our products, such as product bottles and carton packs, and secondary packaging used on top of primary packaging.

Packaging forms part of the identity of our products. Unless properly processed, materials used in packaging our products might have an adverse impact on the environment; hence, driving the use of more eco-friendly materials in our product packaging is both an environmental and a business imperative.

This year we have enhanced our Packaging Management Framework for driving a sustainable transformation through rethinking, redesigning and reinventing our packaging for a circular model for sustainable business.

Our Sustainable Packaging Framework for a Circular Economy

Rethink

Moving away from unnecessary plastics by replacing plastic straws.

Redesign

Creating a circular solution through a multi-faceted approach, such as switching from opaque to clear PET, replacing multi-layer plastic packaging and non-compostable plastic cutlery, and adopting recycled materials in the design of product packaging.

Reinvent

Making the reduction of carbon footprint an outcome that the reinvention effort of our product packaging shall focus on.



In 2021/2022 reporting year, the production and packaging of our products consumed 56,960 tonnes of packaging materials, comprising paper, glass, plastics and metal. Paper accounts for more than 50% of the packaging materials we used, which is the most significant material type, followed by plastics and glass. Our ambition to transform the packaging of our products is guided by the Company's Group R&D development workplan and Sustainability Framework, supported through collaboration with our partners to jointly build a recycling network and promote public awareness on resource conservation.

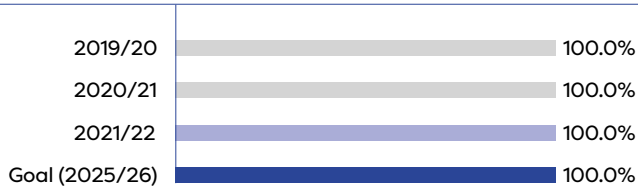


PAPER

Goal and Progress

In 2021/22, 100% of our carton packs continued to be made of paper from sustainable sources certified by Forest Stewardship Council (FSC).

% of Laminated Carton Pack with FSC Label

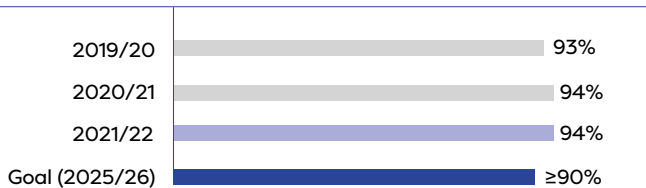


GLASS

Goal and Progress

In 2021/22, our glass bottle recycle rate stood at 97%, above the target threshold of $\geq 90\%$.

Glass Bottle Recycle Rate



R&D Development in 2021/22

- Continued the efforts to recycle $\geq 90\%$ of our glass bottles
- Maintained high recycle content in our glass bottles, with 60% being post-consumer and 5% pre-consumer recycle content



PLASTICS

Goal and Progress

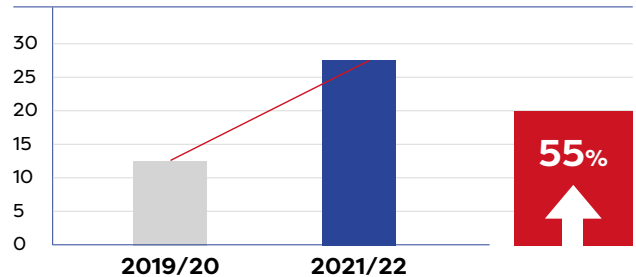
Our ambition is to increase the content of recycled materials, i.e. rPET (recycled PET)

In 2021/22, 26% of our PET bottles were made of post-consumer recycled rPET.

R&D Development in 2021/22

- Paper straws were introduced to a wider range of products produced and exported from the Hong Kong market, with an increase of 55% total usage from 2019/20. We will continue to expand the effort across our locations and product portfolios.

Paper Straw

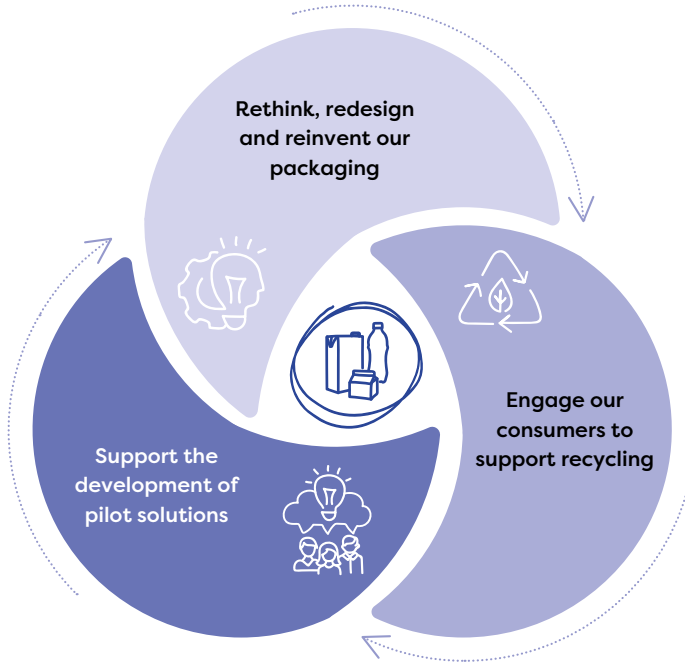


- As we continued to pilot the adoption of rPET in the packaging of our range of bottled products in the Hong Kong market, 72% of our plastic containers in this market were already made of rPET. We will continue to expand the efforts to more markets and product portfolios.
- Vitasoy Hong Kong worked on removing the blue-coloured tint of the bottles to improve the collection value and thus material recovery in the recycling stream.
- Vitasoy Australia has pushed on to adopt 30% post-consumer waste content in the production of bottle sleeves for its entire range of PET bottles.



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Collaboration is at the centre of a circular business model. In our pursuit to rethink, redesign, and reinvent our product packaging, we engage the partners in our value chain and other stakeholders to drive system change together.



To mobilise and recognise the efforts of our partners, we rolled out a “Beverage Carton Clean Recycling Reward Scheme” in June 2021, recognising partners who topped the recycling effort based on average weight of recyclables collected each month during the year.

Since its launch in 2019, more than 250 tonnes of carton box have been collected and recycled through our partner Mil Mill, the first local beverage carton pulp mill in the Hong Kong market.

Engage our Consumers to Support Recycling in the Hong Kong market

End-users’ decisions play an important part in determining whether unwanted packaging materials remain in the circular system, or drop out to landfill. We collaborated with 34 primary and secondary schools, inviting the students to participate in a series of educational programmes, from upcycling workshops and eco-talks at school, to visits at the carton pulp mill and Beverage Carton Sustainability Education Centre, to promote sustainable consumption and recycling habits.

Support the Development of Pilot Solutions in the Hong Kong market

In 2021/22, we continued to expand our "Beverage Carton Clean Recycling Programme", partnering with more property management companies, housing estates, schools and retailers to set up clean carton recycling points. This network has grown to cover more than 460 recycling points at convenience stores, petrol stations, shopping malls and other locations, providing consumers convenient access to collection stations for their unwanted beverage cartons.

During the year, we also partnered with property management companies and organised a series of roadshows to share tips for clean recycling and engage consumers to support the vision for a circular economy. Together with our Vitasoy Carton Recycling Mobile Education Centre touring around different communities to showcase how beverage cartons are made and recycled, we brought the message to more than 330,000 members of the public in 2021/22.





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MAKING PRODUCTS THE RIGHT WAY





Mitigating Carbon Emissions

Material Issue:

- Climate change/ emissions

How We Govern:

- [Group Climate Change Policy](#)
- [Group Responsible Procurement Policy](#)

SDG Impact Area:



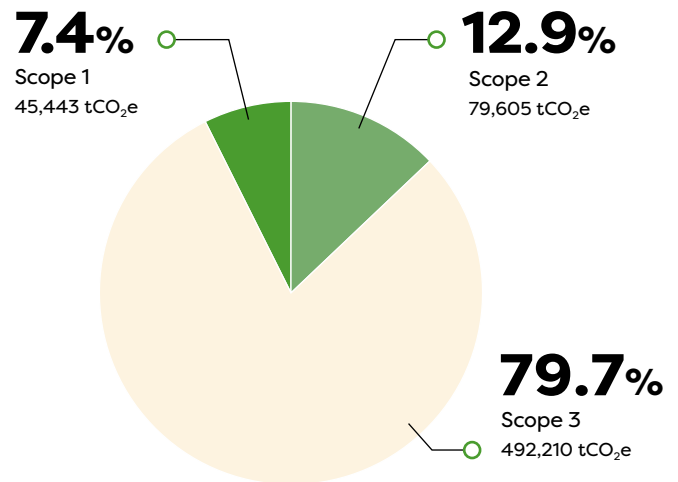
Tackling climate change is a top priority on the global agenda. Climate change is a global threat to the life of humanity and the health of the planet. It will also affect our business, customers and supply chain. We believe businesses have an important role to play in the fight against climate change, and collaboration is a key and effective way to combat climate change. As a leading plant-based food and beverage producer in the Asia Pacific region, we have a significant responsibility to contribute to the collective effort in combating climate change, by driving the plant-based movement for decarbonisation in the food system and by reducing the climate impact of our operation in collaboration with all of our partners.

Decarbonisation of Our Operations and Value Chain

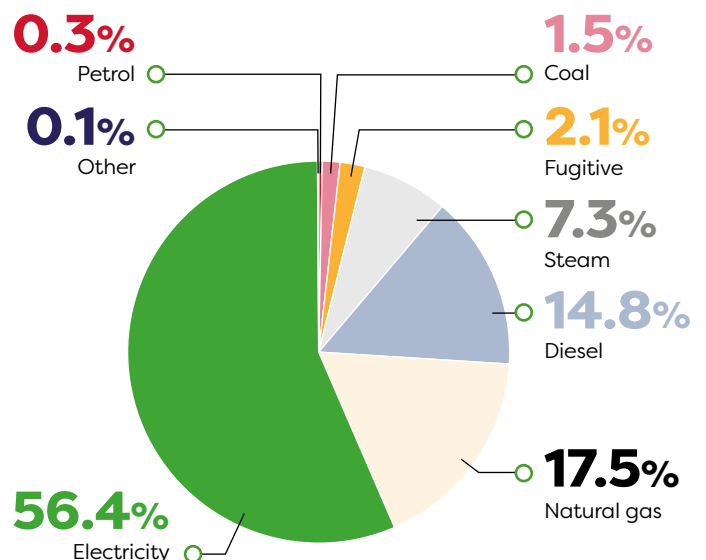
During the reporting year, the Board level ESG Committee reviewed a strategic roadmap for decarbonisation, which will serve to guide our efforts in climate mitigation and decarbonising our operations and value chain in the longer term, thereby contributing to the goal of the Paris Agreement. This means transitioning to a low-carbon model of operation and business offerings, and to integrate emissions reduction consideration in our mid- to long-term business planning and investment.

In 2021/22, our total GHG emissions¹ from our own facilities (scope 1 and scope 2 emissions) are 125,048 tCO₂e with an intensity of 0.128kgCO₂e per kg of production. To better understand our climate impact throughout the value chain, we completed our first scope 3 emission inventory in the reporting year.

Scope 3 emissions accounted for 79.7% of our overall carbon portfolio, based on emissions-related data from 2021/22. This has reminded us to prioritise efforts to work with our partners throughout the value chain to drive emissions reduction.



Scope 1 and 2 Emission Breakdown by Sources



¹ The GHG emissions include CO₂, CH₄, N₂O, HFCs. The GHG calculation is in line with the Greenhouse Gas Protocol.

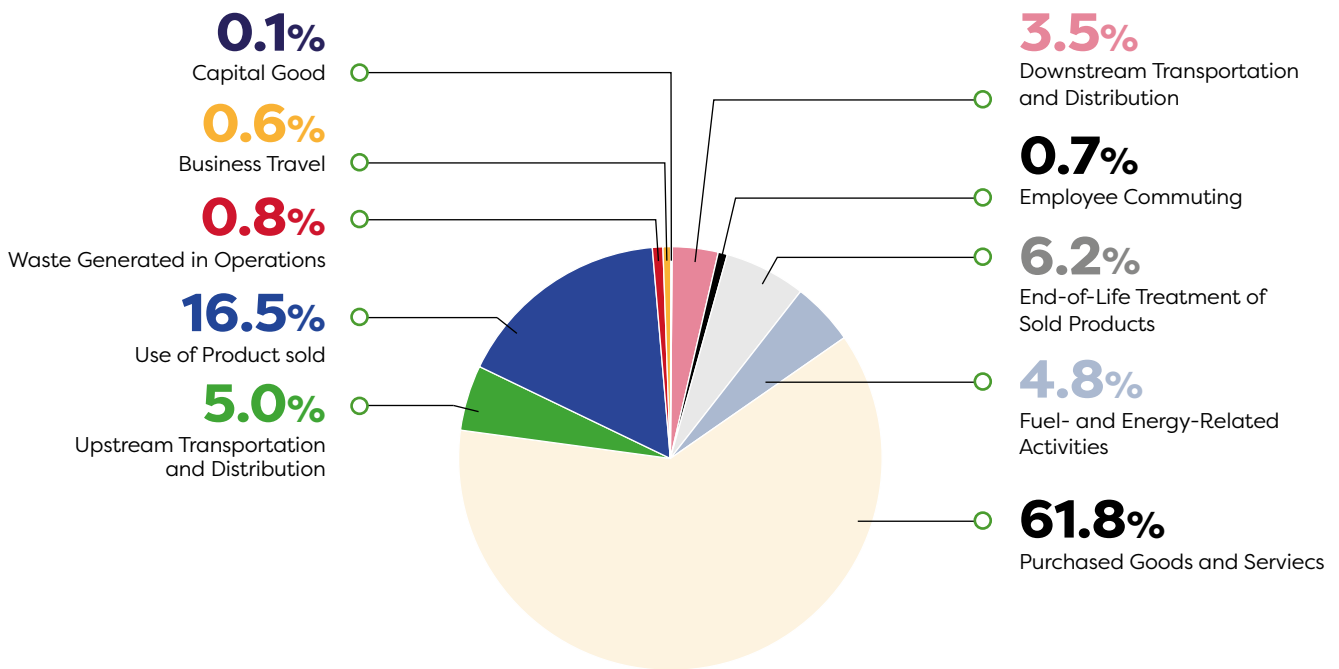


The majority of our scope 3 emissions come from emissions associated with our purchase of goods and services, the use of our product and the end-of-life treatment of our products and packaging materials. These three categories of emissions accounted for more than 80% of our scope 3 emissions in 2021/22. These findings and emissions data provided important insights for us to identify opportunities to further our carbon reduction efforts with our suppliers, in terms of the packaging design of our products, as well as minimising the waste we generate operationally.

We understand that internal commitment and capacity across the company are key to driving our decarbonisation efforts. Despite the disruptive impact of the global pandemic, we continued to engage different market and functional teams during the year to enhance their understanding of climate-related risks and options for

response measures. The senior management team also participated in the annual Vitasoy sustainability forum, albeit switched to a virtual format, with climate actions and diversity and inclusion being the two topical focuses of the forum.

Scope 3 Emission Breakdown by Sources



Looking Ahead:

We actively identify opportunities for the adoption of renewable energy and continuous improvement of our operational energy efficiency to reduce the carbon footprint of our operations.

In addition to installing on-site solar panel systems at selected manufacturing plants, we are also examining local policies and the availability of renewable power for purchase

in regions where we operate. We are in discussion with renewable energy suppliers in Hubei and Guangdong Provinces in Mainland China, for purchasing clean electricity for three manufacturing plants of ours in these two provinces.

We are also closely monitoring the development and availability of electric trucks in preparation of future adoption in our Hong Kong operation.



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Taskforce on Climate-Related Financial Disclosure (TCFD) Report

In this section, we adopted the framework recommended by TCFD to discuss in detail the risks and opportunities brought by climate change and our strategy in responding to these risks and opportunities. We will continue to enhance our climate-related disclosure, including analysing the financial implications brought by plausible climate change impacts, to help communicate more effectively with investors.

GOVERNANCE

The Board has overall accountability for managing all risks and opportunities, including those presented by climate change. Accordingly, it has set up an ESG Committee to ensure ESG-related issues, including climate risks and opportunities, receive sufficient attention at the Board-level. The ESG Committee, involving at least one independent non-executive director of the Board, is supported by the Group Executive Sustainability Committee, comprising the Company's senior executive of different functions and business units. The Sustainability Committee and its working groups help with deliberation and implementation of climate-related strategies endorsed by the Board and offer opportunities to foster collaboration and exchange of best climate management practices across the Company. Details of the roles and responsibilities of these committees and how we embed the governance of climate-related issues and other material social and environmental topics in the Company's overall corporate governance structure are discussed in the earlier section of this Report.

In this reporting year, the key decisions made by the Board regarding climate-related issues include approving a strategic direction for the Company to invest in decarbonising its operations and product offerings.

STRATEGY

The risks and opportunities brought by climate change are expected to have a significant impact on the sustainable development of our business in the medium and longer-term. We conducted an assessment of the implications of a range of global warming scenarios, to help us anticipate the potential impact that climate change could have on our business and to appropriately consider potential response measures in the strategic planning process.

We focused the assessment on the material physical impacts of climate change to our business in the year 2030 and 2050, and the risks and opportunities brought forth by different strengths of evolving policy and regulatory measures as the world looks to transition to a low-carbon economy. A summary of the critical assumptions and analytical choices we made when performing the climate scenario analysis are provided in the TCFD section of the 2020/21 Sustainability Report. The followings outlined the material impacts of these scenarios and our assessment of the resilience of our business operations.





IMPACTS ON VITASOY'S BUSINESS

Physical risks	Transition risks	Transition opportunities
<ul style="list-style-type: none"> The impacts of physical climate risks are expected to be more severe in 2050 than they are in 2030; Physical risks are generally higher in a 5°C business-as-usual scenario than that in a 2°C scenario; The impact of chronic physical climate risks on the Company's business, such as extreme heat, are more severe than that brought by acute physical climate risks; Among acute physical climate risks, tropical cyclone is anticipated to be the most severe threat to some of our operations, followed by drought; The impact of extreme heat on agricultural commodities; hence, on the cost of raw materials for our operation, presents the most significant impact from chronic physical climate risks, while heat stress on the workforce causing business interruption is the next in the line. 	<ul style="list-style-type: none"> Transition risks are expected to be higher in 2050 than they are in 2030; Transition risks are generally higher in a 2°C scenario than that in a 5°C business-as-usual scenario, primarily due to policy risk related to carbon price; Increase in our operating costs might come from policy measures, such as emissions restrictions, and price of carbon relating to our operation, raw materials, and products. 	<ul style="list-style-type: none"> Transition opportunities are expected to be greater in 2050 than they are in 2030; A 2°C scenario is expected to present greater transition opportunities than 3°C or 5°C business-as-usual scenarios; Consumer diet shift to a more plant-based one is found to be the primary driver for business growth in a 2°C scenario; The social economic conditions associated with the 3°C and 5°C scenarios point to population growth in Asia, peaking later than the 2°C scenario. Population growth means more people to feed, and the corresponding amount of revenue would change proportional to the increase in population in Asia.

RESPONSE AND RESILIENCE OF STRATEGY

<ul style="list-style-type: none"> We assessed the site-specific elevation details and the adaptative capacity of our assets at different locations if faced with the relevant extreme climate hazards; We studied the planned flood defence measures by the local authorities of the cities where we operate, in order to adjust the levels of risk exposure of our assets and formulate meaningful mitigation and adaptation plans to improve our preparedness; Besides engineering approaches for site protection, such as installing flood gates, no-return valves or sponge-city design with permeable pavement surrounding an asset, we also reviewed our management approaches such as business continuity plan in response to climate-related emergencies, as well as insurance coverage of our assets. 	<ul style="list-style-type: none"> Our organisation-wide energy reduction programmes, guided by the Company's Sustainability Framework, would help to contain or reduce the utility cost of our production; We will continue to enhance our climate-related disclosure, including adopting the TCFD framework and looking into analysing the plausible financial impacts brought by climate-related risks and opportunities, to help communicate more effectively with investors; Climate-related transition opportunities, such as increasing consumer preference and demand for a plant-based diet, will be appropriately considered and incorporated in the formulation of the Company's strategies for product innovation and growth into new product and geographical markets.
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RISK MANAGEMENT

We periodically conduct a formal materiality assessment, involving a diverse range of internal and external stakeholders to determine priority issues and evolving trends pertinent to the sustainable development of the Company. Climate impact was evaluated by external stakeholders as a critical issue to Vitasoy and society at large in the most recent materiality assessment.

On a strategic level, the Board-level ESG Committee provides oversight on Vitasoy's climate change agenda, including the continuous monitoring of evolving climate-related risks. During the year, we conducted scenario analysis to evaluate the potential risks and opportunities and the resilience of our business strategy in plausible future climate states. Climate risks material to our business are also incorporated into the company-wide enterprise risk register, under the oversight of the Board's Audit Committee.

At an operation level, ISO 14001 is enforced in our production facilities in Mainland China and Hong Kong Operation to assess environmental risks and drive continuous improvement. We actively participate in external forums and alliances to gather insights into emerging risks and opportunities related to climate change.

METRICS AND TARGETS

During the year, we refined our scope 3 greenhouse gas emissions inventory to more fully understand our emissions associated with business activities throughout our value chain. Emissions associated with purchased goods and services, use of product sold and end-of-life treatment of products collectively accounted for over 80% of our scope 3 emissions. Details of our efforts and performance in emissions mitigation can be found in the section of Making Products the Right Way in this Report. The Board also reviewed a strategic roadmap for decarbonization for our operations and in our value chain.

Looking ahead, we will formulate plans to deepen and accelerate the decarbonisation of our operations and value chain.





Improving Energy Efficiency

Material Issue:

- Climate change/ emission

How We Govern:

- [Group Environmental Policy](#)
- [Group Climate Change Policy](#)

SDG Impact Area:



2021/22 saw a set-back in the energy reduction efforts of our operations. Despite a reduction in our overall energy consumption by 13.8% from 2020/21 to 334.7 GWh, the intensity of our energy use amounted to 0.34 kWh per kilogram of product manufactured, representing a 3.9% year-on-year increase from 2020/21. This was mainly due to a fluctuation in market demand leading to a reduction in production volume, while having similar baseload energy demand for maintaining the general operation.

Despite this temporary set-back in our energy intensity performance, we remain on-track, reaching the mid-point, in pursuing our 2025/26 goal, which is to achieve 25% improvement in energy efficiency compared to the 2013/14 base-year performance.

During the year, we commenced a series of retrofits and equipment upgrades at our manufacturing facilities in the Hong Kong market, Mainland China and Singapore,



Energy

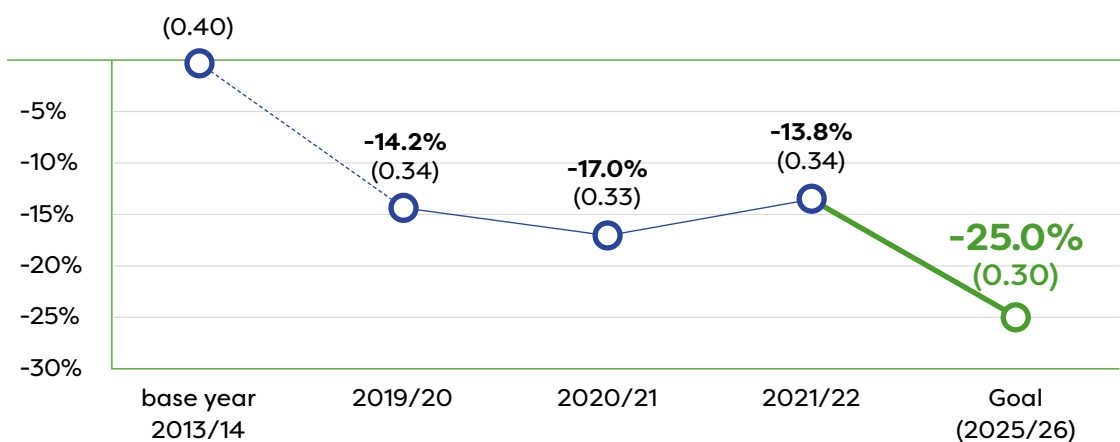
Reduce energy used to manufacture each unit of product

2021/22 Result	2025/26 Goal
-13.8%	-25%

investing in energy-efficient lighting systems, intelligent refrigeration control systems, heat recovery systems and equipment optimisation. This investment is expected to result in an estimated electricity and fuel saving of 15.2 GWh annually after completion in the coming years, which is equivalent to 4.5% of our annual energy consumption.

We will continue strengthening our efforts in driving efficient use of energy in our production process, generating savings in operational cost and a reduction in carbon emissions.

Reduction in Energy Used to Manufacture Each Unit of Product
(% variation, compared with the base year 2013/14)



- Reduction in energy used to manufacture each unit of product (% variation, compared with the base year 2013/14)
- () Energy Intensity (kWh per kg product)



Sustainable Water Use

Material Issue:

- Water stewardship/Efficiency

How We Govern:

- [Group Environmental Policy](#)
- [Group Climate Change Policy](#)

SDG Impact Area:



Sustainable water supply is critical to the food and beverages industry. The climate scenario analysis we conducted has identified drought as one of the acute physical risks the company is exposed to. We proactively improve the water efficiency of our manufacturing process, as a mitigation measure to our business and a responsibility to the locations we operate. We also work with our contract farms, encouraging them to adopt water conservation practices by referencing the recommendations in our [Sustainable Farming Guidelines](#).

Additionally, we maintain a stringent purification treatment and distillation process to eliminate freshwater impurities to meet our high quality and safety production standards.

In 2021/22, our total water consumption was 3947.8 kt. We are committed to improving our water efficiency, with a view to reducing the water we use in producing each unit of product by 25%. By 2021/22, we achieved an 20.7% reduction in water intensity compared with our 2013/14 base year performance. However, this represented a 1.8% rebound, year-on-year, in our water intensity performance, primarily due to the baseload need in the use of water for purification treatment and distillation process despite a reduction in production volume due to the pandemic.

To further our efforts in pursuing the 2025/26 water efficiency goal, we invested in upgrading the facilities across multiple production sites, including retrofit projects for cooling water recycling and water consumption optimisation. We also reviewed our daily operations to uncover savings opportunities. We anticipate this investment to generate more than 310kt annual water savings, equal to around

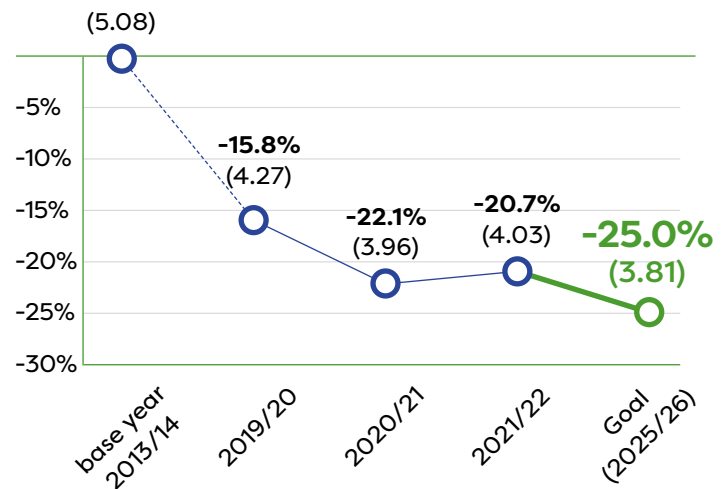


Water

Reduce water used to manufacture each unit of product

2021/22 Result **2025/26 Goal**
-20.7% **-25%**

Reduction in water used to manufacture each unit of product (% variation, compared with the base year 2013/14)



○ Reduction in water used to manufacture each unit of product (% variation, compared with the base year 2013/14)

() Water Intensity (kg per kg product)

7.9% of our water consumption for the year. The investment will support long-term water cost savings for Vitasoy and reduce the burden on municipal water in cities where we operate¹.



Looking Ahead:

We closely monitor the performance of our factories, to deliver the water and cost saving results.

¹ In the production plant in the Philippines, we also extracted water from groundwater (source).



Moving Towards Zero-Waste to Landfill

Material Issue:

- Waste from manufacturing/ operations

How We Govern:

- [Group Environmental Policy](#)
- [Group Climate Change Policy](#)

SDG Impact Area:



Okara

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

2021/22 Result **100%** 2025/26 Goal **≥99%**



Waste

Reduce manufacturing waste to landfill

2021/22 Result **79.2%** avoided to landfill 2025/26 Goal **Zero*** waste to landfill

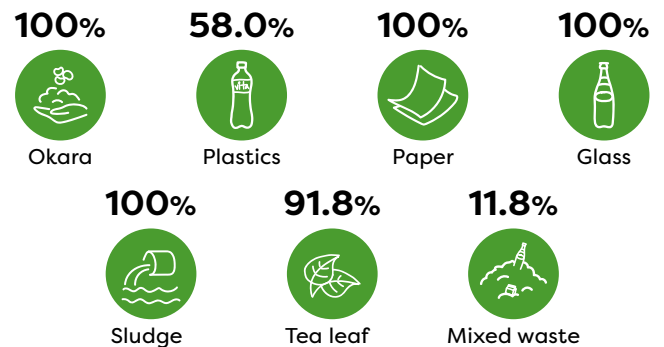
To increase efficiencies in our manufacturing process and demonstrate our commitment to utilising materials responsibly, we included “zero manufacturing waste to landfill by 2025/26” as a new target, starting from 2021/22, in our enhanced sustainability framework.

We formalised a group waste management strategy to support our zero-waste ambition, including actions for three stages in our operation:

- **Source Reduction** – adopt green purchasing practices, by choosing recyclable packaging and bulk packaging to minimise waste at source; reuse, repair and maintain resources as much as possible to avoid becoming waste
- **Waste Segregation** – enhance site facilities to encourage recycling; upgrade our equipment (e.g. composters, dryers and compactors) to promote circular waste systems; educate and raise awareness internally through training
- **Landfill Avoidance** – explore recovery channels (e.g. new technology for reusing waste); incinerate for energy recovery after all other options have been considered

In 2021/22, the total amount of waste generated from our manufacturing operation was 33.761 tonnes¹, with 0.0344 of waste intensity (kg waste generated per kg of product produced). Okara, the largest type of waste we generated, accounts for 40.54% of the total. Through persistent efforts in driving innovation and operational excellence over the years, we managed to achieve a ≥99% recycling rate for okara in the past three years. During the year, we also conducted waste audits to understand the composition of our solid waste to help us identify where we should prioritise our waste reduction efforts for the biggest impact.

Percentage of Manufacturing Waste Avoided from Landfill in 2021/22 by Type



Looking Ahead:



We will continue to explore alternative packaging solutions, such as reusable boxes, to reduce the waste we generate. We will also strive to recover recyclables from our mixed waste through better waste sorting and segregation practices.

¹ 25,721 tonnes of waste avoided from disposal. In addition, 53.09 tonnes hazardous waste was generated and disposed through specialised waste contractors.

* Vitasoy’s Zero Manufacturing Waste to Landfill is defined as at least 98% of solid waste is avoided to landfill each year



Collaborating with Suppliers

Material issue:

- Responsible sourcing

How We Govern:

- [Supplier Responsibility Principles](#)
- [Group Responsible Procurement Policy](#)
- [Sustainable Framing Guidelines](#)
- [Group Non-GM Policy](#)

SDG Impact Area:



Suppliers are important partners in our business success and sustainability agenda. Emissions associated with the raw materials, products and services that we procure account for more than 50% of our overall carbon emissions. We understand that our supply chain has direct and indirect impacts on the environment and the community where our suppliers operate. We actively manage the impacts of our supply chain through engaging our suppliers in adopting sustainable farming practices, protecting labour rights, and minimising the environmental impacts from their operations. This not only helps Vitasoy strengthen the resilience of our supply chain, but also provides invaluable opportunities for us to influence, engage and collaborate for greater impact.

To allocate our resources more strategically for the greatest impact, we prioritise our suppliers into three categories. We work closely with our Category 1 suppliers, which have significant impact on our product quality, operational stability and our brand, while regularly evaluate the performance of Category 2 suppliers (of less significant impact or able to source alternatively without causing business disruption) and monitor that of the Category 3 suppliers (the least impact and do not affect product quality). The Category 1 suppliers have been further broken down into sub-groups based on their business nature, enabling us to formulate more targeted approaches to manage our diverse range of suppliers.

Category 1 Supplier



Critical Supplier

Suppliers that have a significant impact on product quality. Issues from suppliers could affect the manufacturing of our products. Examples are raw material suppliers.



Major Supplier

Suppliers with which we have had long-term relationships exceeding five years, with an annual purchasing value of more than HK\$3M million.



Suppliers that produce products bearing the Vitasoy brand name

Suppliers that produce products for Vitasoy bearing the company logo, or can be linked directly to Vitasoy, such as vending machines and delivery trucks.



Vitasoy has developed supply chain policies and protocols to engage our suppliers in improving sustainability performance together.

Progress in 2021/22 on the implementation of the supply chain policies and management approaches



Supplier Responsibility Principles (SRP)

- The SRP has been endorsed by key Category 1 suppliers, which together cover 80% of our purchasing spend and all critical raw materials to our operation.
- All material suppliers for the Mainland China and Hong Kong operation have endorsed the SRP.



Sustainable Farming Guidelines (SFG)

- We completed stage 2 and stage 3 in the implementation of the SFG, which included providing direct contract farms in Mainland China with specialised training on sustainable farming practices, conducting gap analysis of existing farming practices with support for remedial actions and biodiversity assessment.
- The compliance requirement for SFG has been extended to the ceylon tea-leaf contract farms that we are working with.



Supplier Self-Assessment Questionnaire (SAQ)

- Category 1 suppliers covering 80% of our purchasing spend have completed the questionnaire.
- We are formulating our approach for conducting on-site audits to validate the responses provided in the self-assessment questionnaire, with a view to launching the supplier audit programme in the coming year.



Supplier Performance Rating System

- The supplier performance rating system has been renewed to incorporate sustainability considerations in the scoring of a supplier, with sustainability performance accounting for 10% of the overall rating, becoming the third most important criteria among a total of seven to be assessed, after quality and food safety performance.
- A supplier’s response to the SAQ, adoption of SRP as well as its attainment of relevant third-party certification, such as compliance with FSC or ISO standards, would contribute to its sustainability-related performance score in the rating system.



Supply Chain Sustainability Risk Assessment Plan

- We continued to implement risk mitigation measures, such as diversifying the supply of sugar, cocoa beans, coconut and mango which are key ingredients of our products, in response to the findings from an in-depth supply chain risk assessment conducted in 2020.

Note: Local purchasing is defined as procurement transactions performed with vendors based in the same country as our manufacturing facilities.



Looking Ahead:

We will continue to strengthen our supply chain policies and protocols as the means for risk mitigation and engagement with our suppliers. We will also explore opportunities to increase our purchase from local suppliers to support the development of local communities and reduce carbon emissions.



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United in Our Purpose

2021/22 has been a year about change and a test of our resilience in the face of change. Accelerating climate change impacts and the pandemic are changing the way we assess business and work expectations.

At Vitasoy, we have a strong purpose of bringing sustainable plant-based nutrition to more communities, improving the well-being of these communities and the planet. This purpose aligns us as one team, empowering us to act in unity as One Vitasoy, to grow sustainably as a business while contributing to society and the planet.

To achieve this, we are strengthening our purpose-driven leadership to lead the company forward in unison with the plant-based movement; we are cultivating a collaborative culture across teams and markets, in order to be able to share and help each other towards success. We should also ensure everyone's health and safety remain resilient despite the continued outbreak of the pandemic and other challenges.

Snapshot of Our 2021/22 Workforce



One Unifying Purpose



6,498 Employees



92,412 Training Hours

14.2 Average training hours per employee



42%:58% Female/male ratio (overall)

44%:56% Female/male ratio (manager and above)



48% Reduction in lost-time injury rate since 2015/16



Committed to Zero Lost-time injury rate by 2025/26





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Developing Future-Ready Leaders

Material Issue:

- Talent attraction and retention

SDG Impact Area:



In response to the fast-changing business environment, especially in the plant-based industry that is experiencing rapid growth, we need to be agile to changes, and motivate and align the team in the same direction. We believe training and development are important investment, making us future-ready as an organisation.

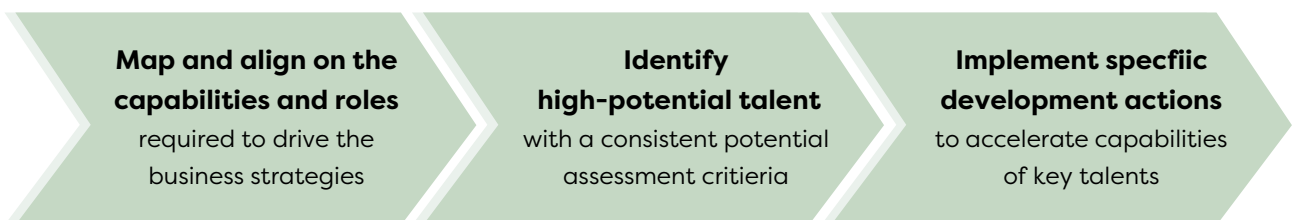
Leadership Assessment and Development

In 2021/22, we commenced a leadership assessment and development programme, focusing on developing our future leaders’ emotional intelligence, leadership style and competence in building a high-performing team. The Group leadership team participated in a 360-feedback survey to gather insights for personal development, following up with coaching, and development planning sessions.



Talent Planning and High Potential Future Leaders

During the year, we conducted a group-wide talent review exercise, aiming to identify the right talent and successors for the company, and uncover development actions to bridge the talent gaps.



Development Programme for Managers

In September 2021, we piloted a one-year learning development programme for Hong Kong managers, with modules based on the company’s purpose and values and the Vitasoy Success Drivers (VSD). The bite-sized and self-paced learning designs provide a flexible and blended learning experience to enhance leadership and managerial capabilities.



Looking Ahead:

We are in the process of setting up KPIs and targets on succession planning, including the promotion and retention rate of high-potential talent, as well as a gender diversity target on the percentage of women in leadership roles. Workplans and initiatives to achieve the targets will be developed.



Cultivating an Engaging and Inclusive Culture

Material Issue:

- Fair labour practice
- Workplace diversity/ inclusion/ equal opportunity

How We Govern:

- [Group Fair Labour Practices Policy](#)
- [Group Diversity and Inclusion Policy](#)
- [Group Anti-Discrimination and Anti-Harassment Policy](#)

SDG Impact Area:



We believe an engaging and inclusive culture is the foundation for collaboration. To ensure communication across the company is open and effective, we maintain multiple communication platforms, including town hall meetings, “One Channel” (a one-stop integrated platform for human resource enquiries, employee support and staff suggestions), as well as a dedicated WeChat channel. Any labour practice issues that are identified with new suggestions can also be expressed through these communication channels.

At the front-line operational level, we continue to improve the communication in our manufacturing facilities through regular operational reviews and morning briefings, ensuring two-way communication between managers and front-line staff. Topics include safety, quality, people and machinery efficiency. The Hong Kong operation has also adopted the “One Point Lesson” (one learning point at a time) as a tool for regular knowledge updates, and they are encouraged to share their learning and best practices with other teams in order to facilitate cross-team knowledge building.

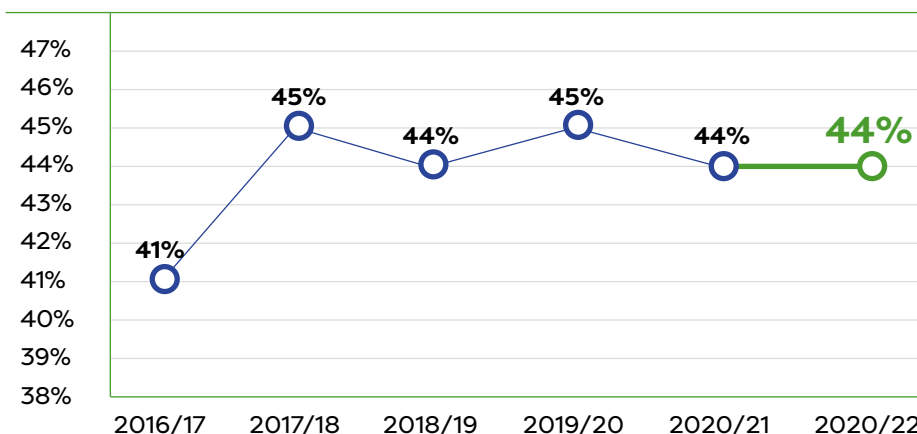
Recognition helps to nurture the culture we seek to promote. The Vitasoy Global Excellence Award is an annual award to



recognise and reward individuals and teams demonstrating a commitment to Vitasoy’s purpose and values, creating examples for others to follow.

To foster an inclusive culture and raise internal awareness of the importance of diversity to the company, we regularly conduct training and learning sessions on topics such as anti-discrimination and anti-harassment, as well as sharing about woman leadership. Two interns with visual impairment from The Ebenezer School and Home for the Visually Impaired, were recruited during the year, as ambassadors to help enhance the internal awareness and agility of working with people with different abilities.

% of Women in Management Roles (Manager & Above)





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Reinforcing Safety and Health in Workplace

Material Issue:

- Occupational health and Safety

How We Govern:

[Group Safety & Health Policy](#)

SDG Impact Area:



Maintaining health and safety remains a priority for our employees and our operations. We continue our protection measures and support to our employees.

We have observed a decreasing trend in the lost-time injury rate, with this year's rate maintained at 0.67. To drive continuous improvements and further our commitment to an injury-free workplace, we have developed a new group-wide target of reducing the lost-time injury rate to zero by 2025/26. During the year, we continued to enhance our safety measures in all manufacturing facilities and offices. We also established a global safety committee, to strengthen the governance of health and safety issues and facilitate



Health and Safety

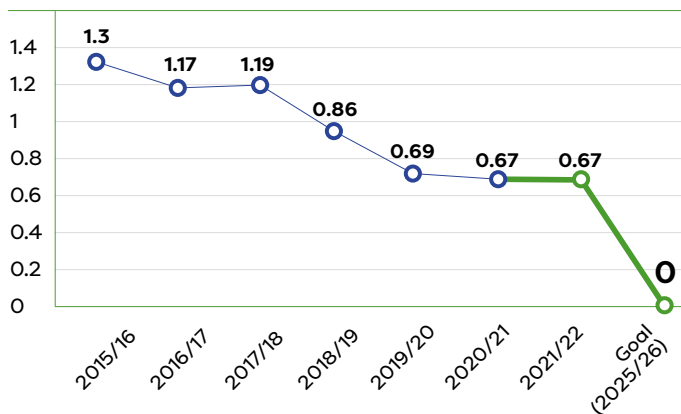
Zero lost-time injury rate

2021/22 Result	2025/26 Goal
0.67	0

collective efforts across different markets. This committee is chaired by the Group Head of Manufacturing (Group Safety), comprising the safety manager or representative from each of the markets. The committee meets regularly to review the key monthly safety performance indicators and implement safety programmes for all regions.

During the reporting year, an employee passed away due to personal health issues during working hours. We immediately started our internal response and investigation process. We kept in close communication with the colleague's family and provided support (e.g. assistance in the injury compensation process) during this difficult period for the family.

Lost Time Injury Rate





Highlights of Actions in 2021/22

Multi-Site Collaboration

- Established a Global Safety Committee
- Shared lessons from safety incidents across all markets

Technology Application

- Introduced a mobile tool for more timely reporting of near-miss and safety incidents
- Automation of production lines to reduce manual handling and injury risks
- Used e-learning to ensure all employees have safety training

Risk assessment and identification

- Conducted cross-factory risk assessments in Mainland China
- Conducted topic-specific risk assessments (e.g. chemical risks, plant and equipment risks, and fall-from-height risks)
- Completed office safety assessments in Mainland China
- Developed audit standards for high-risk-operation, focusing on the education of procedure/non-tolerance behaviour in high-risk work environment

Training and Awareness Building

- Conducted regular safety training courses and daily safety talks at the start of stand-up meetings
- Increased safety training delivered to new recruits, and refresher and updating skills, to maintain the correct safety behaviour. Safety training hours increased by 50% per employee in the Hong Kong market (as compared with 2020/21)
- Launched health programmes and introduced stretching exercises

Hardware and Workflow Improvement

- Implemented safety glasses across all markets
- Improved infrastructure design to enable pedestrian and vehicle separation
- Reviewed the safety procedures in handling cutting implements



Looking Ahead:

We will reinforce our focus on reporting near-miss incidents in order to identify potential workplace hazards and prevention opportunities.



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Nurturing Healthy Community

Material issue:

- Community Engagement

How We Govern:

Vitasoy’s Community Engagement Strategy

SDG Impact Area:



Nourish Your Body, Nourish Your Mind

We believe that education plays a pivotal role in helping individuals acquire the knowledge to maintain a healthy body and mind. Through sharing our knowledge in nutrition and environmental protection with the community, we aspire to support everyone in the community to explore the benefits of plant-based nutrition and a healthy lifestyle.

Highlight of Community Programmes in Mainland China

Partnership with China Cares for the Next Generation Working Committee:

Through donation of nutritional products and nutrition education, the pilot phase of the partnership programme would seek to promote the healthy growth of students from 100 schools in 10 cities, with a plan to reach out to more schools across Mainland China.

Vitasoy University Grants Project:

Vitasoy continues to provide nutrition-related scholarships to about 150 young students from Jiangnan University, Huazhong Agricultural University and Sun Yat-sen University.

Providing nutritional products to fight flooding:

In 2021, 20,000 cases of products with a total value of RMB 1.3 million were donated to firefighters in Henan Province to support the disaster relief efforts for the Henan flood.

Nutrition Programme in Mainland China Promoting Healthy Diets and Supporting Rural Revitalisation:

In December 2021, we launched a multi-year school nutrition and education programme in Mainland China to promote healthy diets and support Rural Revitalisation. With the guidance of the Chinese Centre for Disease Control and Prevention (the “Centre”), the project was organised by health.people.cn and the Beijing Health Alliance Charitable Foundation, and supported by Vitasoy. With an investment of about RMB 10 million each year, for the first round, we plan to provide 6,000 children from 30 rural primary schools with a fixed quantity of nutritional products every month. Educational handbooks and videos about “Healthy Diet” will also be produced to help rural children develop good dietary habits, so as to improve their nutritional health conditions.





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Extending Impact to the Community in Hong Kong, China

We continued to collaborate with different local partners to promote healthy living and sustainable consumption, through conducting nutrition education and promoting plant-based diets and the notion of circular economy.

Promoting Sustainable Consumption Among Students:

We supported St. James Settlement's Grant-in-aid Brightens Children's Live Services in launching a new community initiative to promote sustainable lifestyle in the last academic year. Through talks, workshops and field trips, we promoted the benefits of plant-based diet and knowledge about clean recycling of beverage packaging to around 1,270 underprivileged students.

Vitasoy Summer Nutrition Programme:

330 children, recruited through our non-profit partners, participated in this summer holiday programme and learned, plant-based diet and sustainable lifestyle. Combining online and offline activities, the programme delivered interactive workshops with the use of animated videos and sharing sessions by nutritionist.



Our 2021/22 Community efforts in local market

370 Schools, businesses and NGOs partnered with us to promote sustainable lifestyle and consumption

around 200,000 members of community reached, raising awareness of plant-based diets and recycling

Roadshow for Raising Public Awareness on Sustainable Living:

In 2021/22, we brought tips and information on plant-based diet and carton recycling to 6 residential estates and a shopping mall, covering around 10,000 households, advocating healthy lifestyle and sustainable diet across the local community.





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香港品質保證局

VERIFICATION STATEMENT

Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") has conducted an independent verification for the Sustainability Report 2021/22 ("The Report") of Vitasoy International Holdings Limited ("Vitasoy"). The Report covers the sustainability performance data and information of Vitasoy from 1st April 2021 to 31st March 2022.

The aim of this verification is to provide a reasonable assurance on the reliability of the Report. The Report has been prepared in accordance with the Global Reporting Initiative's ("GRI") Standards 2021 and the Hong Kong Exchanges and Clearing Limited's reporting requirements in Appendix 27 of the Main Board Listing Rules ("HKEX ESG Guide").

Level of Assurance and Methodology

HKQAA's verification procedure has been conducted with reference to the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000") issued by the International Auditing and Assurance Standards Board. Our evidence gathering process is risk-based driven and has been 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 covers the criteria set in the GRI Standards 2021 and the HKEX ESG Guide.

The focus areas of our verification are the data management mechanisms, report compilation processes and reviewing relevant raw data and supporting information of the selected samples. Also, representatives with accountability for handling the information and preparing the Report were interviewed.

Independence

Our verification activities are independent and impartial. HKQAA's Code of Conduct with regards to integrity, impartiality and confidentiality has been strictly followed.

Conclusion

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

- The Report has been prepared in accordance with the GRI Standards 2021;
- The Report complied with the HKEX ESG Guide;
- The Report illustrates the sustainability performance of the material topics in a balanced, comparable, clear and timely manner; and
- The data and information disclosed in the Report are accurate, reliable and complete.

Vitasoy has been putting perpetuated efforts in enriching the Report's transparency and overall quality. In conclusion, the sustainability commitments, stewardship and performance of Vitasoy are expressed legibly in the Report.

Signed on behalf of Hong Kong Quality Assurance Agency

Connie Sham
Head of Audit
June 2022



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Appendix I – Sustainability Performance Table

Environmental Performance		2021/22
Greenhouse gas emissions	tCO ₂ e	
Scope 1 emissions	tCO ₂ e	45,443
Scope 2 emissions	tCO ₂ e	79,605
Scope 3 emissions	tCO ₂ e	492,210
Carbon intensity	kg CO ₂ e per kg product manufactured	0.63
Total energy use	GWh	334.7
Direct energy use	GWh	132.1
Indirect energy use	GWh	202.6
Energy intensity	kWh per kg of product manufactured	0.34
Direct water consumption	kt	3,947.8
Water intensity	kg per kg of product manufactured	4.03
Waste generated¹	tonnes	33,761
Okara	tonnes	13,685
Plastics	tonnes	4,770
Paper	tonnes	2,902
Other types waste	tonnes	12,405
Waste intensity	kg per kg of product manufactured	0.034
Waste recycled	tonnes	25,724
Hazardous waste	tonnes	53.1

¹ Waste data covered non-hazardous waste generated from the Group's manufacturing operations.



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Social Performance

2021/22

Total Headcount		6,498
<i>by employment types</i>		
Full-time / Part-time		5,782 / 716
<i>by gender</i>		
Female / Male		2,756 / 3,742
<i>by age groups</i>		
Under 30 years old / 30 – 50 years old / Above 50 years old		1,012 / 4,608 / 878
<i>by employment categories</i>		
Management / Non-management		475 / 6,023
<i>by geographical region</i>		
Hong Kong Operation / Mainland China / Other regions		2,237 / 4,000 / 261
Staff turnover		2,034
<i>by gender</i>		
Female / Male		623 / 1,411
<i>by age groups</i>		
Under 30 years old / 30 – 50 years old / Above 50 years old		688 / 1,301 / 45
<i>by geographical region</i>		
Hong Kong operation / Mainland China / Other regions		356 / 1,634 / 44
New hires		2,434
<i>by gender</i>		
Female / Male		1,317 / 1,117
<i>by age groups</i>		
Under 30 years old / 30 – 50 years old / Above 50 years old		651 / 1,435 / 348
<i>by geographical region</i>		
Hong Kong operation / Mainland China / Other regions		1,223 / 1,143 / 68
Training hours *	hours	89,357
<i>by gender</i>		
Female / Male	hours	18,713 / 70,644
<i>by employment categories</i>		
Management / Non-management	hours	7,213 / 82,144
<i>by geographical region</i>		
Hong Kong operation / Mainland China	hours	17,431 / 71,926
Occupational Health & Safety		
Fatality		1
Lost time injury	incidents	50
Lost time injury rate (LTIR)	incidents per 100 employees	0.67
Lost day rate	lost man-days per 100 employees	9.98

* Only Hong Kong operation and Mainland China data are included



Appendix II – Vitasoy Nutrition Criteria

Vitasoy Nutrition Criteria represents the nutrition standards we use to evaluate the nutritional value of our prepackaged food and beverage products in guiding new product development, product nutrient optimization and responsible marketing. The criteria that apply to our prepackaged foods and beverages are established based on dietary recommendations and nutrition labelling guidelines from the World Health Organization (WHO) and other international and national health authorities.

Product Category	Description	Nutrients to Limit				Nutrients to Encourage*
		Sugar	Saturated fat	Trans fat	Sodium	
Plant-based Milk Beverages	Plant-based milk beverages derived from legumes, grains, nuts or seeds or a combination of these (e.g. soy milk, oat milk and almond milk)	7.5g total sugar per 100ml or No added sugar	0.75g per 100ml or 10% of energy	Not detectable or 0.3g per 100ml	NA	Source of protein or High in calcium or Source of at least 2 of: Dietary fibre, Iron, Vitamin A, Vitamin D, Riboflavin, Vitamin B12 and other Vitamin B
Tofu & Other Soy Foods	All kinds of tofu and soy-based foods (e.g. tau kwa, tofu puff and bean curd) excluding yoghurt & desserts	NA	1.5g per 100g or 10% of energy	Not detectable or 0.3g per 100g	300mg per 100g	Source of protein or Source of at least 2 of: Dietary fibre, Calcium, Iron, Vitamin A, Vitamin D, Riboflavin, Vitamin B12
Plant-based Yoghurts	Plain, flavoured and fruit yoghurt derived from legumes, grains, nuts or seeds or a combination of these	Plain: No Added Sugar or 5g total sugars per 100g or 100 ml Fruit & other flavours: 7.5g total sugars per 100g or 100 ml	0.75g per 100ml or 1.5g per 100g or 10% of energy	Not detectable or 0.3g per 100g or 100ml	NA	Source of protein or High in calcium or Source of at least 2 of: Dietary fibre, Iron, Vitamin A, Vitamin D, Riboflavin, Vitamin B12 and other Vitamin B
Plant-based Desserts	All kinds of desserts derived from plant ingredients (e.g. tofu dessert and sweetened plant-based pudding)	10g total sugars per 100ml or 100g	1.5g per 100ml or 3g per 100g or 20% of energy	Not detectable or 0.3g per 100g or 100ml	NA	
Tea Beverages	All kinds of tea beverages, without milk or plant milk ingredients (e.g. unsweetened tea, sweetened tea, flavoured tea, herbal tea, carbonated tea)	7.5g total sugars per 100ml	NA	NA	NA	
Other Foods and Beverages	All other types of foods and beverages (e.g. coffee, milk tea, juice drinks and other flavoured water-based beverages)	Plant-based: No added sugar or 7.5g total sugars per 100g or 100ml Other: 7.5g added sugar per 100g or 100ml	Plant-based: 0.75g per 100ml or 1.5g per 100g or 10% of energy Other: 2.3g per 100g/ml	Not detectable or 0.3g per 100g or 100ml	Foods: 600mg per 100g	

All values presented are maximum levels unless otherwise stated.



Abbreviations & Glossary

- NA: Not applicable
- Nutrients to encourage: Nutrients to encourage listed in Vitasoy Nutrition Criteria are based on the most common shortfall (under-consumed) nutrients of public health concern globally or regionally among various population groups, as well as the key nutrients which may need special attention when planning a balanced, plant-based diet.
- Added sugar: Added forms of monosaccharides (such as glucose, fructose) and disaccharides (such as sucrose or table sugar), sugars from honey, malt, or malt extracts and sugar from fruit and vegetable juice concentrates (except for 100% fruit / vegetable juice). Naturally occurring sugars such as those originating from milk, grains, legumes, fruits and vegetables are excluded.

Exemptions

- Pre-packaged products sold for food services only
- Bottled waters, including unsweetened distilled water and mineral water

*Criteria for Nutrients to Encourage

- i) Meeting the nutrient content requirement(s) as defined by local regulations or
- ii) Meeting the nutrient content requirement(s) as defined by Codex Alimentarius international standard
Here are the nutrient content requirements calculated based on Codex Nutrient Reference Values for reference:
 - Source of Protein: 2.5g/100kcal
 - Source of Dietary Fibre: 1.5g/100kcal
 - Source of Calcium: 50mg/100kcal; High in Calcium: 100mg/100kcal
 - Source of Iron: 0.7mg/100kcal
 - Source of Vitamin A: 40mcg/100kcal
 - Source of Riboflavin: 0.06mg/100kcal
 - Source of Vitamin B12: 0.12mcg per100kcal
 - Source of Vitamin D: 0.25mcg/100kcal



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