

# Planting Goodness Everyday



Sustainability Report 2022/23

Stock Code : 0345

# Contents



03

Chairman's Message



05

About This Report



06

Vitasoy and Plant-Based Nutrition at a Glance



11

Focusing on What Matters



14

Managing Sustainability at Vitasoy



26

Making the Right Products



43

Making Products the Right Way



66

Independent Assurance Report



67

Appendix





# Chairman's Message

In recent years, the pandemic, inflationary pressures on basic necessities and climate events have caused economic headwinds and supply challenges to enterprises in the context of the world's determination to advance the United Nations Sustainable Development Goals ("SDGs").

The Asia Pacific region is critical in this endeavour given its population, geography and climate. It reinforces the relevance of our company purpose to provide sustainable and affordable plant-based nutrition to all since Vitasoy was founded more than 80 years ago.

This year, we reconfirmed our Company purpose by further integrating the plant-based commitment and sustainability at the core of how Vitasoy seeks to compete, engage and serve as a business. I believe that employee engagement is critical if we are to ensure that our company purpose truly becomes a shared purpose throughout the Company. We therefore rolled out a series of training programmes during the year, engaging key leaders to general associates, across all locations and functions, to share our aspiration "to advance the world's transformation towards a sustainable future, through the amazing power of plants".

In addition, we engaged an independent consultancy to support us in conducting a stakeholder engagement and double materiality assessment to gain a more comprehensive understanding of different stakeholders' perspectives on the material impact of Vitasoy's business activities on society and the environment and, in turn, how these sustainability topics might impact Vitasoy's financial performance. The stakeholder feedback provided useful references to inform how we prioritise our efforts and this report shares our response to the material topics raised from the assessment.

Tackling climate change is a top priority on the global agenda. To guide us in accelerating climate-related decisions from the Board-level ESG Committee, we conducted a comprehensive cost-benefit analysis of



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

Executive Chairman

a range of carbon reduction solutions and started developing a group-wide emissions reduction roadmap in alignment with the Paris agreement. We also expanded the use of renewable energy to power our operation and invested in improving the packaging of our products to be lighter and more efficient in design, working with our partners to improve sustainable farming practices, and reducing the sugar content in our product portfolio. These emissions reduction initiatives also helped drive savings in material costs.

We continued to innovate with new tasty, nutritious and affordable plant-based products to make plant-based diets more accessible to our communities. During the year, we expanded our plant-based portfolio by introducing a new category of plant-based yoghurts in Australia. By the end of FY2022/23, 89% of our food and beverage portfolio is plant-based and 85% of our products are compliant with the Vitasoy Nutrition Criteria<sup>1</sup>, and on track towards meeting our 2025/26 goals.

<sup>1</sup> Please refer to [Appendix II](#) for details of the Vitasoy Nutrition Criteria.



We believe in fostering positive change through collaborations. In Mainland China, our Vitasoy Community Care Project has engaged more than 6,000 students in 10 rural counties across six provinces through donating over 980,000 packs of Vitasoy products and providing health and nutrition education to promote a healthy lifestyle. In Australia, with the support of the Mulloon Institute, we have pledged to invest AUD 1.25 million (HKD 6.5 million) over the next five years in advancing regenerative agriculture to restore thousands of hectares of farmland through landscape rehydration initiatives with a vision to source raw ingredients for our Australian operation from local farmers.

Our continuous efforts are recognised by external parties, including achieving A grade in the MSCI ESG ratings and being featured in Corporate Knights' Global 100 Most Sustainable Corporations for the fourth consecutive year. We are proud to see one

of our subsidiaries, Vitasoy International Singapore Pte. Ltd, achieving B Corp™ Certification in January 2023. This not only recognised our efforts in meeting high standards of verified social and environmental performance, accountability, and transparency, but also marked a milestone for us in joining a global community of businesses and consumers committed to using the power of business to build a more inclusive and sustainable economy.

United by our purpose, we believe that, through our portfolio of affordable and tasty plant-based nutrition, our business can contribute to an ever more sustainable future.

**Winston Yau-lai Lo**  
Executive Chairman  
20 June 2023





## About This Report

This annual sustainability report provides stakeholders an update on our material environmental, social and governance (“ESG”) topics contributing to the sustainability of the Company. The report covers the reporting period from 1st April 2022 to 31st March 2023<sup>1</sup>. Additional and prevailing information can be found on our [corporate website](#) which is updated periodically.

Continuing our commitment to transparency and accountability, the report will focus not only on our achievements but also any challenges encountered in pursuing our sustainability targets for 2025/26.

The Global Reporting Initiative’s (“GRI”) Universal Standards and the Hong Kong Exchanges and Clearing Limited’s reporting requirements in Appendix 27 of the Main Board Listing Rules (“HKEX ESG Guide”) have guided the development of the report. The sustainability section of our

corporate website has a detailed content index if further reference information is required about the two disclosure standards.

Vitasoy commissioned Hong Kong Quality Assurance Agency to perform an independent assurance report that our Sustainability report complies with the HKEX ESG Guide and is in accordance with the GRI Universal Standards. Their report can be found below in this section on [page 66](#).

<sup>1</sup> 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 Operation (the Hong Kong SAR, the Macau SAR and Exports), Australia and New Zealand, and Singapore. In the reporting year, our Shenzhen operation has been closed due to relocation and excluded from the reporting scope; while Vitasoy Australia Products Pty. Ltd. became a wholly-owned subsidiary and the corresponding data and performance is reflected in this report.

### Give us Your Feedback

We welcome feedback and suggestions on this Report. Please contact us at [sustainability@vitasoy.com](mailto:sustainability@vitasoy.com)





Chairman's Message

About This Report

Vitasoy and Plant-Based  
Nutrition at a Glance

Focusing on  
What Matters

Managing  
Sustainability at Vitasoy

Making the Right  
Products

Making Products  
the Right Way

Independent  
Assurance Report

Appendix

≡ MENU

# VITASOY AND PLANT- BASED NUTRITION AT A GLANCE





## Company Overview

Vitasoy is a listed company (SEHK: 0345) headquartered in the Hong Kong SAR, 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 the Hong Kong SAR, China and Mainland China, the Philippines, Singapore and Australia, we produce products for about

40 export markets worldwide, planting goodness for the communities in which we operate, including customers, employees, suppliers, business partners, shareholders, and local governments.

For details on our financial performance, please refer to our [Annual Report FY2022/23](#)

### A Global Business

Our Brands are Available in

**>40**  
markets worldwide

Our production facilities are located in

**8**  
regions cross Asia-Pacific

### A Plant-Based Company

Our Product Portfolio

**89%**  
plant-based food and beverages

**>80 years**  
experience of innovating great-tasting and affordable plant-based nutrition

### A Purpose-Driven Organisation

**One** Purpose

“To advance the world's transformation towards a sustainable future through the amazing power of plants.”

**6,566**

employees united by our purpose as one team

### Markets that we operate in:

**China**  Mainland China  
Hong Kong SAR, China  
Macau SAR, China

 **North America**

**Singapore** 

 **New Zealand**

**The Philippines** 

 **Australia**

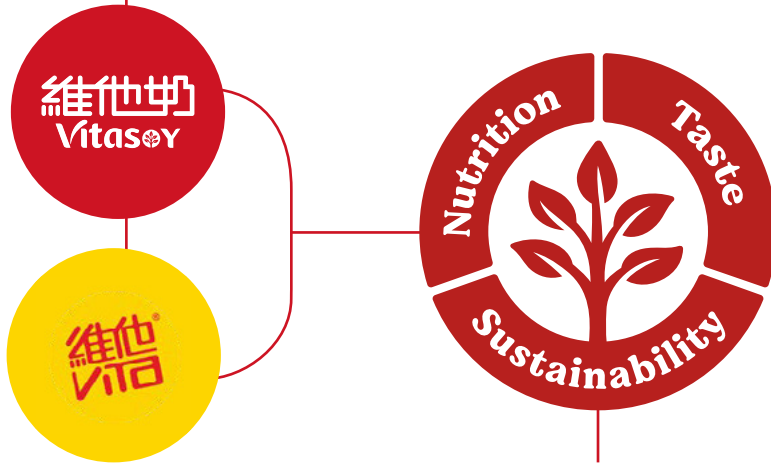




## Our Brands and Products

We offer a wide range of great-tasting, affordable and healthy plant-based products under the VITASOY brands. We continue to innovate, develop and reformulate our great variety of plant-based food and products.

### Vitasoy Brands



### Vitasoy Products: Plant-Based Food and Beverages







## Our Plant-Based Nutrition

Making nutritious and tasty plant-based food and beverages has been Vitasoy's heritage since its establishment in 1940. Since then, we have built on these principles and experience to innovate great-tasting, nutritious and affordable plant-based food and beverages for our consumers.

We endeavour to make healthy plant-based diets accessible to the mass-market and enable our consumers to pursue a healthy and sustainable plant-based lifestyle that's good for health and better for the planet.

### Our Key Ingredients

#### Soybeans

- Nutritious beans packed with plant-powered protein
- Provide all 9 essential amino acids
- Heart-friendly unsaturated fat



#### Oats

- Heart-healthy whole grains
- Rich in dietary fibre for healthy digestion
- A natural source of heart-friendly beta-glucan

#### Almonds

- Nutritious nuts loaded with vitamins and minerals
- Rich in vitamin E antioxidant
- Heart-friendly unsaturated fat



Our plant-based food and beverage products are optimised by "Vitasoy Nutrition Criteria", a set of criteria based on dietary recommendations guidelines from the World Health Organization (WHO) and other international and national health authorities. We continually innovate our product offerings by optimising the "nutrients to encourage" and the "nutrients to limit".





## Our Plant-based Milk Beverages are loaded with nutritional benefits:

**Plant-powered Protein**

**Hearty Unsaturated Fats**

**Dietary Fibre**

**Hi-Calcium**

**Vitamins**

**Low Sugar**

**Zero Cholesterol**

**Low Saturated Fat**





Chairman's Message

About This Report

Vitasoy and Plant-Based  
Nutrition at a Glance

Focusing on  
What Matters

Managing  
Sustainability at Vitasoy

Making the Right  
Products

Making Products  
the Right Way

Independent  
Assurance Report

Appendix

≡ MENU

# FOCUSING ON WHAT MATTERS









## Managing Our SDG Impacts

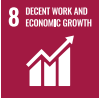




Sustainable Development Goals (“SDGs”) provide a shared blueprint for the world’s transformation towards a sustainable future. We consistently monitor and evaluate our impact on our stakeholders and the planet be they positive or negative, intended or unintended, direct or indirect and how we might contribute positively to the SDGs. Informed by stakeholder engagement and materiality assessment, we have identified and validated the most relevant SDG impact areas to our business.

The following outlines the seven SDG impact areas and relevant targets that we prioritised. The SDGs are embedded at the core of our organisational internal management systems and decision-making, for managing our impacts in direct business operations, value chains and partnership.

SDG Impact Areas	SDG Targets	Relevant Material Topics	Our Impact Management Approach
<b>Goal 2</b> <b>Zero Hunger</b> 	<b>Target 2.2</b> <b>Address the nutritional needs</b>	<ul style="list-style-type: none"> <li>Nutrition accessibility and affordability</li> <li>Product nutrient/health</li> <li>Product quality/safety</li> <li>Community engagement</li> </ul>	<ul style="list-style-type: none"> <li>Our Company purpose and “Vitasoy Nutrition Criteria” guide how we innovate and reformulate our food and beverage products that contribute to a healthy and balanced diet, at an affordable price.</li> </ul>
	<b>Target 2.4</b> <b>Sustainable food production systems</b>	<ul style="list-style-type: none"> <li>Sustainable farming and raw material management</li> </ul>	<ul style="list-style-type: none"> <li>The “Sustainable Farming Guidelines” instil sustainable practices at our raw materials suppliers.</li> </ul>
<b>Goal 3</b> <b>Good Health and Well-being</b> 	<b>Target 3.4.</b> <b>Reduce premature mortality from noncommunicable diseases through prevention</b>	<ul style="list-style-type: none"> <li>Product nutrient/ health</li> <li>Responsible consumer communication/ education</li> </ul>	<ul style="list-style-type: none"> <li>KPIs and 2025/26 target for increasing the percentage of plant-based food and beverages in our portfolio</li> <li>Pipeline to expand plant-based product categories (i.e., beverages, tofu, yoghurt) and make healthier versions of plant-based products accessible to our customers</li> </ul>
<b>Goal 6</b> <b>Clean Water and Sanitation</b> 	<b>Target 6.4</b> <b>Increase water-use efficiency and ensure sustainable withdrawals</b>	<ul style="list-style-type: none"> <li>Water stewardship/ efficiency</li> </ul>	<ul style="list-style-type: none"> <li>KPIs and 2025/26 target for improving water efficiency.</li> <li>Investing in water-efficient equipment and technology</li> </ul>
<b>Goal 7</b> <b>Affordable and Clean Energy</b> 	<b>Target 7.2</b> <b>Increase the share of renewable energy in the energy mix</b>	<ul style="list-style-type: none"> <li>Climate change/ emission</li> </ul>	<ul style="list-style-type: none"> <li>Increasing the share of renewable energy in the energy consumption mix in our operations, through installing solar panel in our factories and purchasing direct green electricity.</li> </ul>



SDG Impact Areas	SDG Targets	Relevant Material Topics	Our Impact Management Approach
<b>Goal 8 Decent Work and Economic Growth</b> 	Target 8.8 <b>Protect labour rights, and promote a safe and secure working environment for all workers</b>	<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Fair labour practices</li> <li>Ethical sourcing</li> <li>Workplace diversity / inclusion / equal opportunity</li> <li>Talent attraction and retention</li> </ul>	<ul style="list-style-type: none"> <li>Implemented policies committing to improving health and safety, inclusivity, and fairness in labour practices among our workforce and supply chain.</li> </ul>
<b>Goal 12 Responsible Consumption and Production</b> 	Target 12.3 <b>Reduce food waste and food losses</b>	<ul style="list-style-type: none"> <li>Food security (food loss and waste)</li> </ul>	<ul style="list-style-type: none"> <li>Partner with the Mulloon Institute to drive regenerative agriculture</li> </ul>
	Target 12.5 <b>Reduce waste generation through prevention, reduction, recycling and reuse</b>	<ul style="list-style-type: none"> <li>Sustainable packing/ packaging waste</li> <li>Waste from manufacturing /operations</li> <li>Responsible consumer communication/education</li> <li>Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>The “Re-think, Re-design, Re-invent” framework guides us in developing more sustainable packaging designs</li> <li>Tracking waste mix in all production plants, with a target to zero manufacturing waste to landfill by 2025/26</li> </ul>
<b>Goal 13 Climate Action</b> 	Target 13.2 <b>Integrate climate change measures strategies and planning</b>	<ul style="list-style-type: none"> <li>Climate Change/ emissions</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring the key risks and opportunities identified from climate scenario analysis, with our integrated enterprise risk management system</li> </ul>





[Chairman's Message](#)

[About This Report](#)

[Vitasoy and Plant-Based Nutrition at a Glance](#)

[Focusing on What Matters](#)

[Managing Sustainability at Vitasoy](#)

[Making the Right Products](#)

[Making Products the Right Way](#)

[Independent Assurance Report](#)

[Appendix](#)

 **MENU**

---

# MANAGING SUSTAINABILITY AT VITASOY





## Horizon Scanning of Key Sustainability Trends

To stay abreast of the evolving sustainability landscape, we continually update ourselves on the emerging trends and risks in sustainability as well as our ongoing contribution towards the UN Sustainable Development Goals. We have identified and analysed eight global and regional trends that are relevant to our business.



### Climate risks:

Increased extreme climate events, such as heatwaves, droughts, and floods caused by climate change, were observed on every continent in 2022 and have already affected billions of people worldwide. The World Economic Forum highlighted the lack of deep, concerted progress on climate mitigation targets, exposing the divergence between what is scientifically necessary to achieve net-zero and what is politically feasible. As a beverage company, Vitasoy's operations and supply

chains are directly impacted by increasing climate risks, such as water scarcity, extreme weather events, and changes in agricultural patterns. These risks can influence the availability and quality of our plant-based ingredients, disrupt our supply chain, and potentially increase production costs. Please read more about our response to mitigating climate risks in our [TCFD Report and the Driving Emissions Reduction section](#) and [Driving Emissions Reduction sections](#).



### Productive employment:

The COVID-19 pandemic precipitated the worst economic crisis in decades and reversed progress towards decent work for all. According to the United Nations<sup>1</sup>, global unemployment rate is projected to remain above its 2019 level of 5.4 per cent, at least until 2023. We, as a beverage company with operations in both emerging and developed markets, can play a role in preserving productive

employment by creating jobs directly and indirectly in manufacturing, distribution, and sales. Vitasoy is committed to providing our employees with fair wages, safe working conditions, and opportunities for career development. Please read more about our work in the [Grow and Develop Our Team](#) and [the Reward and Celebrate Excellence sections](#).



### Biodiversity:

As reported by the United Nations, 10 million hectares of forest are being destroyed each year and around 40,000 species are documented to be at risk of extinction over the coming decades. Our plant-based beverages rely on a diverse range of agricultural ingredients, making the protection of biodiversity essential to our business.

We are working with suppliers to promote sustainable farming practices that protect natural habitats and maintain ecosystem health. Please read more about our work in the [Collaborating with Suppliers](#) and [Nurturing Healthy Community sections](#).



### Environmental pollution and waste:

The main sources of marine pollution are land-based, with the proliferation of plastic waste, nutrient runoff and other forms of waste which are harmful to marine life and eventually make their way into the food chain. A study by the United Nations estimated that more than 17 million tons of plastic entered the world's ocean in 2021, making up the bulk (~85%) of marine litter. We are committed to reducing our environmental footprint by minimising waste from

our operations and mitigating the risks of pollution caused by our products and packaging materials. Furthermore, we work with community partners to arrange environmental awareness initiatives, aiming to make recycling convenient to the public. Please read more about our work in the [Transforming Packaging Sustainably](#), [Promoting and Enabling Recycling](#) and [Moving Towards Zero Waste to Landfill sections](#).

<sup>1</sup> UN DESA. 2022. *The Sustainable Development Goals Report 2022*



## Horizon Scanning of Key Sustainability Trends



### Water stress:

72% of fresh water withdrawals worldwide are used by agriculture and 12% by industries. As a plant-based beverage manufacturer, we recognise that water is critical to our operations, supply chain, and meeting customer needs and our duty in responsible water management. Water stress, driven by factors such as climate change, population growth, and unsustainable water use, poses a significant risk

to our business and the our business and the communities we serve. Our reliance on water for sourcing ingredients, manufacturing, and cleaning processes necessitates a proactive approach to water stewardship. We are taking steps to enhance sustainable water management practices in our operations and supply chain. Please read more about our work in the [Sustainable Water Use section](#).



### Health and wellness:

Consumers are increasingly seeking healthier and more sustainable beverage options. We are dedicated to meeting this demand by developing and marketing plant-based beverages that are both nutritious and environmentally responsible.

In addition, we are transparent about our products' ingredients and nutritional content, enabling customers to make informed choices for their health and wellbeing. Please read more about our work in the [Making the Right Products section](#).



### Supply chain stability:

In today's interconnected world, the stability of the global supply chain is of paramount importance. Disruptions in this complex system can have far-reaching implications, affecting not only food and energy security, but also stalling vital efforts in sustainable development, including pivotal initiatives such as climate change mitigation, technology innovation, and energy transition. We

are cognisant of the potential risks associated with operating in multiple markets. To maintain business resilience, we have manufacturing capabilities in strategic locations across different markets and carefully monitor our supply network. This approach bolsters resilience by situating us closer to key raw material sources while also reducing our carbon footprint by minimising transportation distances.



### Diversity and inclusion:

Specifically on the topic of gender equality, the United Nations reported that the world is not on track to achieve gender equality by 2030. Women accounted for less than 40% of employment worldwide and 28% share of managerial positions worldwide in 2020. In the Hong Kong SAR, China, the Hong Kong Stock Exchange has imposed new requirements to issuers, aiming to promote gender diversity at the board level and gender ratios in the workforce.

Embracing diversity and fostering an inclusive culture are essential to our company's success. We are committed to providing equal opportunities for all employees, regardless of gender, race, ethnicity, or sexual orientation. Please read more about our work in the [Thrive in a Safe, Health and Inclusive Workplace section](#).





## Understanding Our Impact through a Double-Materiality Lens

In 2023, we conducted a materiality assessment that adhered to the double materiality principle. The double materiality assessment followed the approach recommended by the European Sustainability Reporting Standards (ESRS). We evaluated our actual and potential, positive and negative, intended and unintended impacts on the environment and people, and examined how sustainability-related factors and trends may impact Vitasoy's business.

The results of the double materiality assessment enhanced the focus of our efforts, and informed what sustainability topics or information to disclose in this sustainability report.

### Phase 1

#### Issue and Topic Identification

We refreshed and consolidated the list of sustainability topics through a horizon scanning of sector-agnostic, sector-specific and company-specific sustainability topics. We identified a range of more than 50 sustainability topics by researching macro-trends relevant on global and regional levels, sustainability priorities of industry peers, and global reporting standards from financial materiality and stakeholder materiality perspectives.

The long list of sustainability issues, including the eight global and regional trends discussed in the previous section, was consolidated and grouped into 20 topics through a preliminary assessment. New topics identified, reflecting changes in our industry and marketplace in recent years, included nutrition accessibility and affordability, food security (food loss and waste), biodiversity, as well as information security and data privacy.

### Phase 2

#### Issue Prioritisation

764 stakeholders, including employees, customers, investors, suppliers, non-profit organisations and other stakeholders, located mainly in Mainland China, Hong Kong SAR, China, Australia, Singapore and the Philippines, participated in an

online survey to rank the importance and relevance of these issues' impact on Vitasoy. The survey results were then consolidated into a three-tiered sensing model to determine the prioritisation of material issues.

### Phase 3

#### Issue Validation

We further engaged 19 key stakeholders through in-depth interviews and conducted an internal focus group with the company's leadership team and internal risk owners to assess and validate the impact of the prioritised topics. These interviews and focus group discussions helped us gain a deeper understanding on how these topics are material

to stakeholders (stakeholder materiality) and to Vitasoy's business performance (financial materiality). Findings from this multi-layered identification, prioritisation and validation process were consolidated and weighed in the sensing model to derive the double materiality matrix.

### Phase 4

#### Strategic Alignment, Communication and Planning

Our materiality assessment confirmed that the identified material sustainability topics and the targets and agenda set out in our Vitasoy Sustainability Framework are closely aligned. There are newly identified priorities, such as nutrition accessibility and affordability and food security (food loss and waste) gathered from the methodical and

inclusive assessment through the lens of double materiality. We would engage internally with the Group Executive Sustainability Committee and the Board-level ESG Committee to discuss and review how we might appropriately incorporate these new priorities in our sustainability strategy for active management.

### Phase 5

#### Disclosure of Material Issues

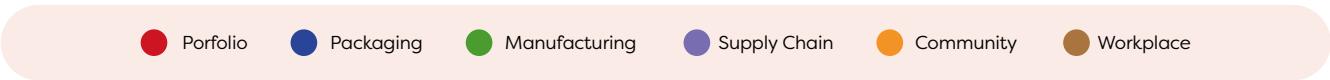
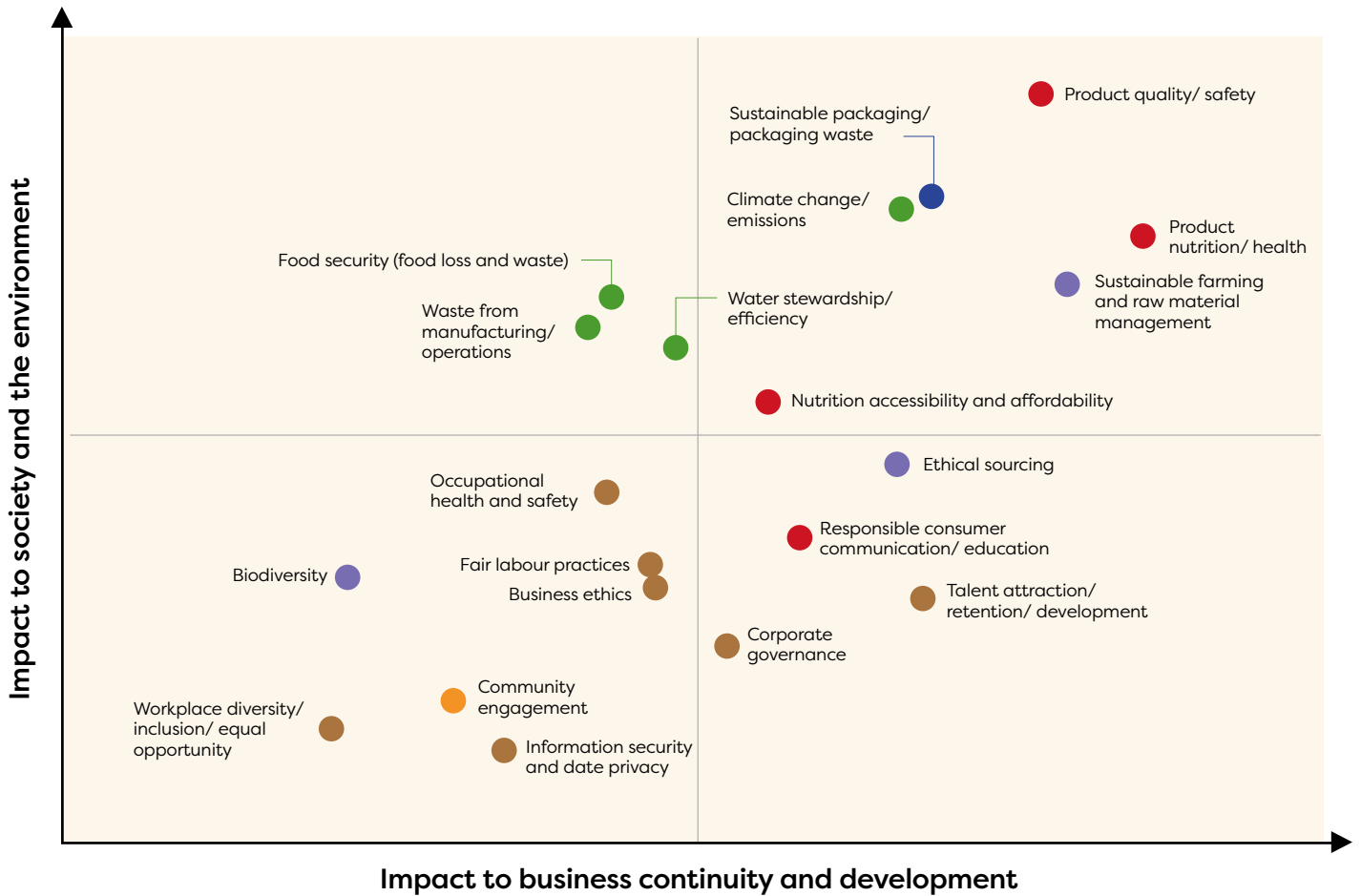
The results of our materiality assessment have provided the directions of disclosures in this sustainability report and our

ongoing disclosures. We also communicate the outcomes of our materiality assessment on our corporate website.



# Material Matrix

The following materiality matrix summarises the prioritisation of Vitasoy's material issues from the perspectives of how Vitasoy's business activities might impact society and the environment ("impact to society and the environment") and how our business might be influenced by sustainability trends ("impact to business continuity and development").





## Vitasoy Sustainability Framework

To bring Vitasoy's purpose to life and unleash the amazing power of plants, we integrate nutrition, taste and sustainability into every aspect of our business decisions and guides us in "making the right products" and "making products the right way".



### Making the Right Products

- **To innovate:** innovating and reformulating nutrient-rich, tasty plant-based food and beverages.
- **To accelerate:** making plant-based nutrition affordable and accessible to mass-market customers, accelerating the shift towards plant-based diet pattern.
- **Towards circularity:** a commitment to rethink, redesign and reinvent our packaging with the goal to enhance circularity.

### Making Products the Right Way

- **To be more efficient:** optimising how we use natural resources, including energy, water and raw materials, to minimise our negative impact to the environment and benefit us from improving resource efficiency.
- **To collaborate:** managing impacts on our stakeholders, including our associates, our suppliers and the community where we operate, to create value for our stakeholders, in every aspect of our operations, procurement activities and partnership.

## Sustainability Framework

Our Sustainability Framework is built on the above two pillars, and further extends to six focus areas (portfolio, packaging, manufacturing, suppliers, workplace and community) and covers a set of 2025/26 goals with quantitative targets and KPIs to track our performance.

The Board provides oversight of the Framework, while the management team is responsible for the effective

implementation of the Framework. It holds us as a company and every team in the company accountable for what we aspire to achieve and provides a holistic approach for managing our impact - maximising what we can contribute and minimising the negative impacts we create.



# VITASOY SUSTAINABILITY FRAMEWORK

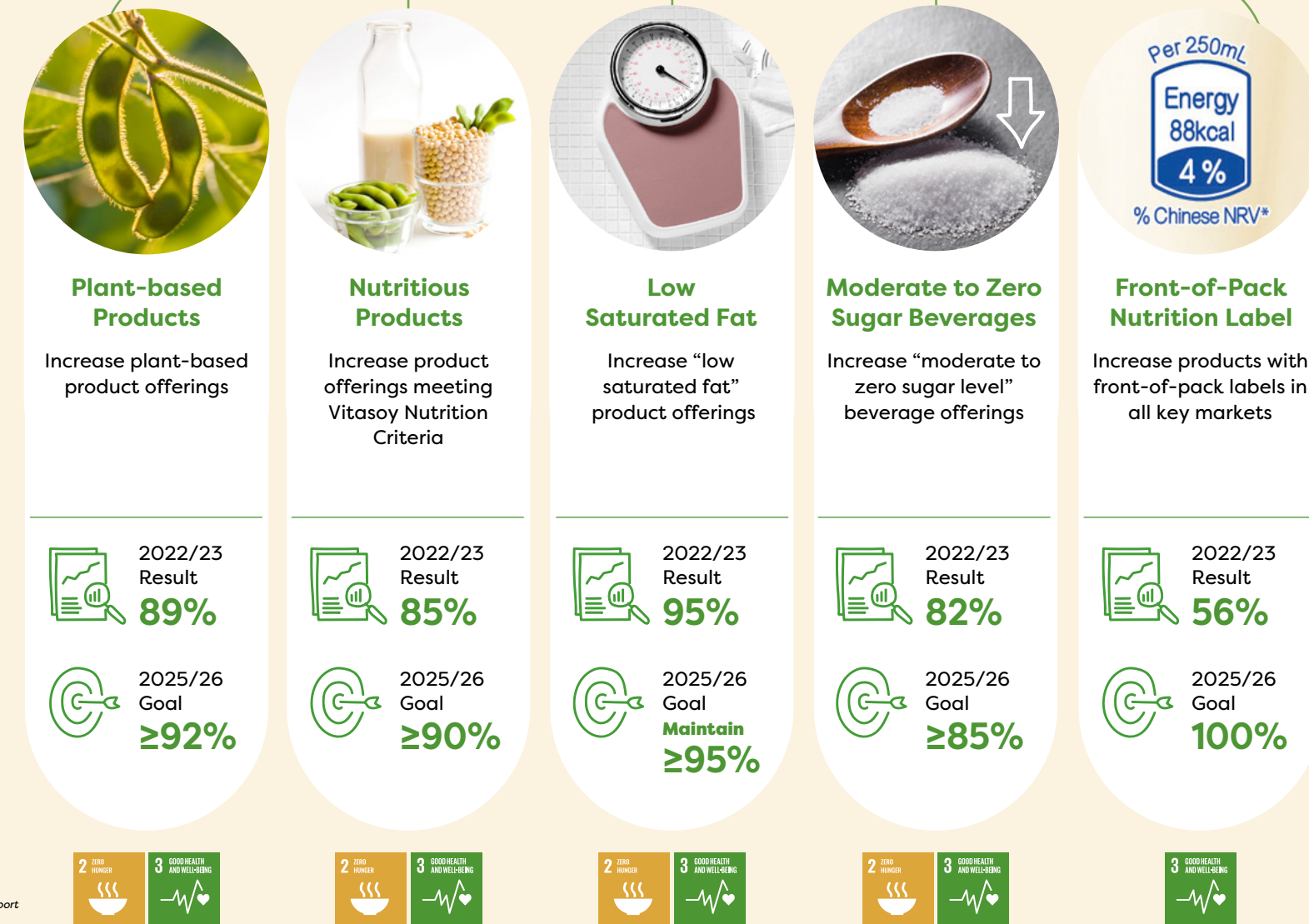


To advance the world's transformation towards a sustainable future, through the amazing power of plants

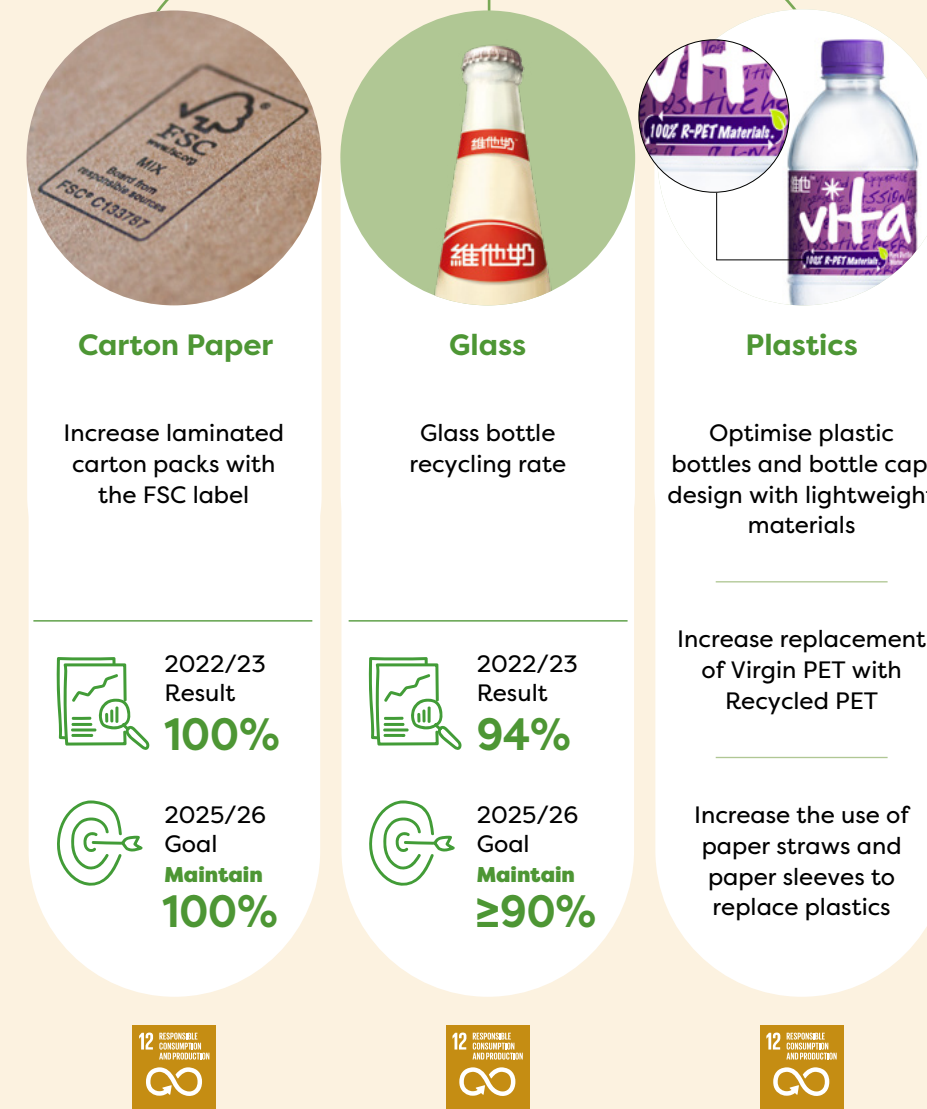
## Making the Right Products

## Making Products the Right Way

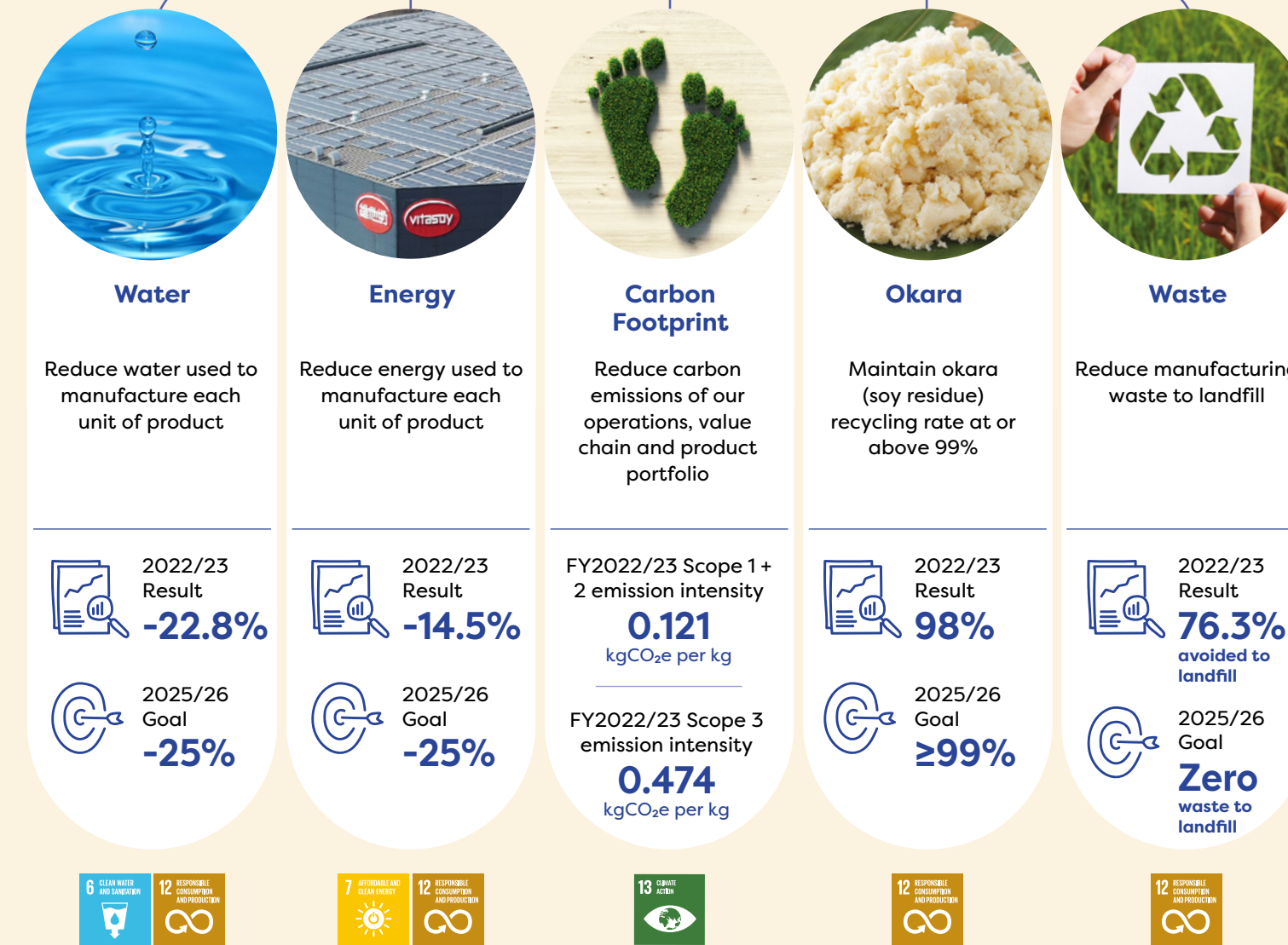
### Portfolio



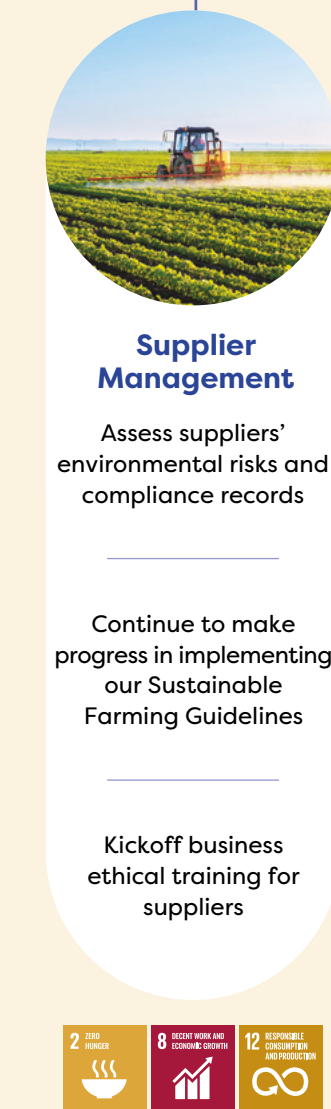
### Packaging



### Manufacturing



### Suppliers



### Workplace



### Community



\* Refer to Sustainability Report for KPI definitions



# How We Govern and Manage

### Material Issue:

- Corporate Governance

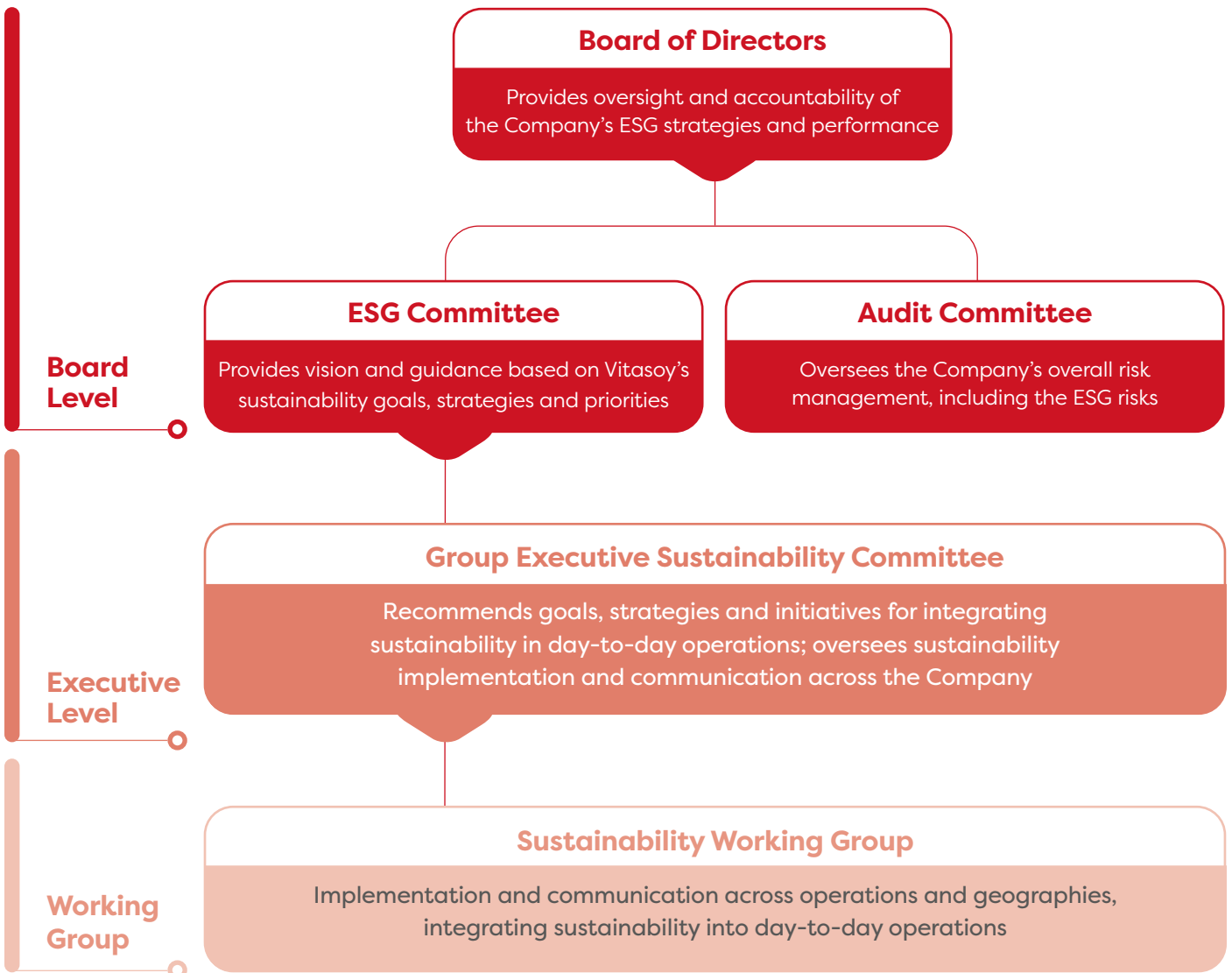
### How We Govern:

[Corporate Governance Policies](#)

Vitasoy is firmly committed to complying with corporate governance standards in the markets where we have a presence, adhering to the principles of transparency, accountability, responsibility and fairness in how we govern and manage our business.

The following diagram outlines our sustainability governance structure. The Board is accountable for Vitasoy's overall

sustainability performance, which has been incorporated as part of the performance assessment criteria for the leadership team and middle management since FY2017/18. To learn more about the structure and composition of our Board and Board-level committees, as well as our corporate governance and sustainability policies, please visit the Governance section of our [website](#) and our [Annual Report](#).





## How We Govern and Manage

### 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.
- A Board-level ESG Committee, which is chaired by an independent non-executive director of the Board and consists of not fewer than four Board members, was established in 2020 to drive our ESG agenda with dedicated Board-level oversight.
- The ESG Committee meets at least twice annually to review the Company's policies, strategies and progress in appropriately managing ESG-related risks and opportunities and delivering on Vitasoy's Sustainability Framework, and report to the main Board. Details of the ESG Committee can be found in the [ESG Committee's Terms of Reference](#).

#### Risk and Opportunity Integration

- The Board's Audit Committee oversees the Company's Enterprise Risk Management (ERM) Framework, providing oversight on the Company's overall risk exposure and the response and mitigation strategies.
- The ESG Committee advises the Board on environmental and social risks of strategic significance and the associated response strategy. Risks that might present significant negative impact to the Company's business sustainability are integrated into the ERM Framework to be monitored and reviewed regularly.

#### Group Executive Leadership

- Our Group Executive Sustainability Committee ("Sustainability Committee") reports to the Board-level ESG Committee and is responsible for recommending goals, strategies and initiatives for integrating sustainability in Vitasoy's business decisions and day-to-day operations, as well as overseeing sustainability implementation and communication across the Company.
- The Sustainability Committee, chaired by the Group Director-Sustainability and comprising the Group Chief Executive Officer, function heads and market heads, meets quarterly.
- The Sustainability Committee is supported by a Sustainability Working Group, with representatives from different functions and markets across the Company. The Sustainability Working Group helps to deliberate initiatives and actions to advance Vitasoy's ESG performance and provides a platform to facilitate collaboration and best practice sharing.

#### Stakeholder Engagement and Materiality Assessment

- The Group Sustainability Department conducts materiality assessments regularly to identify, evaluate and prioritise ESG topics that are important to the company and our stakeholders and inform how the Company should prioritise its focus and investment in advancing its sustainability efforts.
- Materiality assessment results are discussed and endorsed by the Sustainability Committee, and provide a basis for reviewing and updating corresponding group policies to appropriately govern the management of the priority topics.
- The Vitasoy sustainability and other relevant functional teams also regularly review international and regional sustainability policies and trends, and benchmark our efforts against that of 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.

- Reviewed and discussed the cost-benefit and policy developments in key markets associated with the pursuit of science-based carbon emissions reduction targets aligned with the Paris Agreement.
- Be updated on latest developments of ESG-related policies and regulations relevant to Vitasoy's operations and markets to inform business decisions.
- Reviewed material interests of Vitasoy's key stakeholders and reported their points of view on material issues to form long-term strategic direction.

- Continued to monitor and identify emerging ESG risks and opportunities through stakeholder engagement and materiality assessment.

- Continued to monitor and drive performance progress towards the 2025/26 goals under the Vitasoy Sustainability Framework.
- Conducted cost-benefit analysis on various carbon emissions reduction strategies if Vitasoy is to achieve science-based emissions reduction targets aligned with the Paris Agreement.
- Conducted a landscape study on renewable energy certificates (RECs) to understand the pros and cons of different REC options and their associated cost-benefit analysis as a tool to support climate mitigation.
- Reviewed latest developments of international and local ESG-related compliance requirements and voluntary standards relevant to Vitasoy's business.
- Expanded the membership of the Sustainability Committee to involve more of the management team in leading and supporting the pursuit of our sustainability vision and company purpose.

- Conducted an independent stakeholder engagement and double materiality assessment by engaging over 750 internal and external stakeholders, involving customers, investors and suppliers to employees and other partners across our key markets, in assessing the importance and impact of a range of material issues to the company and to society and the environment. A renewed materiality matrix is published in this report.
- Engaged with investors on ESG topics.

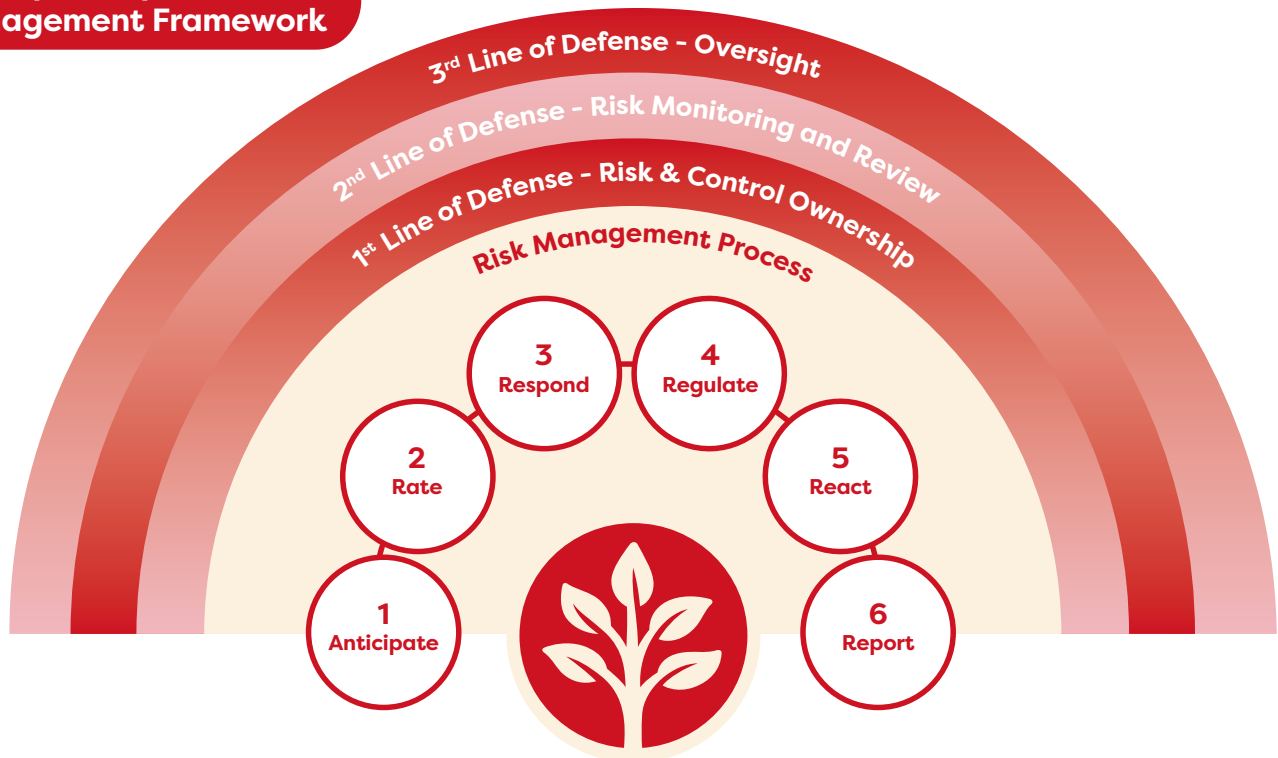


# Sustainability Risk Management

The nature of our business and the socioeconomic environment in which we operate exposes us to different types of risks that might potentially impact the financial sustainability of our Company. The Vitasoy Enterprise Risk Management(ERM)Frameworkenablesustosystematically monitor and manage the risks that are assessed to have

a significant impact on our business on an on-going basis. For the enduring success of our business, ESG-related risks, such as climate change impacts, fair labour practices and responsible sourcing of raw materials, are being closely monitored through the Company's ERM Framework.

## Vitasoy Enterprise Risk Management Framework



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

Since 2018, a Governance, Risk and Compliance System (GRC System) has been launched to engage various level of staff in the risk management process. All risk management activities and changes in risk status are displayed real-time through a dashboard in the GRC System, providing timely ERM data to inform management decisions. In addition to risk management training, our regular staff communications include a dedicated column on risk management to help promote risk management awareness across the Company.

ESG risks have been integrated with other relevant business and operational risks in line with the recommendation by the World Business Council for Sustainable Development (WBCSD) and the Committee of Sponsoring Organisations of the Treadway Commission (COSO). All risk items registered in our ERM Framework should include ESG considerations and the respective Risk Owners are required to anticipate,

rate and devise appropriate response measures for the ESG implications. This enables us to monitor and mitigate relevant risk areas more coherently and systematically. In addition, our Group CEO and Group Senior Director of Internal Audit and Risk Management are members of our ERM Executive Committee and Group Executive Sustainability Committee, which report updates on ESG-related risks to the Board of Directors through the Audit Committee and ESG Committee.

In FY2021/22, we conducted a scenario-based climate risk assessment to assess the potential impact to our business and operations in a range of climate scenarios and time horizons. In this reporting year, we worked with different Risk Owners to integrate findings of the climate risk assessment into our ERM Framework. More detail about the findings of our climate scenario analysis is available in the TCFD disclosure in this Report.



## Ethics and Integrity

### Material Issue:

- Business Ethics
- Information security and data privacy

### How We Govern:

- [Group Business Ethics Policy](#)
- [Whistleblowing Policy](#)
- [Vitasoy Personal Data \(Privacy\) Policy](#)

Integrity is a core value at Vitasoy and it seals our commitment to ethical conduct. It means respecting and complying with laws and regulations wherever we operate, taking a clear stance of zero tolerance against all forms of corruption and bribery, respecting human rights and embracing diversity.

We believe that maintaining high standards of ethics and corporate governance is essential to the long-term success and sustainability of our business, and is what our stakeholders expect from us. The [Group Business Ethics Policy](#) outlines our commitment to ethical business practices and sets out the standards of behaviour expected at all times from all directors and employees. The Policy covers a range of topics including, amongst others, compliance with laws and regulations, fair competition, equal opportunities and anti-bribery. Our [Whistleblowing Policy](#) provides a

confidential reporting channel to facilitate whistleblowers to report suspected misconduct, malpractice or irregularity of behaviours. During the reporting year, out of the Company's workforce of over 6,566 employees, zero grievances in respect of discrimination were lodged, investigated and dealt with in accordance with the Group's policy.

Vitasoy has also set clear expectations on the ethical conduct that we expect from our suppliers and customers through our Code of Business Conduct for Suppliers and Customers. The Code provides stipulations related to conflicts of interest, anti-corruption and fraud, which are applicable irrespective of country or territory. Our local entities are required to incorporate relevant guidelines applicable to the local context into agreements with suppliers and customers.



### Vitasoy Global Integrity Portal

The Vitasoy Global Integrity Portal ("the Portal") has been rolled out across all Vitasoy operations in phases since 2021. The Portal, with its e-learning platform, policy and publication library and online complaint channel, aims to provide a two-way communication channel on Vitasoy's standards and expectations for business ethics and integrity for our employees, suppliers and distributors. All employees and key suppliers and distributors in Mainland China are required to sign an Integrity Commitment Declaration annually to acknowledge their compliance through the portal. In FY2022/23 all key suppliers have endorsed and completed online training of the Code of Business Conduct. The same programme will be gradually rolled out to other markets.



### Safeguarding Information Security and Data Privacy

The [Vitasoy Personal Data \(Privacy\) Policy](#) sets out our commitment to protecting the privacy of any personal data that we hold and have access to. We endeavour to ensure that our collection, use and storage of personal data is in compliance with data privacy requirements in applicable jurisdictions. Any changes to the Policy will be published through our corporate website to keep stakeholders informed of our latest privacy practices. In FY2022/23, there were no reported incidents of data leakages or breaches of data privacy.





## A Proud Achievement and an Important First Step

Our wholly-owned subsidiary in Singapore - Vitasoy International Singapore Pte. Ltd. ("Vitasoy Singapore") - became a Certified B Corporation™ ("B Corp") in January 2023. This marks a new milestone in Vitasoy's journey to grow its business in ways that create benefits for people and the planet.

To certify as a B Corp, Vitasoy Singapore, like other certified B Corps, was subject to a rigorous assessment of its whole business across five impact areas: governance, workers, customers, community and the environment; and verified to meet high standards of social and environmental performance, transparency and accountability. Data

and evidence had to be provided for validation, and the company's legal framework modified to ensure the mission of using business as force for good is locked in the company's constitution. Adhering to a high standard of transparency, Vitasoy Singapore's verified results are also made publicly available on the [B Corp website](#).

For Vitasoy, this important milestone of Vitasoy Singapore being the first in the Group to achieve B Corp certification signifies our commitment to being part of a global community that shares a collective vision of fostering an inclusive, equitable, and regenerative economy. A community we are proud and humbled to join.



Vitasoy International Holdings Limited



**Vitasoy International Singapore is excited to be part of the B Corp community - meeting high standards of social and environmental impact.**

Vitasoy International Singapore - Certified Corporation  
vitasoy.com

Like Comment Share



Chairman's Message

About This Report

Vitasoy and Plant-Based Nutrition at a Glance

Focusing on What Matters

Managing Sustainability at Vitasoy

Making the Right Products

Making Products the Right Way

Independent Assurance Report

Appendix

MENU

# MAKING THE RIGHT PRODUCTS





## Spearheading the Shift to Plant-based Diet

Vitasoy continually drives the shift towards healthier, plant-based lifestyles by offering an expanded plant-based portfolio with tastier, more sustainable, nutritious offerings. We strive to make plant-based products more commonplace by offering affordable options for mass-market customers through continuous innovation and improvements in production efficiency.

This shift to a plant-based diet benefits not only the health of the individual but also that of the planet helping to be a key part of the solution to a growing world population, changing food system and rising global temperatures.

Research has consistently shown that the global shift to plant-based diets – with more plant proteins and reduced amounts of animal-based foods, is one of the most effective ways to reduce GHG emissions for climate change mitigation. Such diets would also benefit health through the prevention of malnutrition and diet-related diseases.

According to "Climate Change 2022: Mitigation of Climate Change," a new report from the United Nations' Intergovernmental Panel on Climate Change (IPCC), the greatest 'Shift' would come from switching to plant-based diets, under the demand-side mitigation strategies<sup>1</sup>. A shift to diets rich in plant-based foods, particularly pulses, nuts, fruits and vegetables, could lead to a substantial reduction of greenhouse gas emissions as compared to current

dietary patterns, whilst also providing health benefits and reducing death rates from diet-related non-communicable diseases.

Globally, health authorities are increasingly advocating plant-based diets to protect against chronic disease and mitigate against climate change. This is adding to the already increasing demand for plant-based diets from individuals that we have witnessed over the last several years. To make it easier for our consumers to shift to a diet with more plant-based foods, we will focus on the innovations of plant-based foods with improved product experience, affordability and nutrition through the use of sustainable plant-based ingredients, as well as the adoption of new food and process technologies.



***Diet rich in plant-based foods and with fewer animal source foods confers both improved health and environmental benefits. – The Eat-Lancet Report***

### Benefits of plant-based diets:

- **Benefit our health:** reducing the risk of chronic diseases, such as heart disease and type 2 diabetes and contribute to the prevention of forms of malnutrition
- **Support planetary health:** reducing pressure on forests and land used for animal feed, support the preservation of biodiversity and lowering the impact of diet on the environment, with about a 40-70% reduction potential in diet-related GHG emissions

#### Reference:

- *FAO, IFAD, UNICEF, WFP and WHO. 2020. The State of Food Security and Nutrition in the World 2020. The State of Food Insecurity and Nutrition in the World. Rome, FAO.*
- *Willett W et al. The Lancet. 2019 Feb 2;393(10170):447-92*
- *The EAT-Lancet Commission (2019) The EAT-Lancet Report*



- Fruit & vegetables
- Whole grains
- Starchy vegetables
- Plant sourced protein
- Unsaturated plant oils



<sup>1</sup>United Nations' Intergovernmental Panel on Climate Change (IPCC) (2022). Climate Change 2022: Mitigation of Climate Change



## Developing a Healthier, Plant-Based Portfolio

Providing a sustainable source of nutrition and contributing to a healthy lifestyle has continued to be amongst Vitasoy's primary business focuses over the years. Through our Research & Development efforts, we build a portfolio of plant-based products to support consumers' needs for a healthy, nutritious diet.

Our [Group 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.

Maintaining a healthy and balanced diet can prevent malnutrition and reduce the risk of non-communicable

diseases (NCDs) like diabetes, obesity, cardiovascular diseases and cancer. Vitasoy is committed to providing accurate and accessible nutrition information to our consumers, which empowers them to make informed decisions and promote healthier dietary habits and lifestyles.





Our Health and Nutrition Strategy focuses on driving **More Plant-based Products, Offering Healthier Products and Encouraging Healthier Choices**. This covers 5 Portfolio KPIs where we set specific targets to increase plant-based offerings, improve product nutrition profile with less saturated fat and sugars, and provide easy-to-read front-of-pack nutrition labels. Our strategy aligns with our purpose of advancing the world's transformation towards a sustainable future through the amazing power of plants.





# Developing a Healthier, Plant-Based Portfolio

We have been keeping track of our progress towards our goals for 2025/26.

	FY2022/23 Result	2025/26 Goal
 <p>More <b>plant-based</b> products in our portfolio<sup>1</sup></p>	<b>89%</b>	≥92%
 <p>More products meeting <b>Vitasoy Nutrition Criteria</b><sup>1</sup></p>	<b>85%</b>	≥90%
 <p>More products meeting "<b>low saturated fat</b>" target<sup>1</sup></p>	<b>95%</b>	Maintain ≥ 95%
 <p>More beverages meeting "<b>moderate to zero sugar</b>" target<sup>2</sup></p>	<b>82%</b>	≥85%
 <p>More product packs with <b>front-of-pack nutrition label</b> in key markets<sup>3</sup></p>	<b>56%</b>	100%

- Note:**
- All figures here denote percentages of total formulations of all food and beverage product offerings. Excluding water (distilled water and mineral water) and products developed for food service purposes only. Please refer to [Appendix II](#) for details of the 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.
  - All figures here denote percentages of total formulations of all beverage product offerings. Excluding water (distilled water and mineral water) and products developed for food service purposes only. "Moderate to zero sugar" refers to the total sugar content of 0g/100ml to not more than 7.5g/100ml for beverages.
  - The figure denotes the percentage of total product packaging type. Applicable to products sold in key markets with local packaging: Mainland China, Hong Kong SAR, 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 will further develop our plant-based portfolio through product innovation and optimising the nutrition content. As part of our commitment to offering healthier products that can help our consumers to follow a healthy, plant-based lifestyle, we will continue to review our nutrition targets and criteria against the latest nutritional science and external benchmarks.





# Expanded Plant-based Product Range

### Material Issue:

- Product nutrition/ health
- Climate change/ emissions
- Nutrition accessibility and affordability

### How We Govern:

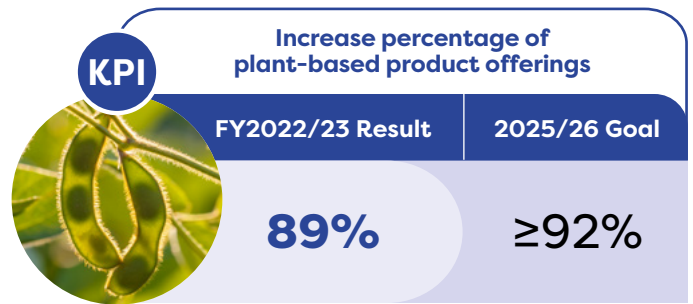
[Group Product Health and Nutrition Policy](#)

### SDG Impact Area:



Vitasoy is passionate about plant-based foods and innovations using wholesome plant-based ingredients. We believe the production of plant-based foods will not only help to reduce environmental impact compared to production of animal-based foods, but can also help to provide consumers with plant-based goodness which is beneficial to their health.

In FY2022/23, we continued to provide a wide variety of great-tasting, nutritious plant-based products, including plant-based milks, tea beverages and tofu to our consumers in different markets. We also expanded our plant-based portfolio by entering a new category of plant-based yoghurts in Australia.



Moving forward, we will continue to expand our plant-based offerings in different product categories to facilitate consumers in adopting a more plant-based dietary pattern, to make plant-based the more affordable, delicious and healthy options for all kinds of occasions.





## Expanded Plant-based Product Range

### Great-tasting plant-based products launched in FY22/23

#### Plant-based Milk

Vitasoy is expanding our portfolio of great-tasting, nutritious plant-based products to cater for different consumer preferences. In response to the increasing popularity of plant-based milks in different markets, we have introduced High Protein Soy milk in Hong Kong market, new flavour variants of VitaOat Oat Milk in Mainland China market and Plus Milky series in Almond and Oat variations in the Philippines market.



#### Tea Beverages

Vitasoy is expanding our tea portfolio with healthier products that our consumers can enjoy on all occasions for both refreshment and hydration. The new offerings are brewed with cold-brew technology for an authentic tea taste profile, including new variants of Vita No Sugar Tea in Mainland China market and new variant of Vita Fresh Tea in Hong Kong market.



#### Tofu

Soy products such as tofu and tau kwa are healthy sources of protein and calcium that can help our consumers to follow a healthy, balanced diet. In 2022, we have upgraded our San Sui tofu range to "high calcium" to help consumers to increase daily calcium intake in Hong Kong market. In Singapore market, we have introduced Braised Tau Kwa, a delicious and versatile product that consumers can use in different kinds of recipes to boost protein and calcium intake.



#### Plant-based Yoghurt

Vitasoy is committed to product innovation. In response to the growing consumer demand for plant-based products that deliver on taste and nutrition, we have introduced our first Vitasoy Greek-style Soy Yoghurt range in Australia market. It has a health star rating of 4.5 to 5 stars, with a thick and creamy texture like traditional Greek Yoghurt. It also provides plant protein and essential vitamins to support a healthy and sustainable lifestyle.





# Healthier Products: "Vitasoy Nutrition Criteria"

### Material Issue:

- Product nutrition/ health

### How We Govern:

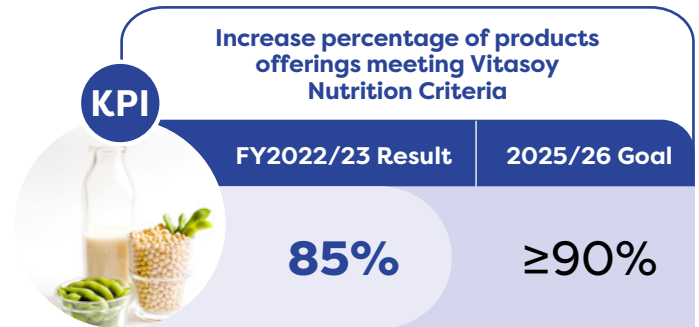
[Group Product Health and Nutrition Policy](#)  
[Vitasoy Nutrition Criteria](#)

### SDG Impact Area:



At Vitasoy, we support consumers to live a healthy lifestyle by offering a diverse selection of healthy food and beverage choices that are both nutritious and delicious.

We have used "Vitasoy Nutrition Criteria" (VNC) since FY2021/22 to guide our product development and reformulation initiatives as part of our commitment to expanding plant-based products that are lower in saturated fat and sugars, while providing "nutrients to encourage", such as protein and calcium, without compromising on taste. The VNC outlines the nutritional targets for various product categories, based on the dietary recommendations and nutrition labelling guidelines from the World Health Organization (WHO) and other global



and local health organisations. This framework guides our continuous pursuit of product innovation and optimisation.

In FY2022/23, 85% of our portfolio is compliant with Vitasoy Nutrition Criteria, improving from 84% in FY2021/22.

## Vitasoy Nutrition Criteria

### Increase "Nutrients to Encourage"

- Protein
- Calcium
- Dietary Fibre
- Vitamin B2, B12, D
- Other B Vitamins



### Reduce "Nutrients to Limit"

- Sugars
- Saturated Fat
- Sodium



### Looking Ahead:

We will continue to improve the nutrition profile of our product portfolio. Our reformulation initiatives will provide more low sugar products and innovations of more high-calcium plant milks and yoghurts that can be served as dairy alternatives to support a healthy diet.







# Healthier Products: “Vitasoy Nutrition Criteria”

## Highlights of New Products Compliant with Vitasoy Nutrition Criteria in FY2022/23\*

### VITASOY VitaOat Chocolate Flavour & Matcha Red Bean Flavour Oat Milk in Mainland China Market

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



### VITASOY Calci-Plus Plant-based Drinks in the U.S. Market

- High Calcium
- Good Source of Vitamin D
- Zero Cholesterol



### VITASOY Plus Milky Almond & Milky Oat in the Philippines Market

- High Calcium
- Low Saturated Fat
- Cholesterol-free Food
- Deliciously Milky



### VITASOY Calci-Plus Hi-Calcium High Protein Soya Milk in Hong Kong Market

- High Protein
- High Calcium & Vitamin D
- Low Sugar
- Zero Cholesterol



### VITASOY Greek Style Soy Yoghurt Range in Australia Market

- Source of Protein & Calcium
- Fortified with Vitamins B12 and D
- Live Cultured with Probiotics
- Thick and Creamy



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



## Develop and Reformulate: Reducing Saturated Fat and Sugar

Vitasoy continues to make consistent progress in reducing saturated fat and sugar in our products. We have developed a multi-year pipeline for new product development and reformulation to guide and monitor our ongoing efforts to offer healthier options.

### Keeping Saturated Fat at Low Level

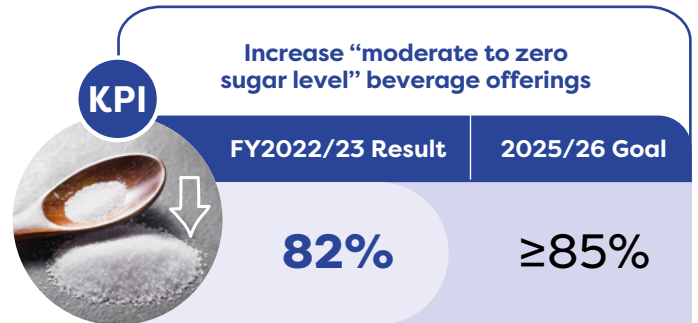
The majority of our plant-based product offerings are made with ingredients which are naturally low in saturated fat and are free of trans fat and cholesterol. Saturated fat is mainly found in animal-based foods such as red meat and full fat dairy products. Research has consistently shown that excessive consumption of saturated fat is linked to a higher risk of heart disease. In alignment with the latest nutrition science which recommends limiting saturated fat intake, our product innovations will continue to aim for low saturated fat content, through the use of low saturated fat ingredients such as soybeans, oats and almonds.



Our goal is to maintain at least 95% of our portfolio meeting our low saturated fat target. In FY2022/23, we have maintained this percentage at 95%.

### Limiting Sugars in Beverages

Vitasoy is committed to lowering the sugar content of our food and beverage product offerings through our reformulation initiatives and new technologies that can help to replace added sugars in the product. Our focus of new product development and reformulation is to drive the expansion of great-tasting products that are low in sugar or with no added sugar.

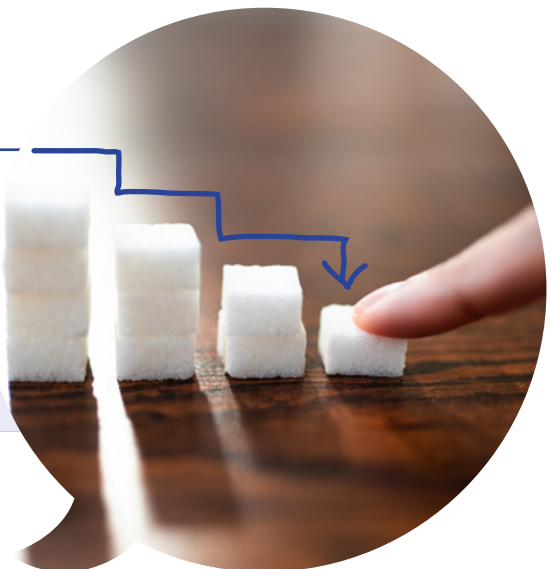
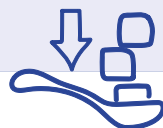


The goal to increase "moderate to zero sugar beverages" was developed in FY2015/16, and we have successfully increased the proportion of beverages meeting this target to 82% in FY2022/23, compared to 64% in FY2015/16, with a goal to reach 85% by FY2025/26.

Sugar can help to improve the taste and texture of foods, but when consumed in excess is linked to a higher risk of individuals being overweight or obese. To help our consumers to manage their daily sugar intake and follow a healthy, balanced diet, Vitasoy has been developing more products with lower levels of sugar, such as no sugar tea, low sugar and unsweetened plant milks, meaning consumers can enjoy our products daily as part of their healthy diet.

### Looking Ahead:

We will continue to review our sugar target with the goal to develop a new target to reflect our commitment to further reduce the sugar content in our product portfolio.





## Expanded Plant-based Product Range

### New No Sugar / Low Sugar Beverage Products Launched in FY2022/23

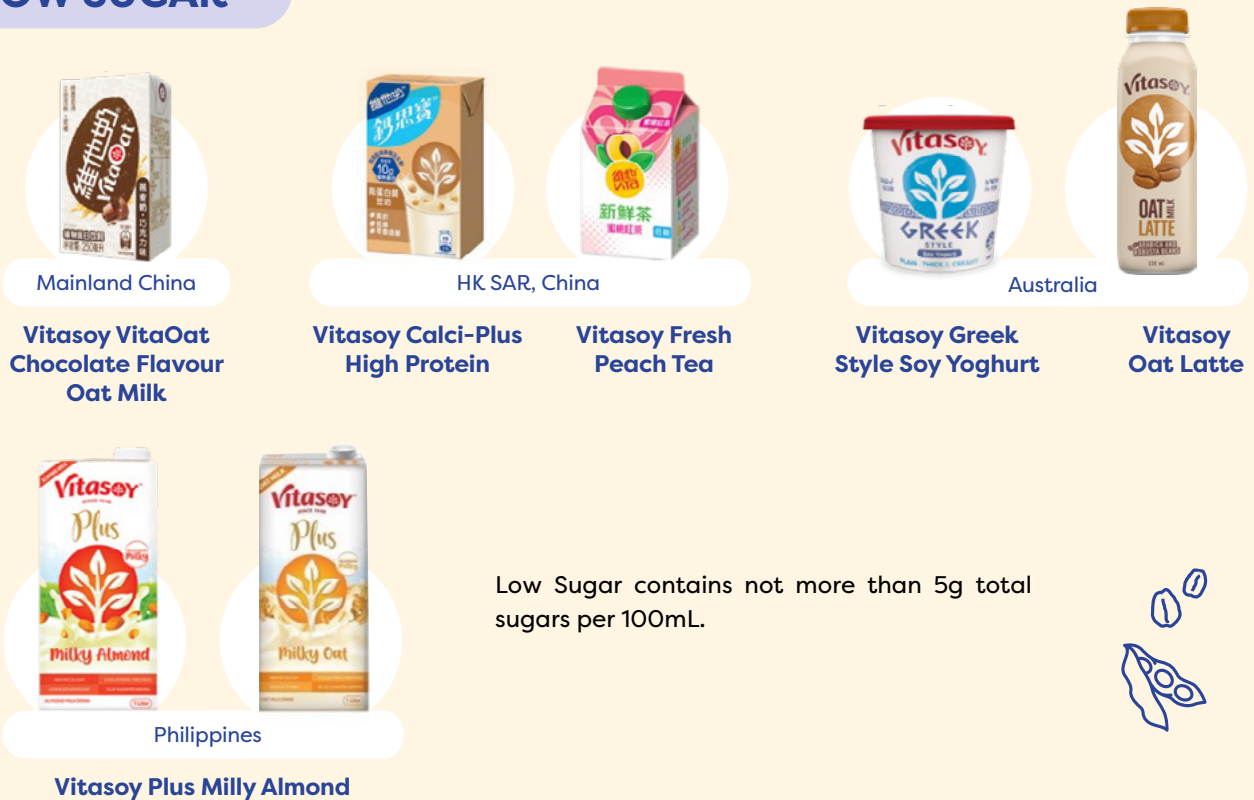
#### No Sugar

#### Vita Cold Brew No Sugar Tea



No sugar contains not more than 0.5g of total sugars per 100mL.

#### LOW SUGAR





## Encouraging Healthier Choices

### Material Issue:

- Responsible consumer communication/ education

### How We Govern:

[Group Product Health and Nutrition Policy](#)

### SDG Impact Area:

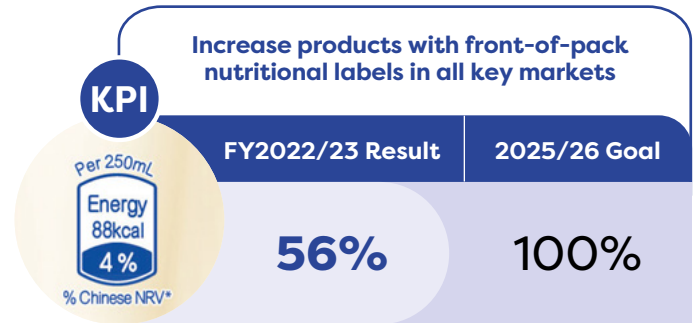


International organisations recommend that front-of-pack (FOP) nutrition labels present nutrition information clearly to help consumers make healthier choices, aiming to help prevent chronic disease through improved nutritional intake.

To empower our consumers to make healthy, well-informed decisions, we are committed to providing them accurate, reader-friendly nutritional information, especially front-of-pack nutrition information, as committed in our Group Product Health and Nutrition Policy.

We use simple icons on our voluntary nutrition labels to illustrate key nutritional information, helping consumers make healthier choices. In FY2022/23, front-of-pack nutrition labels are increasingly featured on the front of pack (FoP) of our products, reaching 56% in our key markets, compared to 40% in FY2021/22.

We actively participate in voluntary graphical labelling programmes, such as the Health Star Rating, front-of-pack labelling system in Australia, Healthier Choice Symbol



Programme in Singapore and the Salt/Sugar Label Scheme for Pre-packaged Food Products in Hong Kong market, which are evaluated by government-endorsed nutrient profile models. We aim to provide front-of-pack nutrition labels on more of our products, even where it's not mandatory in most markets, as part of our commitment to responsible communication with consumers. Additionally, we conduct various programmes to bring nutrition education to schools and the public. For more information, please refer to the [Nurturing Healthy Community section](#).





# Encouraging Healthier Choices

## Front-of-pack Nutrition Label We Use in our Key Markets

### Mainland China

Energy Label with Percentage of Chinese Nutrient Reference Value



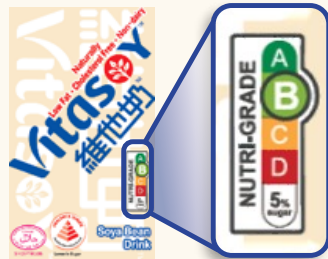
### Hong Kong SAR, China

Energy / Nutrition Label with Percentage of Chinese Nutrient Reference Value



### Singapore

- Healthier Choice Symbol
- Guideline Daily Amounts (GDA)
- Nutri-Grade Label



### Australia

Health Star Rating





# Ensuring Product Safety and Quality

### Material Issue:

- Product quality/ safety

### How We Govern:

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

### SDG Impact Area:



Every aspect of the Vitasoy production process is governed by strict quality requirements from the procurement of raw materials through to finished goods. Our approach to maintaining high quality standards in taste, nutrition and product safety is guided by our [Group Food Safety Policy](#). This policy also ensures that our manufacturing and quality

assurance processes align with the best international practices.

We adhere to the following international management systems and principles to ensure food safety for all our products:

## International Management Standards on Food Safety

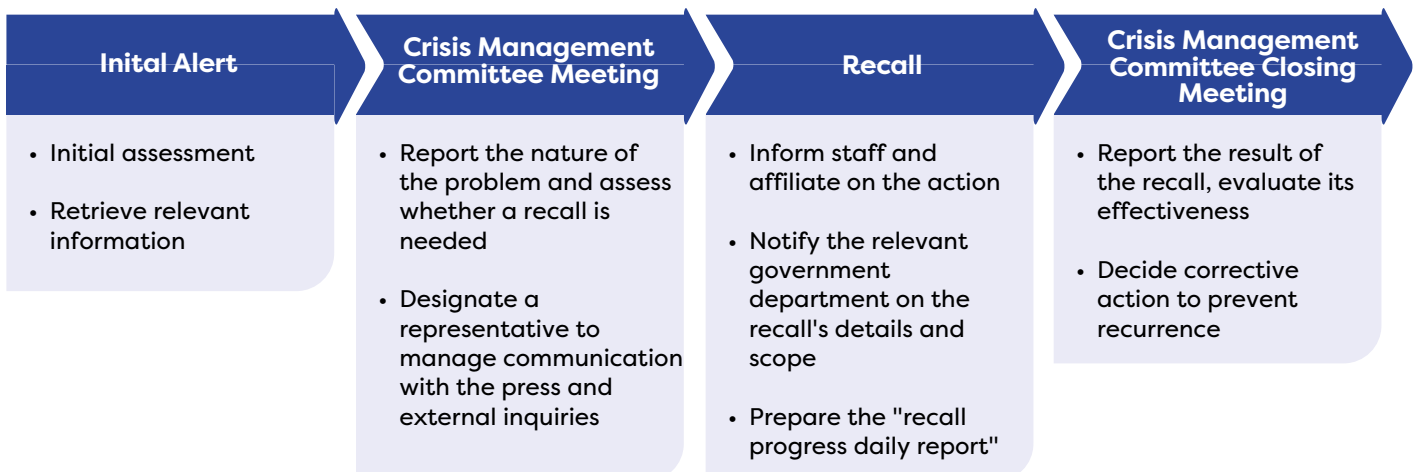
Hazard Analysis Critical Control Point (HACCP)	Good Manufacturing Practices (GMP)	International Standards
A preventive approach to systematically identify, assess, and control potential food safety hazards within food processing systems	A set of principles to ensure hygienic conditions for production processes, material/ product storage and product delivery	<ul style="list-style-type: none"> <li>• Food Safety System Certification FSSC 22000</li> <li>• ISO 22000 International Standard of Food Safety Management</li> <li>• ISO 9001 International Standard of Quality Management</li> </ul>

### Consumer Protection and Crisis Management

The Group Crisis Management Manual outlines procedures and responsibilities for dealing with unexpected situations such as employee injuries, natural disasters, and product recalls. The Manual also defines the specific roles 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.

During the reporting year, there were no reported product recalls due to safety and health reason. In case there is an incident on product recall the process is as follows:





## Committing to Non-GM, Natural and Organic Ingredients

### Material Issue:

- Product nutrition/ health

### How We Govern:

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

### Against the Use of Genetically Modified Ingredients

Vitasoy continues to maintain a strong position against the use of genetically modified (GM) raw materials in our food and beverage products. The stipulations detailed in the [Group Non-GM Policy](#) confirm our commitment to the use of non-GM ingredients. For example, we only approve the use of soybeans that are certified to be non-GM with a third-party laboratory test and a non-GM declaration from suppliers. We also perform in-house sample GM tests on soybean and other key edible raw materials as well as conducting regular audits on these suppliers. We shall reject

any raw materials if the test results contradict suppliers' declarations.

### Organic and Natural Ingredients

We continue to advocate the use of organic and natural ingredients in our product development to maintain the highest standards of tasty and nutritious products. We have also long formulated many of our soy-based products with organic soybeans, including Vitasoy Pure Soybean Extract range and Vitasoy Sansui Soya Milk and Tofu range in Hong Kong market.

### Made with Certified Organic Soybeans

- VITASOY PURE Soyabean Extract range in Hong Kong market



- VITASOY SAN SUI Soya Milk range in Hong Kong market



### Certified (USDA NOP ) Organic Products

- VITASOY Café for Baristas Organic Soyamilk (Creamy Original) in Hong Kong market



- VITASOY SAN SUI Organic Tofu range in Hong Kong market



- UNICURD Organic Tofu range in Singapore market



### Maintaining Low Sodium Levels

Vitasoy's product portfolio mainly comprises plant-based beverages which are not a major source of salt or sodium. Nevertheless, we are committed to limiting the use of salt across our product range. To achieve this, we have set sodium limits for different product categories through the Vitasoy Nutrition Criteria, ensuring that our products have a relatively low sodium content.


<sup>1</sup>United States Department of Agriculture's National Organic Program



## Transforming Packaging Sustainably

In 2022, we developed a 5-year working plan to identify improvement opportunities to rethink, redesign, and reinvent our plastic packaging design across all our production facilities. We also identified key challenges from a series of pilot initiatives, including technical and resource constraints under the current setting. This helped us anticipate what we need to address for wider adoption.




During the reporting year, the production and packaging of our products consumed 43,738 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 research and development workplan and Sustainability Framework, supported through collaboration with our partners to jointly build a recycling network and promote public awareness on resource conservation. The following table summarises our key initiatives and progress made in FY2022/23:

	Progress in FY2022/23	Our 2025/26 Targets
<p><b>Sustainably source beverage carton packs</b></p>	<ul style="list-style-type: none"> <li>• <b>100%</b> of our beverage carton packs continued to be made of paper from sustainable sources certified by Forest Stewardship Council (FSC).</li> <li>• In Mainland China, we introduced lighter weight corrugated carton without compromising the carrying load bearing capacity. It will help to reduce more than <b>400 tons</b> of kraft paper material and in a range of <b>~150 tons</b> of carbon emission year-on-year.</li> </ul> 	<ul style="list-style-type: none"> <li>• Increase laminated beverage carton packs with the FSC label: <b>Maintaining 100.0%</b></li> </ul> <p><b>% of laminated carton pack with FSC label</b></p> 
<p><b>Recycle and reuse glass bottles</b></p>	<ul style="list-style-type: none"> <li>• Our glass bottle recycle-reuse rate stood at <b>94%</b>, maintaining a high recycled content with <b>60%</b> being post-consumer and <b>5%</b> pre-consumer recycle content.</li> </ul>  <p>● Virgin Glass ● PCR Glass ● Cullet Glass</p>	<ul style="list-style-type: none"> <li>• Glass bottle recycling rate: <b>Maintaining ≥ 90%</b></li> </ul> 





## Transforming Packaging Sustainably

	Progress in FY2022/23	Our 2025/26 Targets
<b>Plastics</b>		
<b>Reduce single use and problematic plastics</b>	<ul style="list-style-type: none"> <li>Paper straws were introduced to a wider range of locally produced products for the Hong Kong market and exported to other markets, increasing from 6 % to close to 7% total usage year-on-year from FY2021/22 to FY2022/23.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to expand the effort to replace plastic straws with paper straws across our locations and product portfolios</li> </ul>
	<ul style="list-style-type: none"> <li>Vitasoy Australia introduced the use of plant-based Bio PE sourced caps, which uses less energy for producing products in paperboard beverage carton.</li> </ul> 	
	<ul style="list-style-type: none"> <li>Vitasoy Australia introduced a fully recyclable PP cup and lidding with the launch of plant-based yoghurt.</li> </ul> 	
<b>Increase the use of recycled content</b>	<ul style="list-style-type: none"> <li>In Hong Kong market, we were able to achieve a milestone of more than 82% rPET consumption. Two range of products managed to achieve the use 100% rPET.</li> </ul> 	<ul style="list-style-type: none"> <li>Increase the replacement of Virgin PET with Recycled PET</li> </ul>
	<ul style="list-style-type: none"> <li>34% of our plastic bottles were made of rPET compared to 26% in 2021/22. Our ambition is to increase the use of recycled materials, i.e., rPET (recycled PET).</li> </ul>	
<b>Improve recyclability</b>	<ul style="list-style-type: none"> <li>Pilot run of tethered caps was conducted in selected products, making them more likely to be recycled with the attachment to bottles.</li> </ul>	
	<ul style="list-style-type: none"> <li>Colourless rPET water bottles were launched to replace blue-coloured tinted rPET, which has immensely helped bottle to bottle recycling effort in Hong Kong market and reduced the waste of PET during the recycling process.</li> </ul>	



## Promoting and Enabling Recycling

The vision of a circular economy cannot be achieved alone, but relies on collaborative efforts. Together, we can give a second life to used packaging by making recycling conveniently accessible to all and by helping the public and students build a habit of recycling through interactive programmes.

### Expansion of Clean Carton Collection Points

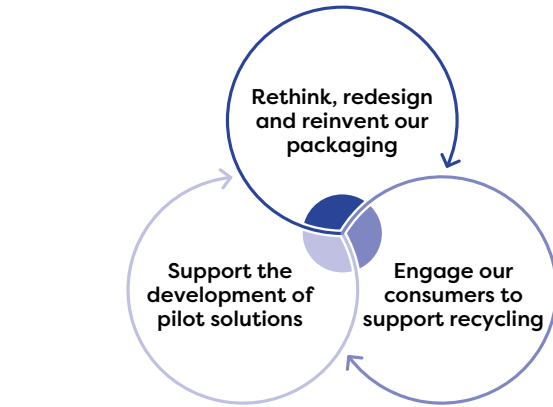
We continued to expand our Beverage Carton Clean Recycling Programme, which provides the public with around 500 convenient, clean carton collection points in the Hong Kong SAR, China. We are delighted to have received support from property management companies, housing estates, schools, community recycling centres, shopping malls and retailers to enable the public to conveniently access the recycling network.

### Promoting Clean Recycling with Students and the Public

The engagement of customers plays an important part in determining whether used packaging materials remain in the circular system or drop out to landfill. In the Hong Kong SAR, China, when the COVID-19 situation relaxed during the year, we resumed our educational activities and conducted 5 eco-talks and tours for students around the beverage carton recycling facility and the Beverage Carton



Vitasoy provides beverage carton recycling bags and prizes for the campaign



Sustainability Education Centre, to promote sustainable consumption and clean recycling.

We also continue to participate in Shenzhen's campus milk carton collection campaign as a long-term partner to drive carton recycling at schools. The campaign supported 1,300 schools in Shenzhen to handle the recycling logistics of more than 235 tonnes used beverage cartons.



## Looking Ahead:

We have partnered with the Hong Kong University of Science and Technology to use our tofu product as a case study for students to study life cycle assessment. The assessment of the environmental impacts on our ingredients, processing methods, packaging materials, and other parts of our value chain could better inform product design, including packaging.





Chairman's Message

About This Report

Vitasoy and Plant-Based Nutrition at a Glance

Focusing on What Matters

Managing Sustainability at Vitasoy

Making the Right Products

Making Products the Right Way

Independent Assurance Report

Appendix

MENU

# MAKING PRODUCTS THE RIGHT WAY





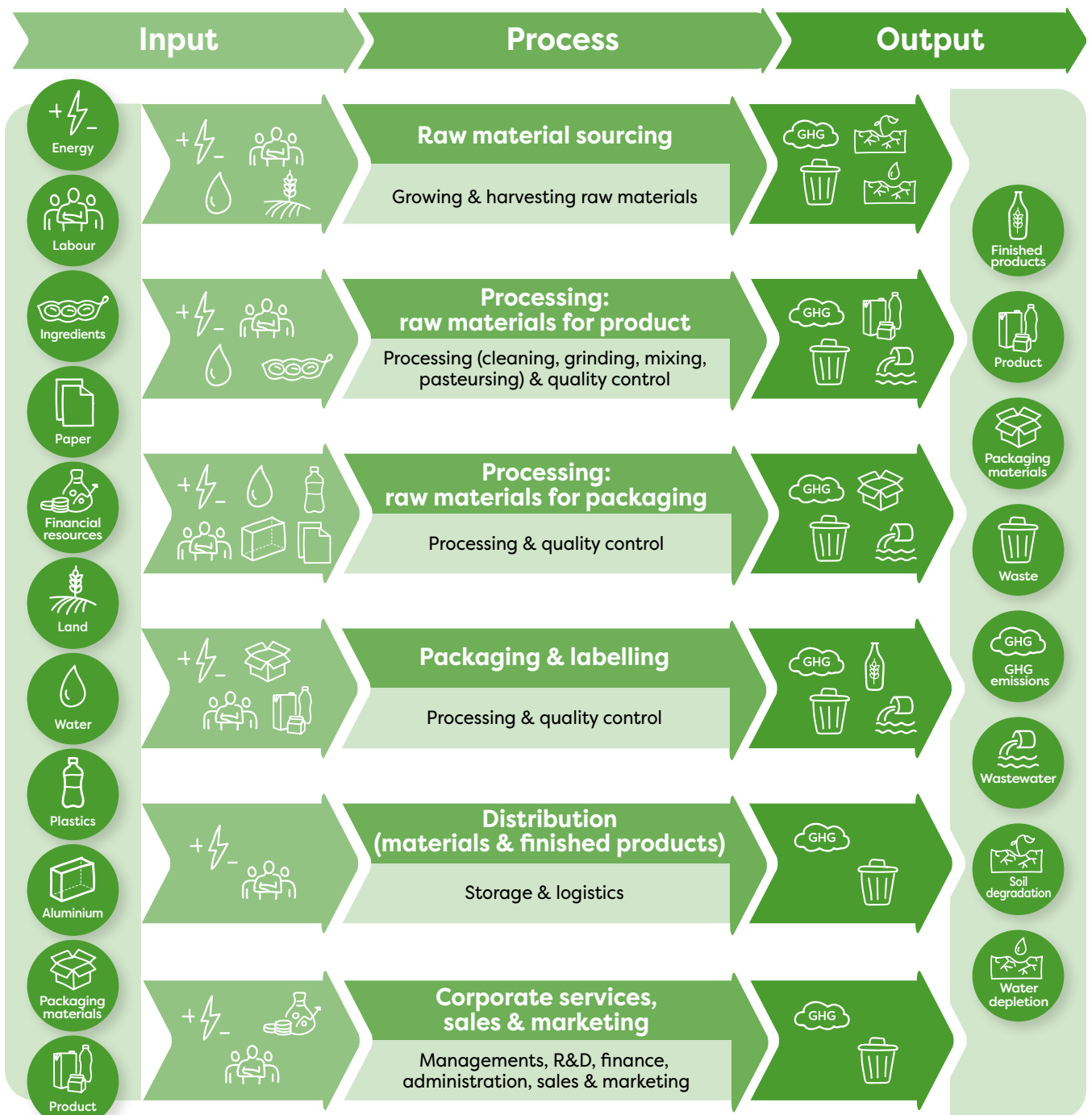
# Understanding Our Impact

Vitasoy is a vertically integrated plant-based beverage and food company, with our Company purpose rooted in a conviction to provide sustainable and affordable plant-based nutrition to all since the Company was founded more than 80 years ago.

The benefits of plant-based nutrition to people and the planet have been extensively discussed in nutrition journals and environmental science research studies. While we are committed to making the right products, it is equally

important to ensure that we are making them in the right way to achieve better outcomes for people and the planet.

The sourcing of raw materials and the manufacturing and distribution of our products involves a complex set of day-to-day operations and business processes that require careful planning, management and execution to ensure the way we make our products is aligned with our core values of nutrition, taste and sustainability.





# Driving Emissions Reduction

### Material Issue:

- Climate change/ emissions

### How We Govern:

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

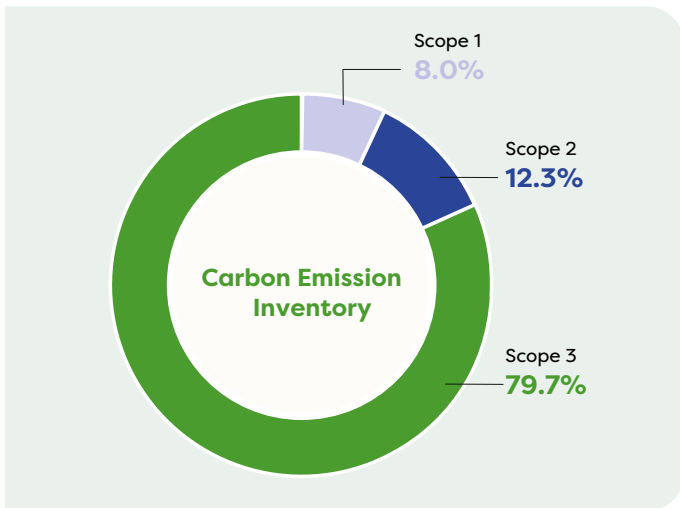
### SDG Impact Area:



In recent years, extreme climate events such as heatwaves, floods, droughts, and storms have occurred across different continents. Climate risks are expected to be a top priority in global risk perceptions in the coming decade. At Vitasoy, we are acutely aware that climate change has the potential to alter weather patterns, disrupt water availability, and increase the risk of extreme weather events. These impacts could negatively affect crop yields and quality, compromise our ability to source and process ingredients, or disrupt our supply chain, ultimately impacting our ability to produce and distribute our products. Driving reduction of greenhouse gas emissions in our operation and value chain to contribute to mitigating climate change is not only our corporate responsibility, but also a business priority.

### Continuous Improvement on Emissions Reduction Performance

Our absolute greenhouse emissions in FY2022/23 have reduced by 11% when compared to that of the previous year. In FY2022/23, our emissions intensity was 0.594 kg CO<sub>2</sub>e per kg of production.

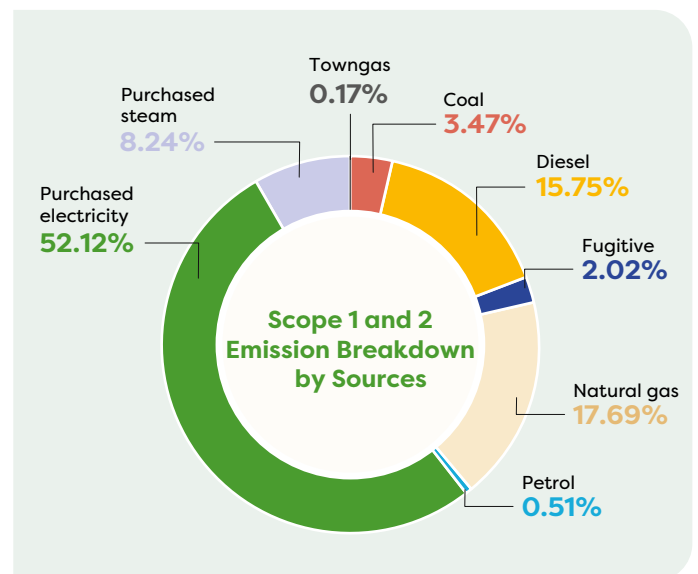


### Greening our Primary Source of Operational Emissions

The primary source of our scope 1 and 2 greenhouse gas emissions was from electricity use. The improvements in our emissions performance were achieved mainly through implementing a variety of environmental engineering projects aimed at enhancing our efficiency in electricity consumption and switching to green electricity at our manufacturing facilities in Wuhan, China and Victoria, Australia, where green electricity is available for direct

purchase. In FY22/23, we were able to purchase 10% green electricity for our Wuhan factory and 100% for our Australian factory.

In FY2022/23, 15.2% of the Group's electricity use was derived from renewable sources, with 4.2% generated from onsite solar power and 11% from the direct purchase of green electricity. We also conducted studies on other options such as the deployment of renewable energy certificates as an instrument to offset our grid emissions, assessing the availability, feasibility, and cost implications in each market where we operate. Findings of the study were reviewed by the Board-level ESG Committee and will be incorporated into our overall strategy for emissions reduction.



<sup>1</sup>World Economic Forum (2023). Global Risks Report 2023.



## Driving Emissions Reduction



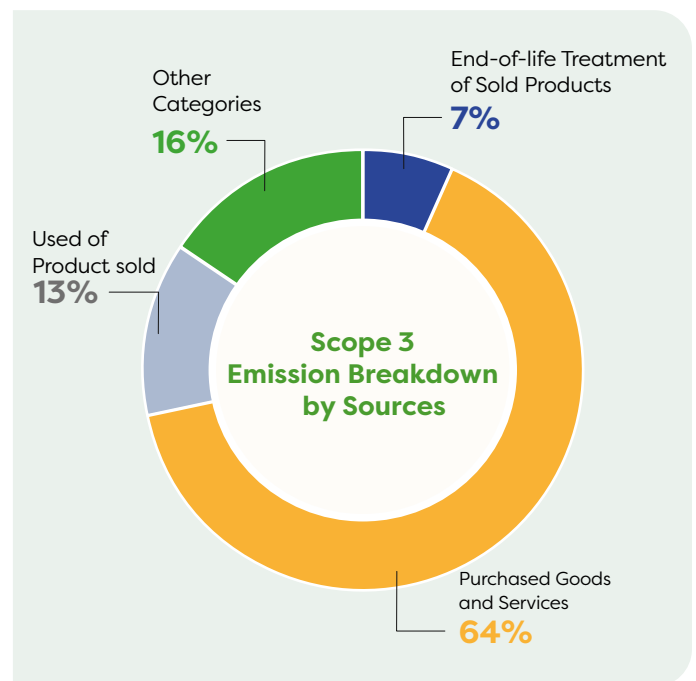
Our manufacturing facility in Australia has been powered by 100% renewable electricity since 2022 - the first in the Group

We constructed our scope 3 greenhouse gas emissions inventory for the first time in the previous reporting year to gain a better understanding of the emissions related to our business activities across our value chain. In FY2022/23, our scope 3 emissions amounted to 437,592 tonnes CO<sub>2</sub>e and accounted for nearly 80% of our overall emissions footprint. The majority of our scope 3 emissions came from three categories: our purchase of goods and services, the consumption of our products, and the end-of-life treatment of our products and packaging materials. Together, they accounted for 84% of our scope 3 emissions.

### Investing in a Strong Foundation for Future Success

We believe that it is important to set ambitious decarbonisation targets and have a systematic and pragmatic plan to achieve them. We have conducted a comprehensive cost-benefit analysis of a range of carbon reduction solutions to guide us in designing a carbon emissions reduction pathway across our operations and value chain. The options we investigated ranged from deploying the use of alternative fuels and purchasing renewable energy at our operations, to optimising the circularity of our packaging materials, and lowering the emissions impact of our product portfolio, as well as the potential impact of emerging policies on carbon pricing.

During the year, we invested in improved packaging of our products to be lighter and more efficient in design and we reduced the sugar content in our portfolio to make inroads in lowering emissions along our value chain. These emissions reduction initiatives also helped us drive savings in material costs.



### Looking Ahead:

- Set ambitious decarbonisation targets aligned with the Paris Agreement and develop a systematic and pragmatic implementation plan to drive actions.
- Expand internal engagement efforts to build capacity and commitment to driving our decarbonisation efforts.



## Taskforce on Climate-Related Financial Disclosure (TCFD) Report

In this section, we adopted the framework recommended by the TCFD to discuss the risks and opportunities brought by climate change to Vitasoy and our response strategy.

### GOVERNANCE

#### The Board's Oversight of Climate-related Risks and Opportunities

- The Board is accountable for the Company's ESG strategy and governance, which includes identifying and managing climate-related risks and opportunities.
- The Board has delegated oversight of ESG-related issues to the ESG Committee, which ensures that strategic ESG matters receive sufficient attention from the Board. The ESG Committee is chaired by an independent non-executive director and comprises at least four directors, who meet at least twice annually.
- In the last reporting year, the Board approved a company-wide target of zero manufacturing waste to landfill by FY2025/26 which will help the Company lower emissions associated with the end-of-life treatment of our products and packaging materials which was one of our top categories of scope 3 emissions. The Board was updated on the latest climate-related policy developments relevant to Vitasoy's operations and markets to inform business decisions, and reviewed the cost-benefit analysis of a range of decarbonisation solutions to support the Company in pursuing emissions reduction targets aligned with the Paris Agreement.

#### Management's Role in Assessing and Managing Climate-related Risks and Opportunities

- The Board-level ESG Committee receives regular updates from our Group Executive Sustainability Committee (the "GESC"), which is chaired by the Group Director of Sustainability and includes senior executives from various functions and business units, as well as the Group Chief Executive Officer.
- The GESC met quarterly during the year to discuss the Company's progress in climate change risk management and carbon reduction as well as the suite of ESG issues covered under our Sustainability Framework. Some of these topics, such as portfolio optimisation and packaging improvement projects, are related to carbon reduction. The Committee is responsible for recommending strategies and driving progress toward performance targets under the Vitasoy Sustainability Framework. Its membership included all market heads and key function heads across the Company.
- The GESC is supported by working groups in implementing initiatives towards meeting our sustainability targets, and facilitate cross market and functional collaborations.

### RISK MANAGEMENT

We engaged an independent impact consultancy to conduct a rigorous double materiality assessment, involving diverse stakeholder groups across our key markets to determine material issues and evolving trends pertinent to the sustainable development of the Company. Climate impact has been evaluated as a critical issue to Vitasoy and society at large, as reflected in the renewed materiality matrix following the double 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. The Board's Audit Committee continues to oversee climate risks material to our business as incorporated into the company-wide enterprise risk register

### METRICS AND TARGETS

To build the foundation for setting our decarbonisation targets in line with the Paris Agreement, we continued to investigate decarbonisation opportunities and options in our scope 1, 2 and 3 greenhouse gas emissions. In FY2022/23, our total emissions were 549,243 tonnes CO<sub>2</sub>e, with scope 3 emissions accounting for nearly 80% of our overall emissions footprint.



# Taskforce on Climate-Related Financial Disclosure (TCFD) Report

## STRATEGY

As a vertically integrated plant-based beverage and food company, we recognise that climate change is expected to have a significant impact on the sustainable development of our business in the medium and long term. In response, we conducted a climate scenario analysis in the last reporting year to understand the potential positive and negative consequences of climate change on our business and test the resilience of our strategy and anticipate shifting market conditions. This helps us make sound decisions today and to prepare for future risks and capture growth opportunities.

We built on this work and commissioned a further physical climate risk assessment by an independent third party which involved selecting two scenarios that varied in the extent of physical risks and strength of transition measures – one with the level of warming likely to be instigated by current national commitments under the Paris Agreement and another with strong policy interventions to limit temperature rise – to assess the resilience of our assets, business strategies, and climate change adaptation measures:

**Shared Socioeconomic Pathways (SSP) are scenarios developed by the Intergovernmental Panel on Climate Change (IPCC) to explore possible future trajectories of human society and the global economy, to describe different possible future scenarios that could impact the level of greenhouse gas emissions and the magnitude of climate change impacts**

- SSP1-2.6: Sustainable development scenario, global CO<sub>2</sub> emissions are cut severely, but not as fast, reaching net-zero after 2050. This scenario presents the same socio-economic trends towards sustainable development as in the first scenario (SSP1-1.9), but the temperature increase stabilises at around 1.8°C by the end of the century.
- SSP3-7.0: Regional rivalry scenario, emissions and temperatures rise steadily and CO<sub>2</sub> emissions roughly double from current levels by 2100. Countries become more competitive with one another, shifting toward national security, and ensuring their own food supplies. By the end of the century, average temperatures have risen by 3.6 °C.

We focused the scenario analysis on the material physical impacts of climate change to Vitasoy in the year 2030 and 2050, and the risks and opportunities brought forth by evolving policy and regulatory changes as the world aspires to transition to a low-carbon economy.







# Taskforce on Climate-Related Financial Disclosure (TCFD) Report

## STRATEGY

### IMPACTS ON VITASOY'S BUSINESS

Physical Risks	Transition Risks	Transition Opportunities
<ul style="list-style-type: none"> <li>Chronic physical climate risks, such as extreme heat, are anticipated to bring more severe impact on the Company's business than acute physical climate risks;</li> <li>Changes in weather patterns, such as extreme heat, could affect crop yields, causing supply shortages and a surge in the cost of raw materials whilst heat stress on the workforce could lead to business interruption;</li> <li>Extreme weather events could disrupt our supply chain and transportation channels;</li> <li>Among acute physical climate risks, tropical cyclone is anticipated to be the most severe threat to some of our operations, followed by drought. The former could disrupt our supply chain and distribution channels, while the latter could affect crop yields and quality and compromise our ability to source and process ingredients.</li> </ul>	<ul style="list-style-type: none"> <li>Increased policies and regulatory pressure to mitigate the impacts of climate change, such as emissions regulations and carbon pricing relating to our operations, raw materials, and products, might lead to increased costs and potential supply chain disruptions;</li> <li>Shifting consumer preferences towards products and packaging with a lower carbon footprint may lead to a decrease in demand for our products if we are not able to adapt and offer more sustainable options.</li> </ul>	<ul style="list-style-type: none"> <li>A shift in consumer diet to a more plant-based one is found to be the primary driver for business growth in a 2oC scenario;</li> <li>Investing in renewable energy sources such as solar or wind power to power our operations could lead to cost savings in the long run;</li> <li>Population growth means more people to feed, and the corresponding amount of revenue would change proportional to the increase in population in Asia.</li> </ul>

### RESPONSE AND RESILIENCE OF STRATEGY

<ul style="list-style-type: none"> <li>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.</li> <li>We studied the planned flood defence measures by the local authorities of the city 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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Our organisation-wide energy reduction programmes, guided by the Company's Sustainability Framework, helped to contain or reduce the utility cost of our production.</li> <li>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.</li> <li>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.</li> </ul>
--	--



# Improving Energy Efficiency

### Material Issue:

- Climate change/ emissions

### How We Govern:

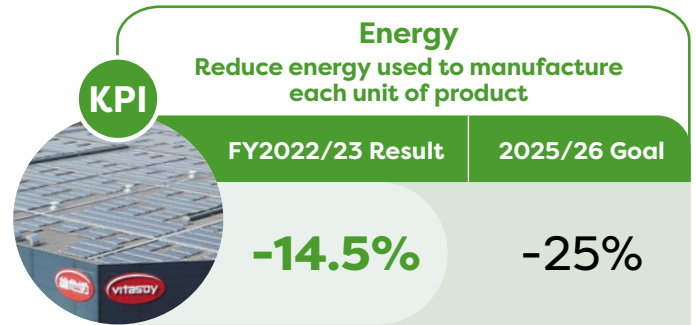
- [Group Climate Change Policy](#)
- [Group Environmental Policy](#)

### SDG Impact Area:



In FY2022/23, we improved our energy efficiency by 14.5% from the FY2013/14 base year, achieving 0.338 kWh of energy use per kilogram of product manufactured. Our overall energy consumption amounted to 312.6 GWh, representing a 6.5% year-on-year decrease from FY2021/22.

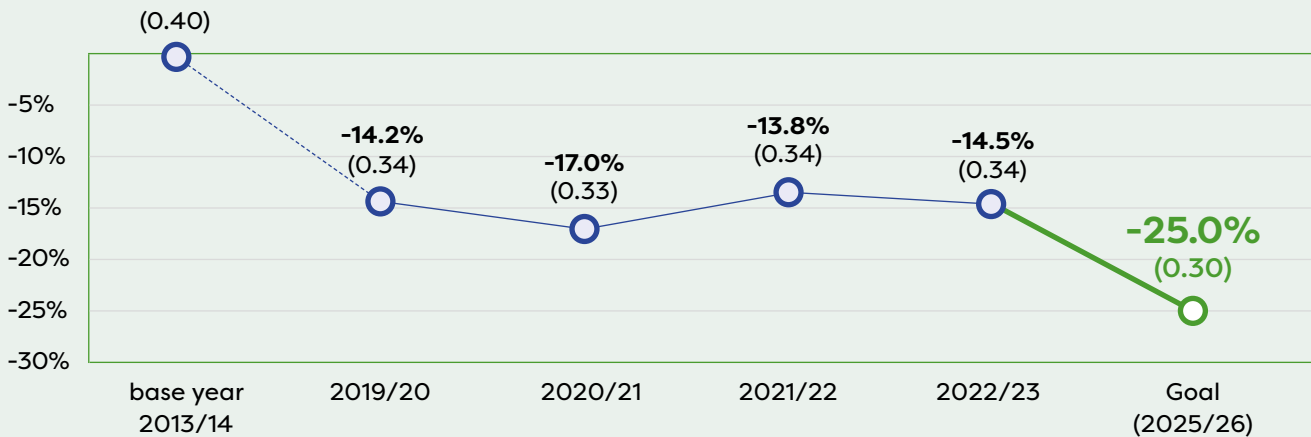
During the year, we invested in a number of energy-saving projects, including retrofitting the ventilation system in our Hong Kong facility with a smart compressor control system to optimise the compressor performance and reduce energy consumption. By monitoring and adjusting compressor operations in real-time, we were able to minimise energy wastage and generate a 10% to 15% reduction in energy consumption and energy cost. A new energy saving device has been deployed at our manufacturing facility in Dongguan, which is expected to improve fuel use efficiency by more than 5%. Our manufacturing volume is forecasted



to increase, allowing us to take advantage of greater economies of scale further improving our overall energy use efficiency in our factories.

We will continue to strengthen our efforts in driving efficient use of energy in our production process, generating savings in operation costs whilst reducing our emissions impact.

**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 Water Stewardship Policy](#)

### SDG Impact Area:



As a manufacturer of plant-based food and beverages, we recognise the vital importance of fresh water to our business. A finite resource, fresh water is an essential ingredient in our product and a critical resource in the farming of our raw materials and for our manufacturing operations. Fresh water is used throughout our production process, from processing raw materials to cleaning equipment, and we are committed to using this precious resource responsibly and sustainably.

To that end, we have made significant strides in driving continuous improvement in the efficient use of water. In the FY2022/23, we used an average of 3.92 litres of water to manufacture each unit of our product, a 2.7% improvement in water intensity year-on-year. This represents a 22.8% reduction from our FY2013/14 baseline. We remain committed to doing our part to ensure the long-term sustainability of this vital resource.

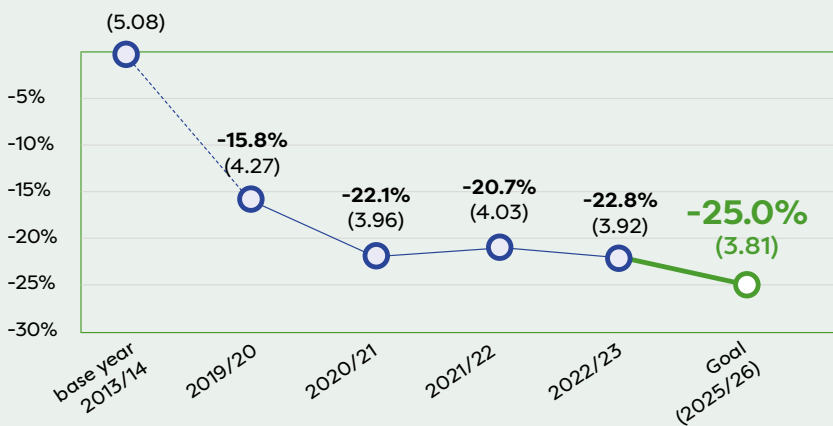
**Water**  
Reduce water used to manufacture each unit of product

KPI	FY2022/23 Result	2025/26 Goal
	-22.8%	-25%

The investment in recycling of cooling water and a range of water saving initiatives for optimising our use of fresh water has not only improved our water efficiency, but also reduced the demand for municipal water in cities where we operate<sup>1</sup>.

<sup>1</sup> In the production plant in the Philippines, we also extracted water from groundwater source.

**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)

### Looking Ahead:

- Review the benchmark for further improving our water performance
- Improve our knowledge of the evolving disclosure requirements by the Task Force on Nature-related Financial Disclosures (TNFD). The TNFD provides guidance on how to assess and disclose risks related to water availability, quality, and ecosystem health, and how these risks can affect an organisation's financial performance. By enhancing our understanding of these requirements, we can better manage nature-related risks and identify opportunities to improve our water conservation efforts.



## Moving Towards Zero-Waste to Landfill

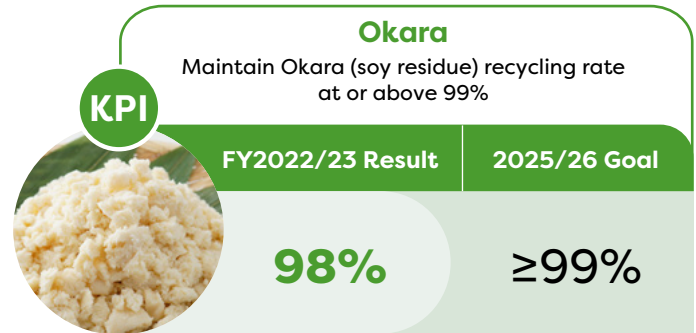
### Material Issue:

- Waste from manufacturing/ operations
- Food security (food loss and waste)

### How We Govern:

- [Group Environmental Policy](#)
- [Group Waste Management Policy](#)

### SDG Impact Area:



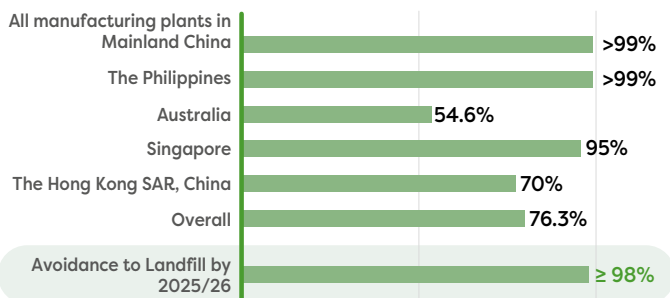
We are committed to doing our part in reducing waste and promoting the principles of the circular economy.

Our waste management efforts are guided by our group waste management strategy and an ambitious goal of sending zero manufacturing waste to landfill. Our waste management strategy is anchored on three key actions: source reduction, waste segregation, and landfill avoidance. We believe that effective waste management can help us reduce costs and generate additional revenue streams through the sale of scrap materials.

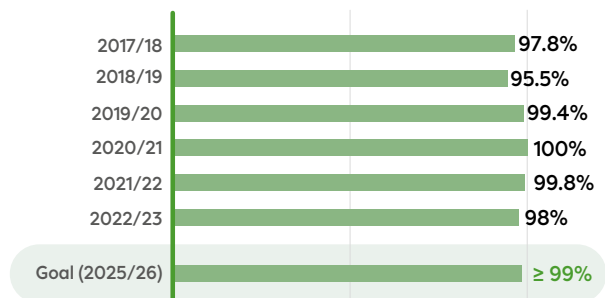
The set-back in achieving zero okara to landfill was due to a few mechanical issues at our waste recycler in Hong Kong which interrupted their recycling process for food waste.

In FY2022/23, our manufacturing operation generated a total of 31,996 tonnes of solid waste, 76.3% of which were diverted from landfill disposal. Our waste intensity was 0.0346 kg of waste generated per kilogram of product produced. To identify areas where we can make the greatest impact in waste diversion, we conducted waste audits in Hong Kong Operation to understand the composition of our solid waste. Going forward, we will continue to improve the segregation of our general waste and increase recovery of recyclable materials to further reduce waste sent to landfills.

**Reduce manufacturing waste to landfill (%)**



**Okara Recycling Rate (%)**



<sup>1</sup> Vitasoy's Zero Manufacturing Waste to Landfill is defined as at least 98% of solid waste is avoided to landfill each year.



## Moving Towards Zero-Waste to Landfill

According to the Food and Agriculture Organization of the United Nations, about one-third of all food produced for human consumption is lost or wasted each year, which amounts to approximately 1.3 billion tonnes of food. Food loss refers to the process of food being discarded as waste for various reasons, such as poor management and consumer habits, throughout the production, transportation, sales and consumption of food. Food loss has a significant impact on the environment, including greenhouse gas emissions, freshwater use, land use, and energy, and it is closely related to food security, affecting both food production and demand.

At Vitasoy, although most ingredients we use in the production of our plant-based drinks may not be as perishable as some other types of food products, we are still exposed to the risk of food loss along our value chain, as illustrated by the following diagram. Food loss has also been identified as a priority issue by our external stakeholders.

Risk of Food Loss	
 <p><b>Raw material sourcing</b></p>	<ul style="list-style-type: none"> <li>• Pest and disease infestation</li> <li>• Harvesting and handling practices</li> </ul>
 <p><b>Manufacturing</b></p>	<ul style="list-style-type: none"> <li>• Quality nonconformity</li> <li>• Expired</li> <li>• Spillage</li> </ul>
 <p><b>Storage</b></p>	<ul style="list-style-type: none"> <li>• Breakage</li> <li>• Quality nonconformity</li> <li>• Expired</li> <li>• Spoilage</li> </ul>
 <p><b>Distribution</b></p>	<ul style="list-style-type: none"> <li>• Breakage</li> <li>• Quality nonconformity</li> <li>• Spoilage</li> </ul>
 <p><b>Sales</b></p>	<ul style="list-style-type: none"> <li>• Breakage</li> <li>• Quality nonconformity</li> <li>• Expired</li> <li>• Improper storage or handling practices</li> </ul>

To mitigate the risk of food loss, we have implemented robust inventory management systems and improved product packaging and storage. By taking proactive measures to reduce food loss and waste, we can not only benefit our business but also contribute to addressing global food security and sustainability challenges.



## Collaborating with Suppliers

### Material Issue:

- Ethical Sourcing
- Sustainable farming and raw material management
- Biodiversity

### How We Govern:

- [Supplier Responsibility Principles](#)
- [Group Responsible Procurement Policy](#)
- [Sustainable Farming Guidelines](#)
- [Group Zero Deforestation Policy](#)

### SDG Impact Area:



Our suppliers play a crucial role in our business's success and our commitment to sustainability. We recognise that our supply chain has a significant impact on the environment and the communities where our suppliers operate, both positive and negative, direct and indirect.

To address these impacts, we work closely with our suppliers to encourage the adoption of our [Supplier Responsibility Principles \(SRP\)](#) and [Sustainable Farming Guidelines \(SFG\)](#), to minimise the environmental impact of their operations and ensure the respect for human rights. Not only does this

approach strengthen our supply chain's resilience, but it also enables us to engage, collaborate and influence for greater positive impact.

The following table summarises how we categorise our suppliers according to their impact to our business, guiding us to prioritise efforts in supplier engagement. We prioritise our work with our Category 1 suppliers which have significant impact on our product quality, operational stability and our brand.

<b>Category 1 Suppliers</b>	<b>Critical Suppliers</b>	Suppliers having critical impact on both the quality of our products and the manufacturing process, including our raw material suppliers.
	<b>Major Suppliers</b>	Suppliers who have had a long-term business relationship with us for five years or more and have an annual purchasing value exceeding HK\$3 million.
	<b>Suppliers that produce products bearing the Vitasoy brand name</b>	Suppliers who produce products that display Vitasoy's brand logo or items that are directly linked to Vitasoy, such as vending machines and delivery trucks.
<b>Category 2 Suppliers</b>	Suppliers of less significance to our business, without whom we are able to source alternatively without causing business disruption.	
<b>Category 3 Suppliers</b>	Suppliers of the least impact to our business, not affecting our product quality.	



# Collaborating with Suppliers

## Key Updates of Policy Implementation and Supplier Engagement in FY2022/23

### Supplier Risk Management



- **Periodical Screening and Instant Alert:** collaborated with the Institute of Public & Environmental Affairs (IPE) to screen the environmental risks, including compliance with environmental laws and regulations of our direct suppliers quarterly in the Mainland China market.
- **Corrective Actions:** among the 123 direct suppliers screened, we identified 19 non-compliance records from 2019 to 2022 and followed up with them to ensure corrective actions were implemented, all of which were completed.
- **Supply Chain Transparency:** ranked as one of the top 3 brands out of 59 brands in the Green Supply Chain Corporate Information Transparency Index (Food and Beverage Industry), on the IPE platform.

### Responsible Sourcing



- **Commitment from Suppliers:** 100% of our direct and new suppliers in Mainland China have endorsed the Supplier Responsibility Principles, which will be extended to our indirect suppliers with manufacturing facilities.
- **Promote Sustainable Farming:** selected soybean and chrysanthemum farms participated in the pilot implementation of our Sustainable Farming Guidelines. Farming practices and carbon emissions data are collected and analysed for performance improvement.
- **Sustainability Performance Rating:** sustainability considerations are applied in supplier evaluations, accounting for 10% of the supplier's overall rating in the Hong Kong Operation.

### Supplier Communications and Capacity Building



- **Vitasoy Global Integrity Portal:** All of our key suppliers in Mainland China are required to sign an annual Integrity Commitment Declaration on the Portal, and the Supplier Code of Conduct is regularly communicated through the Portal.
- **Supplier Trainings:** launched an e-learning course on business ethics to suppliers through the Vitasoy Global Integrity Portal. Currently, over 80% of our direct suppliers in Mainland China have completed the training. We will continue to organise training and best practice sharing on ESG topics.
- **Raw Material Supplier Audit:** annual audit on the Sustainable Farming Guidelines with soybean and chrysanthemum contract farms (more details in the case study in the next page).



## Collaborating with Suppliers

### Case Study:

#### Annual Audit Programme for Sustainable Farming

Our Sustainable Farming Guidelines not only help Vitasoy strengthen the resilience of our supply chain, but also provide invaluable opportunities for us to engage, train, and influence our raw materials suppliers to manage their environmental and social impacts.

Two soybean contract farms participated in the annual audit programme for the implementation of the Sustainable Farming Guidelines. The audits were conducted in accordance with the nine aspects of the Guidelines, covering comprehensive agricultural practices.

Over two consecutive years of tracking, we saw continuous improvements in the environmental and social performances of the two contract farms, which were governed by the nine key aspects of the Guidelines. The yield of both farms increased, with one experiencing a 14% increase from FY2021/22 to FY2022/23, and the other seeing a 3.5% increase during the same period. Additionally, GHG emissions were reduced by 12% and 19% respectively on the two farms.

The greenhouse gas (GHG) emissions of the two farms were also analysed to identify priority areas for driving continuous improvement. The analysis showed that more than 55% of GHG emissions were from the use of fertilisers, followed by energy use and residue management as the second and third major sources of emissions in both farms.

#### Auditing 9 aspects of agricultural practices covered in the Sustainable Farming Guidelines

- Fertiliser use
- Pest, weed and disease management
- Land and soil conversation
- Water use
- Waste management
- Energy and emissions
- Biodiversity
- Social aspects
- Value chain of production



### Looking Ahead:

We will continue to empower and engage our suppliers by extending the Sustainable Farming Guidelines, collaborate more on carbon accounting and decarbonisation with our suppliers, and provide more training to facilitate sustainable practices.





# United in Our Purpose, Committed to Improving Together

At Vitasoy, our company's purpose unites us as One Vitasoy, empowering us to grow sustainably as a business while contributing to society and the planet.

To further this purpose it is important that all employees share the same values of integrity, dedication, and advancement. With these values and Vitasoy Success Drivers, we can succeed and achieve great things.

To help us along this path, there are four commitments we want to make to each other:

- We commit that our leaders will lead by example, collaborating and engaging with our employees at all levels in building the business and the organisation
- We commit that careers should grow, so we strive to develop the skills of our employees to match our critical business needs in line with their future aspirations
- We commit to celebrate together and to reward excellence, recognising individual performance and team achievements
- And we commit to do it all in a collaborative team environment where diverse backgrounds are celebrated and non-discriminatory, respectful behaviours are promoted, in safe, healthy and inclusive workplace, for the wellbeing of all

By following through on these commitments and living our values to achieve our purpose we create a culture of high performance, build a better environment in which to work and make positive impacts on each other. That's how we plant goodness together.

## Snapshot of Our FY2022/23 Workforce

One



Unifying Purpose

6,566



Employees

104,631



Training Hours

16.1

Training hours per employee on average

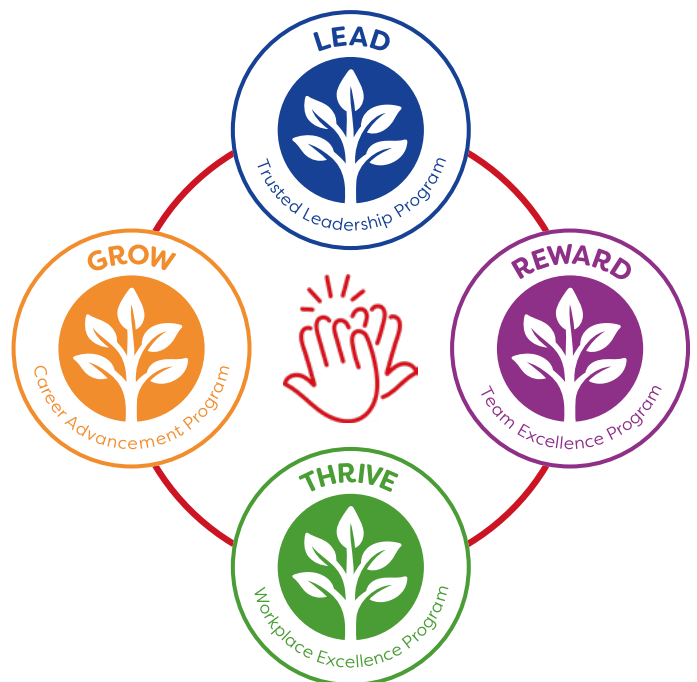
48% : 52%



Female/male ratio (overall)

49.5% : 50.5%

Female/male ratio (manager and above)





# Lead by Example



### Material Issue:

- Talent attraction/ retention/ development

### SDG Impact Area:



We foster leadership to act as positive role models and engage our employees at all levels in building the business and the organisation.

#### Lead with purpose

Our Market Heads and Group Function Heads led a Company-wide Purpose & Values communication workshop last October to cascade our rebranded Purpose & Values across the Company. We engaged and inspired the top 100 key leaders in this workshop to become our Purpose & Values champions in driving this communication across functions and markets globally. Our champions and these key leaders then further enrolled all associates through their market specific Purpose & Values Employee Engagement activities and programmes.

Through these internal communication efforts, we embed our purpose in day-to-day decision-making and cultivate a purpose-driven culture across functional teams and markets.

#### Lead with empathy

In Mainland China, we launched the "Hear Your Voice" programme where our high performing talents had direct dialogues with our senior executives to gain broader perspectives on business direction and thought leadership.

We also hosted monthly Key Manager Communication Meeting for our high performing managers. These sessions allowed for close engagement and dialogue with our leadership team about the business, people and various aspects about work.

#### Lead with openness

During the reporting year, we conducted a group-wide employee engagement survey to understand the needs and expectations of our employees. 97% of our associates took the opportunity to respond this anonymous survey, telling the Company how they felt about working for Vitasoy, what they think the Company did well, and where the Company can improve.

We were delighted that employees felt positively about the Company's performance evaluation and regular feedback from supervisors, and they understood how their work contribute to the company's success. Vitasoy outperformed the norm of global food & beverage companies and global high performing companies in these dimensions. While greatly encouraged by the positive feedback, we noted total rewards and digitalisation & efficiency being the key areas we should pay attention to. Action points will be developed and implemented across the Company.





# Grow and Develop Our Team



### Material Issue:

- Talent attraction/ retention/ development

### SDG Impact Area:



We support our employees' career advancement by developing their skills in line with their future aspirations and our critical business need. We adopt a 70-20-10 rule in learning and development, that is with 70% of learning through on-the-job experience, 20% learning from people and 10% structured learning such as courses, webinars or blended programs. We believe our commitment to people development is a key tool to attract, engage and retain the right talents for the sustainable growth of our business.

## Key Actions for Employee Development and Engagement in FY2022/23

### Key Talents and Successors Development

- In the past year, specific Individual Development Plans have been set up for our global key talent and successors.
- In October 2022, we launched a one-year group mentoring programme for top talents. The programme supports mentees in developing their career aspirations, acquiring business acumen, leadership capabilities and professional development to thrive.

### Robust Performance Management and Digitalize Employee Experience

- Our Performance Management System (PMS) is a key tool to manage and develop high performers. Starting last year, we have included additional KPIs with specific and critical performance expectations to our managerial employees to ensure they have shared accountabilities and matching capabilities to deliver our long term business outcomes.
- We also digitalised the performance feedback and dialogue with pilot teams last year with an improved employee experience. In the new year ahead, all our employees will adopt the online PMS process.

### Sustainability Training and Awareness Building

- We embedded sustainability in last year's purpose-driven workshop, engaging our top 100 leaders globally from different functions and markets.
- To enhance our employees' understanding and capacity in sustainability, we published a weekly e-newsletter as a regular update on global trends and policy developments in topics such as environmental protection, climate change, packaging, energy and diversity and inclusion.



## Reward and Celebrate Excellence



### Material Issue:

- Talent attraction/ retention/ development

### SDG Impact Area:



We seek to motivate, nurture and reward our employees, and we celebrate together to reward excellence, recognising individual performance and team achievements. To honour the outstanding efforts and accomplishments of employees who live up to Vitasoy's Purpose and Values and demonstrate exceptional contributions to the Company, we continue to host the annual Vitasoy Global Excellence Award globally and launched local award programmes, e.g. the VSD Star Awards in Mainland China.

### Vitasoy Global Excellence Award

The Vitasoy Global Excellence Award is an annual award designed to recognise and celebrate outstanding individual and team achievements within the company. The assessment criteria of these awards not only focus on tangible business outcomes and benefits, but also efforts in driving sustainable development and acting as culture carriers of Vitasoy. The award is the most prestigious in the company, and prizes are presented to the winners by the Executive Chairman and the Group CEO.

### The Six Assessment Criteria

1. Actively driving the sustainability agenda forward
2. Bringing tangible business outcomes
3. Going the extra mile beyond the ordinary work scope
4. Living up to Vitasoy's Purpose and Values
5. Enhancing organisational capability
6. Improving occupational health and safety

### Mainland China Recognition Programme – VSD Star Awards

This Programme aims to strengthen the culture of Vitasoy Success Drivers (VSD) in Action and engage employees in building high-performing teams and organisations. From Departmental Monthly VSD Star and National Monthly VSD Star, to Annual VSD Star and Annual VSD Role Model, the programme seeks to identify role models of VSD and encourage knowledge sharing among different departments and teams.





# Thrive in a Safe, Health and Inclusive Workplace



### Material Issue:

- Fair labour practice
- Workplace diversity/ inclusion/ equal opportunity
- Occupational health and Safety

### How We Govern:

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

### SDG Impact Area:



## Reinforcing health and safety as a priority

We are committed to providing a workplace that reinforces health and safety, enabling our employees to thrive both physically and mentally.

In FY2022/23, our lost-time injury rate was 0.69 which is a 47% reduction compared to our baseline year in FY2015/16. Our group-wide objective is to achieve zero lost-time injuries by FY2025/26. To attain this goal, we will continue to raise safety awareness among our employees and implement effective safety controls.

Our Global Safety Committee comprising safety managers or representatives from each of the markets, continues to improve our safety measures throughout our operations including our manufacturing facilities, offices and associates, who work offsite, such as our sales team.

KPI

### Health and Safety

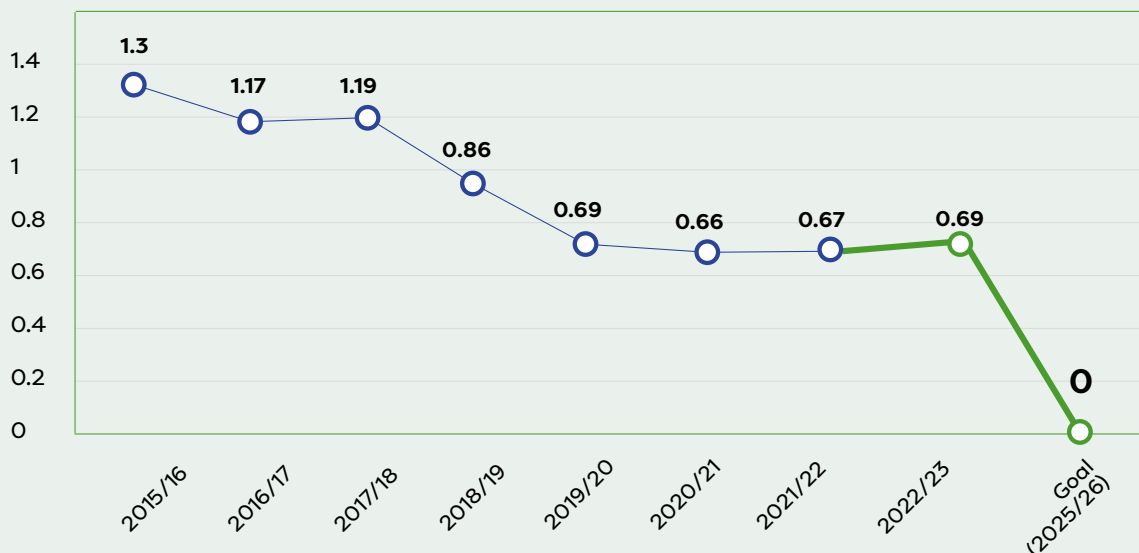
### Zero lost-time injury rate

FY2022/23 Result	2025/26 Goal
0.69	Zero

We also support our people's overall wellness by offering options for flexible working arrangement, implementing measures to manage the pandemic, and promoting sports and wellness campaigns.

We strive to work in a collaborative team environment where diverse backgrounds are acknowledged, and non-discriminatory, respectful behaviours are promoted, in a safe, healthy and inclusive workplace, for the wellbeing of all.

### Lost Time Injury Rate





## Thrive in a Safe, Health and Inclusive Workplace

### Highlights of Health and Safety Actions in FY2022/23

<b>Multi-Site Collaboration</b>	<ul style="list-style-type: none"> <li>Shared lessons from safety incidents across all markets.</li> </ul>
<b>Technology Application</b>	<ul style="list-style-type: none"> <li>Leverage technology to enable timely reporting of near-miss and safety incidents and the tracking of safety performances.</li> </ul>
<b>Risk assessment and identification</b>	<ul style="list-style-type: none"> <li>Conducted an annual assessment of the environmental, health and safety (EHS) system of all manufacturing facilities in Mainland China, including assessments of operational compliance, risk control of high-risk activities and other aspects of EHS management.</li> <li>Expanded the safety risk assessment in Hong Kong Operation beyond our manufacturing facilities to cover outdoor work environment, delivery services, and tuck shop operation.</li> </ul>
<b>Training and Awareness Building</b>	<ul style="list-style-type: none"> <li>Organised the first Mainland China Safety Month Campaign, involving online safety trainings, risk identification exercises, safety slogan competition, to raise employees awareness of occupational safety.</li> <li>Reinforced a safety culture at our Hong Kong Operation through a range of safety training and competitions, and using promotional posters and videos to raise awareness.</li> </ul>
<b>Hardware and Workflow Improvement</b>	<ul style="list-style-type: none"> <li>Reviewed and improved safety-related protocols across our operations, such as updating incident reporting and investigation guidelines, machinery and equipment inspection procedures, etc.</li> <li>Introduced new equipment to aid hazard prevention:             <ul style="list-style-type: none"> <li>Deployed additional step platforms as part of ergonomics in Blow-Fill Area in our manufacturing facility in the Philippines.</li> <li>Implemented a dual face protection measure, using both safety glasses and face shields, when working with chemicals in our facility in Australia.</li> <li>Equipped sales representatives in Mainland China with lightweight but more durable trolleys for safe and convenient operation.</li> </ul> </li> </ul>





## Thrive in a Safe, Health and Inclusive Workplace

### Creating a collaborative and inclusive workplace

As a company with global operations and customers based in many countries and cultures, embracing diversity and fostering an inclusive workplace is conducive to our business success. We are committed to creating a workplace that values diversity and promotes non-discriminatory, respectful behaviours, empowering all our employees with different backgrounds to reach their full potential.

In FY2022/23, we continued to track our gender ratio by business functions, regions, and levels of employment. We reviewed the progress quarterly to ensure visibility on gender equity, and leaders from functions and markets were held accountable for driving actions. We also conducted a gender pay analysis to inform the gender equity discussion for internal purposes.

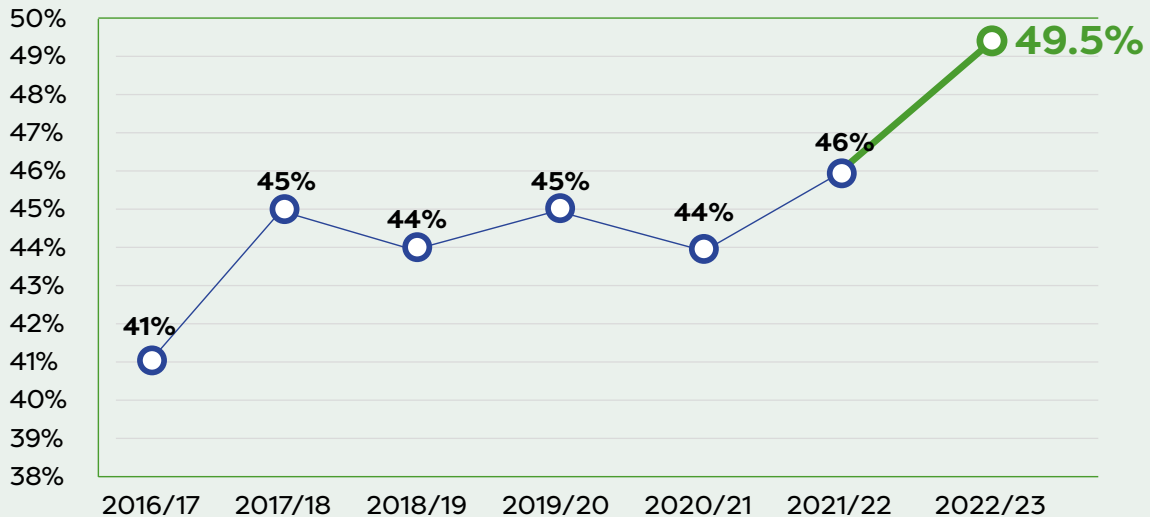
To foster an inclusive culture and build internal awareness of the importance of diversity to the Company, we regularly conduct learning sessions with employees.

This includes:

- All associates participated in training on anti-discrimination topics.
- Guest speakers were invited to share best practices in managing diversity and inclusion
- Women leaders and male's allies networking groups were established to build awareness among all associates and support women leaders to thrive at work

A culture of diversity and inclusion in the workplace will enhance our understanding and sensitivity when working with any stakeholders we interact with.

**% of Women in Management Roles (Manager & Above)**



We strive to maintain a similar level of overall gender diversity

### Looking Ahead:

We will continue to organise D&I event to build internal capacity and to fulfil our commitments in our Diversity and Inclusion Policy.



# Nurturing Healthy Community

### Material Issue:

- Community Engagement

### How We Govern:

Vitasoy's Community Engagement Strategy

### SDG Impact Area:



Vitasoy is committed to enhancing wellness and the pursuit of healthy lifestyle of consumers through its product offerings, advocacy and education initiatives in the markets it operates. Given the nature of its business, Vitasoy focuses its community efforts on the following areas:

- Advocacy and consumer education of the benefits of sustainable plant based nutrition;
- Promote sustainable practices including the use of resources to drive its plant based portfolio;
- Advancement of environmental and sustainable practices in society.

### Promote Healthy Diets and Support Rural Revitalisation

We believe in fostering positive change through collaborations. Since its launch in December 2021, our Vitasoy Community Care Project in Mainland China, a multi-year school nutrition and education programme, has engaged more than 6,000 students in 10 rural counties across six provinces, including Guizhou, Hunan, Gansu, Shanxi, Hebei and Henan provinces. With the guidance and support from the Chinese Centre for Disease Control and Prevention, the programme is organised by health.people.cn and the Beijing Health Alliance Charitable Foundation. Vitasoy supported the programme by donating over 980,000 packs of Vitasoy products and providing health and nutrition education to promote healthy lifestyle to children from 42 primary schools in rural China.



### Promote Plant-Based Nutrition in Hong Kong market

Over 25,000 children recruited through more than 50 non-profit partners participated in the "2022 Summer Nutrition Programme". We shared with them the benefits of plant-

**Snapshot of Our FY2022/23 Community Initiatives**

**KPI**

**900,000+**

Beneficiaries or members of community reached

**550+**

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

based diet through a series of activities to advocate the benefits of plant-based nutrition and drive the plant-based movement. In addition, more than 120 students were invited to Produce Green Foundation Organic Farm to join the "Plant-based Nutrition Exploration Journey", learning about the benefits of a plant-based diet and helping them to establish sustainable eating habits. Through sharing our knowledge in plant-based nutrition, we aspire to support everyone in the community to explore the benefits of plant-based nutrition and a healthy lifestyle.

### Help Children and Youth Fight against the Pandemic

Vitasoy has supported people from all walks of life, including underprivileged families and frontline workers in Mainland China and Hong Kong SAR, China during the pandemic. We donated our products to frontline teams in hospitals, Fangcang hospitals (makeshift mobile hospitals), children's homes and social service centres in Shanghai, China. Vitasoy also donated cash and product in-kind to the Hong Kong United Youth Association's "YouAndMe" programme and distributed anti-pandemic care packages to young people and children across the city. These care packages helped them meet the need of schools and children's daily life during the fifth wave of the COVID-19 which occurred in early 2022. Vitasoy also donated its products to the Hong Kong Fire Services Department's anti-pandemic frontline team in appreciation of their unwavering dedication in providing services to the public and protecting the lives and health of the local community.





## Nurturing Healthy Community

### Partnership for Change

In Australia, Vitasoy has pledged to invest AUD 1.25 million (HKD 6.5 million) over the next five years in the Mulloon Institute, a not-for-profit organisation that aims to restore thousands of hectares of farmland through landscape rehydration.

As IPCC's Special Report on Climate Change and Land pointed out, observed climate change is already affecting food security through increasing temperatures and changing precipitation patterns, a key concern given Vitasoy's commitment to sourcing raw ingredients for our Australian operation from local farmers.

Nonetheless, the report reaffirms that reversing land degradation is attainable and restoration efforts and proper implementation of sustainable land management like those practiced and taught by the Mulloon Institute can improve climate resilience and ensure food security for future generations.

In 2022, Vitasoy Australia began its partnership with the Mulloon Institute with a five-year pledge supporting them in their research, advocacy and education efforts, which aspire to repair farming landscapes across Australia. Together, they aim to bring tens of thousands of hectares of Australian farmland back to life and drive the transformation towards regenerative farming.

Vitasoy is devoted to making delicious plant-based milk that is better for people and the planet. To manufacture plant-based milk sustainably, we have a vested interest in ensuring sustainable farming in the regions where our raw ingredients, such as almonds, soy, oats and rice, are grown.

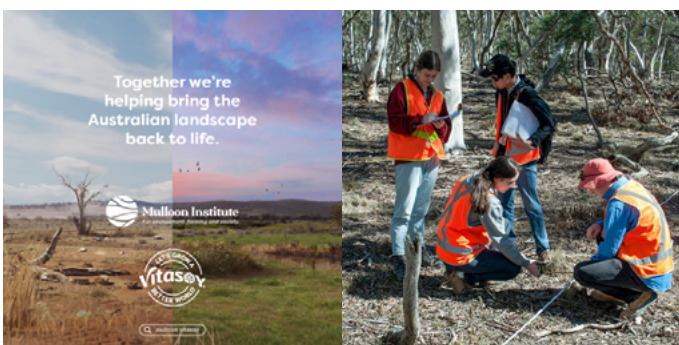
### Experimenting with Regenerative Agriculture

Mulloon Institute has been using evidence-based methods to restore degraded farmland, such as introducing natural materials like rocks and living vegetation to slow water movement and control how it flows through the landscape. These regenerative methods increase agricultural productivity by improving the reliability of water flow, soil quality and biodiversity.

At the heart of this initiative is also community engagement, bringing along landholders, regulators, researchers and the broader community in Australia. The Mulloon Institute regularly runs field workshops to educate local landholders on land rehydration and management techniques. They also involve landholders in scientific monitoring to demonstrate how to manage regenerative farming practices. Their efforts increase biodiversity and soil fertility and improve the ecosystem, particularly in the face of climate extremes. Their success so far has further inspired leaders in rural communities across Australia to undertake similar landscape rehydration works.

As a result, the restoration initiative is creating more climate-resilient agriculture practices, making outputs more productive, resulting in more nutrient-dense produce, and improving profitability for farmers. The project was chosen by the United Nations Sustainable Development Solutions Network to be one of five global demonstration projects for sustainable, profitable and productive farming.

Since 2006, the Mulloon Institute has been working with 23 local landholders to restore 23,000 hectares of the Mulloon water catchment in southern New South Wales, including 50 kilometres of associated creeks and streams. Vitasoy is proud to be one of the Institute's key supporters to contribute to the Australian community through this partnership.





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 1<sup>st</sup> April 2021 to 31<sup>st</sup> 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



## Appendix I – Sustainability Performance Table

Environmental Performance		
FY2022/23		
<b>Greenhouse gas emissions</b>	tCO <sub>2</sub> e	
Scope 1 emissions	tCO <sub>2</sub> e	<b>44,213</b>
Scope 2 emissions	tCO <sub>2</sub> e	<b>67,437</b>
Scope 3 emissions	tCO <sub>2</sub> e	<b>437,592</b>
<b>Carbon intensity</b>	kg CO <sub>2</sub> e per kg product manufactured	<b>0.594</b>
<b>Total energy use</b>	GWh	<b>312.6</b>
Direct energy use	GWh	<b>93.9</b>
Indirect energy use	GWh	<b>218.7</b>
<b>Energy intensity</b>	kWh per kg of product manufactured	<b>0.338</b>
<b>Direct water consumption</b>	kt	<b>3,620.2</b>
<b>Water intensity</b>	kg per kg of product manufactured	<b>3.92</b>
<b>Waste generated<sup>1</sup></b>	tonnes	<b>31,996</b>
Okara	tonnes	<b>12,886</b>
Plastics	tonnes	<b>5,259</b>
Paper	tonnes	<b>2,916</b>
Other types waste	tonnes	<b>10,934</b>
<b>Waste intensity</b>	kg per kg of product manufactured	<b>0.0346</b>
<b>Waste recycled</b>	tonnes	<b>23,265</b>
<b>Hazardous waste</b>	tonnes	<b>57.1</b>

Note (\*): The major sources of our energy consumption during the reporting year included electricity, vehicle fuels, natural gas, and steam.



## Social Performance

### FY2022/23

<b>Total Headcount</b>		<b>6,566</b>
<i>by employment types</i>		
Full-time / Part-time		<b>5,387 / 1,179</b>
<i>by gender</i>		
Female / Male		<b>3,139 / 3,427</b>
<i>by age groups</i>		
Under 30 years old / 30 – 50 years old / Above 50 years old		<b>768 / 4,772 / 1,026</b>
<i>by employment categories</i>		
Management / Non-management		<b>503 / 6,063</b>
<i>by geographical region</i>		
Hong Kong Operation / Mainland China / Other regions		<b>2,701 / 3,553 / 312</b>
<b>Staff turnover</b>		<b>1,560</b>
<i>by gender</i>		
Female / Male		<b>519 / 1,041</b>
<i>by age groups</i>		
Under 30 years old / 30 – 50 years old / Above 50 years old		<b>416 / 1,102 / 42</b>
<i>by geographical region</i>		
Hong Kong Operation / Mainland China / Other regions		<b>348 / 1,139 / 73</b>
<b>New hires</b>		<b>3,357</b>
<i>by gender</i>		
Female / Male		<b>2,128 / 1,229</b>
<i>by age groups</i>		
Under 30 years old / 30 – 50 years old / Above 50 years old		<b>583 / 2,255 / 519</b>
<i>by geographical region</i>		
Hong Kong Operation / Mainland China / Other regions		<b>1,973 / 1,236 / 148</b>
<b>Training hours *</b>	hours	<b>104,631</b>
<i>by gender</i>		
Female / Male	hours	<b>25,977 / 78,654</b>
<i>by employment categories</i>		
Management / Non-management	hours	<b>7,414 / 97,217</b>
<i>by geographical region</i>		
Hong Kong Operation / Mainland China / Other regions	hours	<b>12,865 / 89,817 / 1,950</b>
<b>Occupational Health &amp; Safety</b>		
Fatality		<b>0</b>
Lost time injury	incidents	<b>48</b>
Lost time injury rate (LTIR)	incidents per 100 employees	<b>0.69</b>
Lost day rate	lost man-days per 100 employees	<b>15.24</b>

\* 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	
<b>Plant-based Milk Beverages</b>	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
<b>Tofu &amp; Other Soy Foods</b>	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
<b>Plant-based Yoghurts</b>	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
<b>Plant-based Desserts</b>	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	
<b>Tea Beverages</b>	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	
<b>Other Foods and Beverages</b>	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: 2.6g 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



維他奶™  
Vitasoy



Vitasoy International Holdings Limited

1 Kin Wong Street, Tuen Mun, The New Territories, Hong Kong  
Tel : (852) 2466 0333 Fax : (852) 2456 3441



[www.vitasoy.com](http://www.vitasoy.com)