

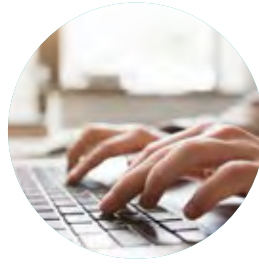
BROADENING Our Impact



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“ Our mission is to bring sustainable, plant-based taste and nutrition to more and more communities. ”

Chairman's Message

The year 2020 has challenged our world in profound ways. Through these turbulent times, health and safety remained paramount in our consideration. We endeavoured to protect our colleagues amidst the pandemic so we can continue to provide communities with nutritious plant-based food and beverages, whilst improving the sustainability of our organisation by advancing and systemising best practices.

Over the past year, we have witnessed a significant mainstreaming of plant-based products as consumer demand surged in response to greater awareness of the importance of environmental and personal health to secure long-term sustainability and well-being. Seeing as we have inherited more than 80 years of experience and competence in offering plant-based nutrition, we are most keen to continue to do so.

With the guidance of our Board-level Environmental, Social, and Governance (ESG) Committee, the most relevant ESG issues to our business were carefully assessed, monitored and managed. These issues were brought forth for discussion and consideration by the ESG Committee to set our long-term sustainability objectives and monitor our progress through the Key Performance Indicator (KPIs) shared in this report.

This year marks an important milestone for our medium-term targets declared five years ago. We have achieved or exceeded our 2020/21 targets in product portfolio and packaging and most of our manufacturing goals, but fell short of meeting our electricity and fuel reduction targets due to additional energy consumption required to test run our new factory and changes in production volume due to the pandemic. Looking forward, we are on track to meet our 2025/26 goals. These targets are an important tool for Vitasoy to ensure all our teams and markets align on our key focus areas.

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Vitasoy



new ESG-related policies and guidelines, including our new Group Waste Management Policy, Group Water Stewardship Policy, Group Zero Deforestation Policy, Group Anti-Discrimination & Anti-Harassment Policy and Group Diversity & Inclusion Policy.

Climate change impacts are manifesting all around the world, but the effects on different regions and businesses remain uncertain. To better prepare Vitasoy for this uncertain future and the climate-related risks and opportunities that may arise, we commenced a climate change scenario analysis covering all markets with manufacturing facilities and corresponding supply chains. This analysis aims to evaluate climate change related physical and transitional risks and opportunities, which will contribute to our group strategic and resilience planning. We have also commenced an assessment of our full carbon emissions which is key to understanding and managing the broader climate change impacts of our operations. The information gathered will help us to further explore and improve our emissions management strategy across the value chain.

We are very appreciative of all our employees across our markets. Their concerted efforts demonstrated the Vitasoy spirit. Their determined attitude has been a driving factor in furthering our sustainability efforts with meaningful results. Vitasoy continued to receive recognition locally and internationally demonstrating best in class sustainability performance. We have been included as a constituent company of the Dow Jones Sustainability Indices (DJSI) – Asia Pacific Index for the

first time while continued to be included in the Hang Seng Corporate Sustainability Index as one of the top 30 Hong Kong listed companies in sustainability performance. We have also been rated among the "Top 100 Global Sustainable Companies" by Corporate Knights for the second year in a row with improved ranking from 90th to 62nd this year.

We take pride in incorporating sustainability solutions in our growing infrastructure. Our new plant in Dongguan (VDL), China features state-of-the-art technologies to improve production efficiencies and has earned us a LEED Gold green building rating.

Going forward, the demand to promote consumer health and to address challenges in mitigating pressing global environment issues will continue to rise. We remain committed to fulfilling our purpose and making meaningful contributions to the communities we serve.

Winston Yau-lai Lo
Executive Chairman
17th June 2021



About This Report

Vitasoy publishes sustainability reports annually to share our Environmental, Social, and Governance (ESG) strategies, initiatives and performance with our stakeholders. This report (the "Report") covers our progress made from 1st April 2020 to March 31st 2021¹. Our [Sustainability website](#) provides additional and prevailing information which is updated periodically.

This report covers a significant milestone in our sustainability journey as we reached a target year for our KPI goals set five years ago. As we reflect on our performance in the following sections, we have already begun to look forward and are in the process of finalising new KPI goals for 2025/26.

In line with our commitment to detailed and holistic sustainability disclosure, this report has been developed in accordance with the Global Reporting Initiative's (GRI) Core Option and the Hong Kong Exchanges and Clearing Limited's (HKEX) reporting requirements of the Appendix 27 of the Main Board Listing Rules (HKEX ESG Guide). To give our stakeholders added confidence on the accuracy of the contents of this report, we have arranged for external verification from an independent party. The Independent Assurance Report can be found below in [this section](#).

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

Give us Your Feedback

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



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

Independent Assurance Report



Verification Statement

Scope of Verification

Hong Kong Quality Assurance Agency (“HKQAA”) has conducted an independent verification for the Sustainability Report 2020/21 (“The Report”) of Vitasoy International Holdings Limited (“Vitasoy”). The Report covers the sustainability performance data and information of Vitasoy from 1st April 2020 to 31st March 2021.

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 Initiatives (“GRI”) Standards: Core option and the Environmental, Social and Governance Reporting Guide (“ESG Guide”) issued by the Hong Kong Exchanges and Clearing Limited (“HKEx”).

Level of Assurance and Methodology

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: Core option and the 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: Core option
- The Report complied with the 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

Jorine Tam
Director, Corporate Business
June 2021

Reporting What Matters

Stakeholder Engagement

We maintain open and transparent communication with our stakeholders to ensure their feedback is properly and effectively addressed. To fully understand and compile the sustainability topics that are material to Vitasoy, we selected a range of key stakeholders based on expertise and working relationships, including employees, suppliers, customers, investors, academics, media, non-government organisations, and consultants/think tanks to conduct a formal materiality assessment. A survey was carried out with more than 300 stakeholders in the region and 20 independent interviews were conducted to gain additional insight. Vitasoy's top material topics were identified and prioritised through this process and are disclosed in the matrix below.

This year, we have reviewed and updated our material topics along with their materiality levels. Our top material topics have been consolidated from 20 to 16 by grouping related topics. The key changes are: 1) Energy efficiency combined under Climate Change, 2) Transparency combined under Business Ethics, 3) Employee Wellbeing combined under Fair Labour Practices and 4) Local Economic Development combined under Community Engagement. This reflects views collected through engagement activities and we believe this update is a meaningful reflection of current industry trends as well as the relative priorities of the topics material to Vitasoy.

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



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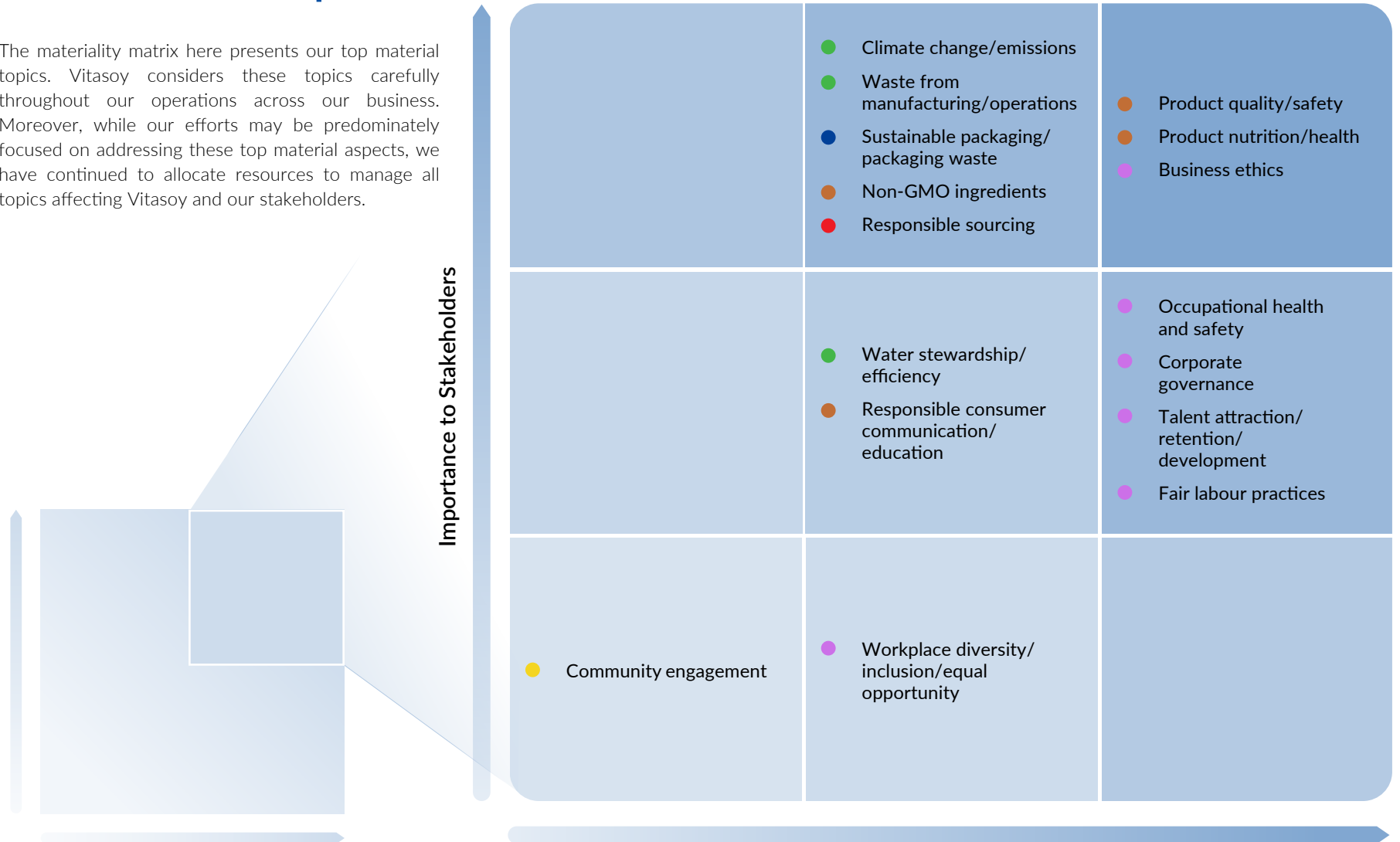
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Our Material Topics

The materiality matrix here presents our top material topics. Vitasoy considers these topics carefully throughout our operations across our business. Moreover, while our efforts may be predominately focused on addressing these top material aspects, we have continued to allocate resources to manage all topics affecting Vitasoy and our stakeholders.

Top 16 Material Topics



- Portfolio
- Packaging
- Manufacturing
- Suppliers
- Workplace
- Community

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A Snapshot of Our Company



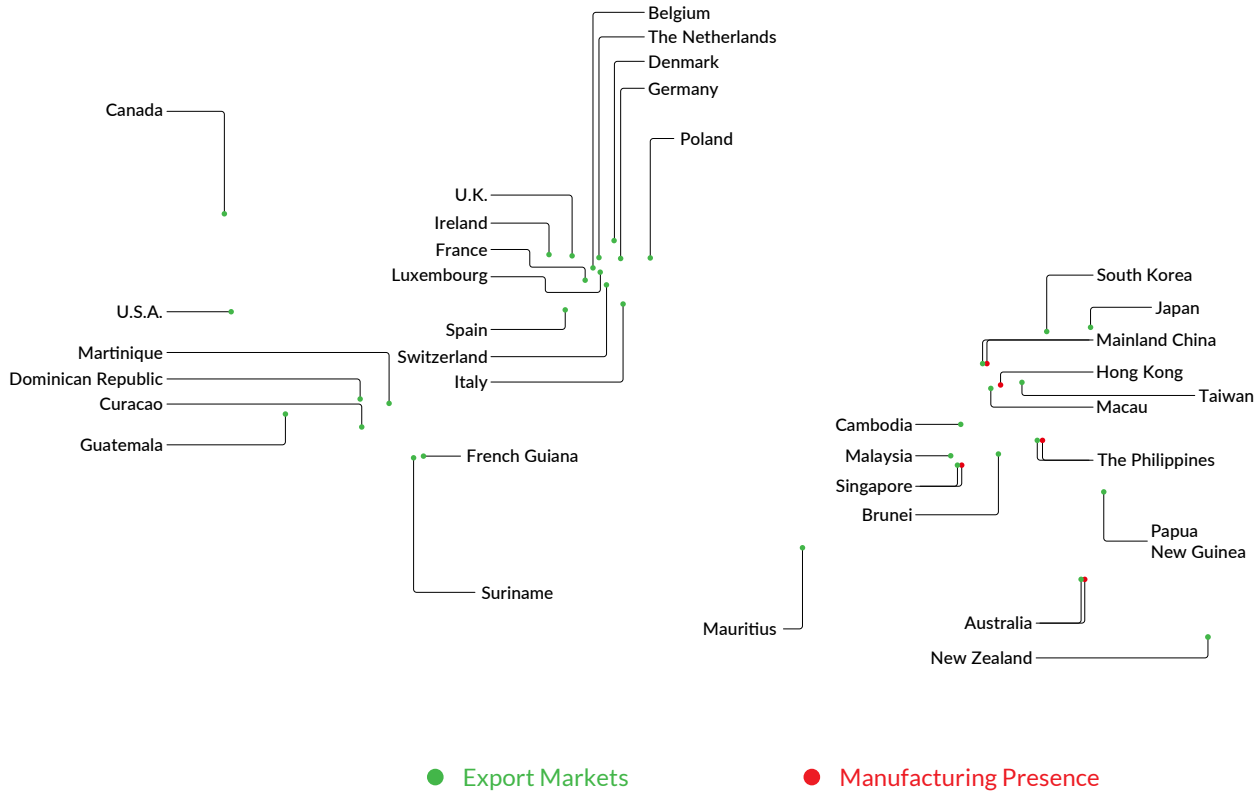
OUR GLOBAL PRESENCE
~40
MARKETS



OUR WORKFORCE
7,979
EMPLOYEES



OUR REVENUE
HK\$7,520
MILLION



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

For details on our financial performance, please refer to our [Annual Report 2020/21](#).

A Snapshot of Our Company (Continued)

Our Brands



Some of Vitasoy's Flagship Products



Plant Milk



Tofu



Tea

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Our Business

Drawing on our rich experience and expertise, our purpose is to offer sustainable plant-based food and beverages that are great tasting and nutritious to our consumers, improving the wellbeing of our communities and the planet. Made from wholesome plant ingredients such as soybeans, almonds, and oats, we enable our consumers to pursue a healthy and sustainable plant-based lifestyle. Serving about 40 markets around the world, we endeavour to further mainstream healthy plant-based diets and to continue innovating our products, ingredients, and manufacturing processes.



Soy

- ✔ A protein-rich legume
- ✔ Naturally rich in **high quality protein**
- ✔ Natural source of **healthy polyunsaturated fats**



Oat

- ✔ A heart-healthy whole grain
- ✔ Rich in **natural, gut-friendly plant fibre**
- ✔ Natural source of **heart-healthy beta-glucan**



Almond

- ✔ A heart-healthy nut
- ✔ Natural source of **Vitamin E** antioxidant
- ✔ Natural source of **healthy monounsaturated fats**



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Sustainability at Vitasoy

Sustainability Vision



Vitasoy remains passionately committed to providing consumers with product offerings which are good for health and good for the planet. Drawing from the expertise of the past we look towards a future of continual innovation and development of sustainable plant-based nutrition aligned with our triangle of Core Values of Nutrition, Taste, and Sustainability.

In addition to our top material issues, as a company with operations spanning across multiple continents, we recognise the importance of coming together to work towards solving our shared global challenges. Vitasoy fully supports the United Nations Sustainable Development Goals (SDGs) and have identified the SDGs which are most applicable and relevant to our business for strategic alignment. We hope that cooperation between governments and private organisations on the SDGs will help mitigate important issues such as climate change, accessibility to nutritious food, and food security.

SUSTAINABLE DEVELOPMENT GOALS



Sustainability Framework and Governance

Material Issues

- Corporate governance
- Business ethics

Our commitment to sustainability can be seen in our approach to the alignment of sustainability issues and our business focus areas. Our Sustainability Framework allows us to organise sustainability strategies and objectives across different business operations. We are able to efficiently and effectively embed sustainability at the core of how we operate our company. Overseen by the Board, Vitasoy’s management team developed the Framework to consist of two major pillars: Making the Right Products and Making Products the Right Way.

Coming into this milestone year, we feel proud of achieving most of our 2020/21 KPI goals, which were set several years ago. Although we encountered set back in two of our goals, this was largely due to the external impact of COVID-19 on our businesses. We will continue to look forward to meeting our sustainability goals and improving our performance as economies recover. We are currently in the process of developing even more determined goals both in terms of target level and scope for 2025/26. With the dedication of our colleagues, business partners and key stakeholders, we are confident that we can achieve our ambitions.

Future Steps

We are currently in the process of developing even more determined goals both in terms of target level and scope for 2025/26.



Making the Right Products

Vitasoy supports consumers by making nutritious and tasty food and beverage choices through our commitment to the continual development of plant-based products that target low saturated fat and low sugar content without compromise to taste.

Making Products the Right Way

We work to deliver great products to our consumers safely and as sustainably as possible, taking into consideration our environmental and social impacts across our value chain and to our consumers. Vitasoy is dedicated to business practices which are sustainable for the environment and its natural resources, promotes responsible procurement, creates a safe and inclusive workplace, and fosters community development.



Providing tasty, sustainable plant-based nutrition

Making The Right Products

Making Products The Right Way

PORTFOLIO

PACKAGING

MANUFACTURING

SUPPLIERS

WORKPLACE

COMMUNITY



Plant-based

Increase plant-based beverage offerings

2020/21 Result

90%

Maintain **≥90%** 2020/21 Goal

Maintain **≥90%** 2025/26 Goal



Nutritious Plant Milk

Increase nutritious plant milk beverage offerings

2020/21 Result

96%

Maintain **≥95%** 2020/21 Goal

Maintain **≥95%** 2025/26 Goal



Low Fat

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

2020/21 Result

94%

Maintain **≥93%** 2020/21 Goal

Maintain **≥93%** 2025/26 Goal



Moderate to Zero Sugar

Increase "moderate to zero sugar level" beverage offerings

2020/21 Result

82%

76% 2020/21 Goal

82% 2025/26 Goal



Carton Paper

Increase fresh-keeping laminated carton pack with FSC label

2020/21 Result

100%

100% 2020/21 Goal

100% 2025/26 Goal



Glass

Glass bottle recycling rate

2020/21 Result

94%

≥90% 2020/21 Goal

≥90% 2025/26 Goal



Plastics

Weight reduction

Pilot bio-based PET

Implement recycled PET



Water

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

2020/21 Result

-22.1%

-20% 2020/21 Goal

-25% 2025/26 Goal



Electricity

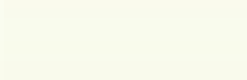
Reduce electricity used to manufacture each unit of product against 2013/14 level

2020/21 Result

-12.3%

-20% 2020/21 Goal

-25% 2025/26 Goal



Fuel

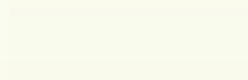
Reduce fuel used to manufacture each unit of product against 2013/14 level

2020/21 Result

-18.9%

-20% 2020/21 Goal

-25% 2025/26 Goal



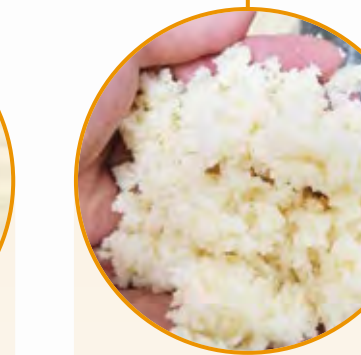
Carbon Footprint

Scope 1 + 2 emission intensity

2020/21 Result

0.125

kgCO₂e per kg



Waste

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

2020/21 Result

100%

≥99% 2020/21 Goal

≥99% 2025/26 Goal



Supplier Management

Supplier Responsibility Principles

Responsible Procurement Policy

Non-GM Policy

Sustainable Farming Guidelines



Inclusive Workplace

Gender ratio

41% : 59%

Female Male

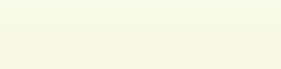
Lost time injury rate

0.66 vs 1.32

2020/21 2014/15

Average training hours per employee

10.8 p.a.



Community Engagement

Vitasoy Beverage Carton Clean Recycling Education Programme

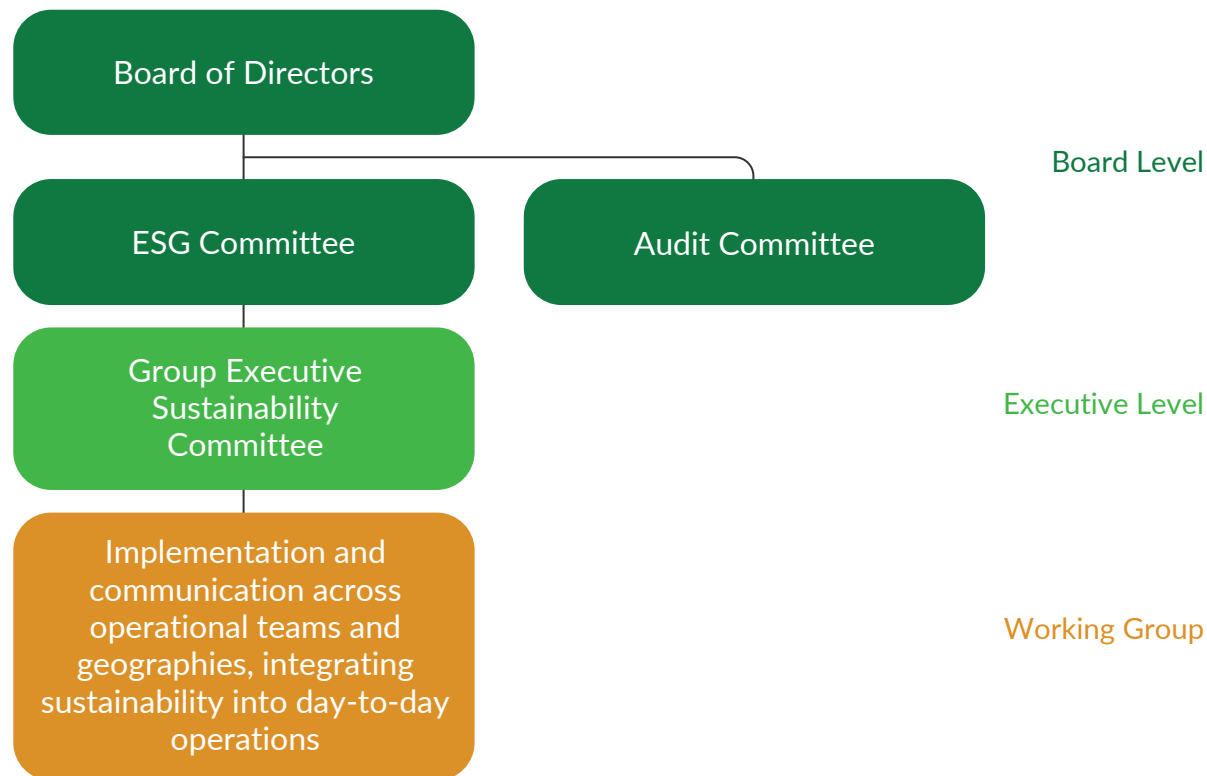
Vitasoy University Grant in Mainland China

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

Sustainability Framework and Governance (Continued)

Sustainability Governance

Corporate governance is a material issue for Vitasoy. We maintain a high level of transparency and accountability through regular monitoring and strict adherence to guidelines across our operations. To learn more about company shareholdings, our Board and Sub-board Committee structure, and our governance and sustainability policies, please visit [our website](#) and our [Annual Report](#).



Sustainability Framework and Governance (Continued)



Board of Directors Oversight

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



Group Executive Leadership

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

Vitasoy ESG Board Statement



Governance and Risks

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



Material ESG Issues

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

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

Sustainability Framework and Governance (Continued)

Risk Management

Through our Enterprise Risk Management (ERM) Framework, we can better understand the long-term risks and opportunities which have significant impacts on our organisation. For the enduring success of our business, we understand that ESG issues, including climate change, fair labour practices, and responsible raw material sourcing must be incorporated into our enterprise risk considerations.

ESG Risk Integration

To further integrate our ESG risks into our ERM Framework, we have conducted a risk mapping following the recommendations from “Enterprise Risk Management - Applying enterprise risk management to environmental, social and governance-related risks” published by World Business Council for Sustainable Development (WBCSD) and Committee of Sponsoring Organizations of the Treadway Commission (COSO). The results of the mapping exercise found our top 10 risk items are closely correlated with our material ESG issues. These risks are closely monitored and managed under our ERM Framework. Group CEO and Group Senior Director of Internal Audit and Risk Management are both members of our ERM Executive Committee and Group Executive Sustainability Committee which report ESG-related updates to the Board of Directors via the Audit Committee and ESG Committee. To ensure our corresponding response and mitigation plans appropriately and comprehensively address these identified risks, we have conducted detailed risk assessments through close collaboration between the Risk Management and Sustainability teams. Specifically, we have conducted a supply chain risk assessment and commenced a **climate risk assessment** to identify and assess their impacts on our strategy, business model and objectives, and to develop mitigation and adaptation measures.

Vitasoy Enterprise Risk Management Framework



Sustainability Framework and Governance (Continued)

Risk Governance Structure

Our ERM Framework also enables risk owners to anticipate, evaluate, and respond to their relevant business risks on an on-going basis. The Vitasoy Risk Management Team consolidates inputs from business units and reports the results to the ERM Executive Committee through regular meetings and risk management reports. Through this monitoring and assessment process, we have enhanced our focus on key aspects over the past year in areas such as occupational safety and health, information security, and customer education and communication.

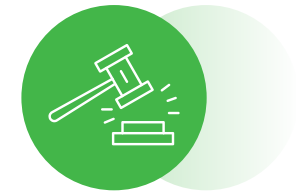
We have expanded the function of the ERM Executive Committee by appointing the Group Legal Counsel as a new member to provide a more holistic and comprehensive perspective on risk management matters from a legal standpoint. The frequency of regular meetings has also been increased from semi-annually to quarterly to provide ERM Executive Committee members with more timely information to support their judgement. Furthermore, all meetings from January 2021 onward will include a specific agenda item to discuss the status of risk items across the company, including any remediation actions that are enacted, providing the ERM Executive Committee with an in-depth view on the progress of risk mitigation measures implemented at different levels.

Business Ethics and Integrity

Business Ethics is one of the top material issues identified in our materiality assessment process. Vitasoy has zero tolerance for all forms of corruption and bribery. **The Group Business Ethics Policy** covers compliance with laws, rules and regulations, conflict of interest, employment of immediate family members and relatives as well as anti-corruption and anti-bribery. All staff members are required to adopt and adhere to the stipulations contained within our Policy.

Vitasoy's expectations on ethical conduct of our suppliers and customers are clearly detailed in our Code of Business Conduct for Suppliers and Customers to provide guidelines on conflicts of interest, anti-corruption, and fraud, irrespective of country or territory. The Code also provides local context for our entities to incorporate relevant guidelines into agreements with suppliers and customers.

To reinforce a culture of integrity across our operations, we have recently established an Enterprise Integrity Risk Management Framework (EIRM) Policy following four key principles: Uphold high integrity standard, Act in the best company interest, Daily operations with integrity, and Supervisory accountability. The EIRM Policy mandates the implementation of integrity risk controls within the scope of supervisory accountability, formalising the evaluation and identification of integrity-related improvement areas under supervisors' key duties.



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Driving the Plant-based Movement

Material Issues

- Product quality / safety
- Product nutrition / health

We believe driving the transition to a more plant-based diet through expanding our plant-based product offerings that are compatible with a healthy and sustainable diet can contribute positively to the society. The growing world population and global temperature rise continue to pose challenges to our complex food systems and natural environment; health challenges are becoming more prevalent with rising risks from heart diseases and obesity, whilst the adverse effects of climate change remain a top global risk.

Plant-based diets are advocated by health authorities across the world as one of the key components of a healthy lifestyle. As stated by the World Health Organization, poor diets caused by unbalanced consumption of energy from free sugars, unsaturated fats and excessive intake of salt increases the risk of obesity and chronic diseases². Embracing a nutritious diet focused on plant foods is an excellent building block of a healthy lifestyle.

Apart from the wide-ranging health benefits a plant-based diet can offer, the shift towards the consumption of more plant foods such as fruits, vegetables, legumes, and nuts may also alleviate the stresses of resource consumption on the environment. According to the

EAT-Lancet Commission³, a shift to more plant-focused diets worldwide will be necessary to achieve the objectives of the UN Sustainable Development Goals and the Paris Climate Agreement. The Commission adds that shifting to sustainable diets would require a 50% reduction of global red meat and added sugar consumption, whilst at the same time doubling the consumption of fruits, vegetables, nuts and legumes

by 2050⁴. Growing crops for human consumption are more sustainable to the environment compared to the production of animal products because it uses less water and land whilst emitting less carbon.

Vitasoy is committed to delivering more sustainable plant-based beverage and food products which provide important daily nutrients and support healthy,

According to the first global scientific targets for healthy diets and sustainable food production developed by EAT-Lancet Commission, a “planetary health diet” that is healthy for both people and the planet should emphasise a plant-based diet that includes a variety of plant-based foods such as whole grains, fruits, vegetables, nuts and legumes and fewer animal source foods.

Reference: EAT-Lancet Commission Summary Report

² World Health Organization. (2018). A healthy diet sustainably produced: information sheet
³ The EAT-Lancet Commission consists of 37 leading scientists from 16 countries in various fields including human health, agriculture, political science and environmental sustainability
⁴ Willett W, Rockström J, et al. The Lancet Commissions. 2019 Feb. 447-492



Driving the Plant-based Movement (continued)

Product Health and Safety

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

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

Health and Nutrition Strategy

As consumers become more aware of dietary health and climate change, providing more plant-based products compatible with a healthy and sustainable diet is a powerful way to support this movement. Since our founding, consumer health and nutrition have been part of our core business focus, providing plant-based options to encourage healthy lifestyles through our diverse product portfolio. We have updated our product portfolio Health and Nutrition Strategy under three main pillars, namely More Plant-based Products, Offer Healthier Products, and Encourage Healthier Choices to better serve our purpose in bringing sustainable and delicious plant-based nutrition to more communities, and improving people's and the planet's well-being.

Our Health and Nutrition Strategy



* Please refer to the details of the Nutritious Beverage Criteria [here](#)



Driving the Plant-based Movement (continued)

We will continue to monitor and steer our sustainability strategy through product portfolio KPIs to demonstrate our commitment to producing healthy product choices for consumers. Looking towards the future, we are

committed to further building upon our plant-based portfolio with a focus on nutrient-dense ingredients that are naturally rich in plant-based proteins, dietary fibre and other health-promoting nutrients. We have met

or exceeded our previously set 2020/21 & 2025/26 KPI goals for our product portfolio. We are currently upgrading and developing new ambitious goals for 2025/26 and will include them in the next Sustainability

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

Note:

- “Plant-based” refers to products made from mainly plant ingredients or products that are free from animal-derived ingredients
- “Nutritious plant milk beverage” refers to plant milk beverage products that meet Nutritious Beverage Criteria (Refer to Appendix for more details)
- “Low fat” refers to total fat content of not more than 1.5g/100mL
- “Low saturated fat and zero trans-fat” refers to no more saturated and trans fat than 0.75g/100mL & no detectable or no more trans fat than 0.3g/100mL; and the sum of saturated fat and trans-fatty acids contributes to no more than 10% of energy
- “Moderate to zero sugar” refers to total sugar content of 0g/100ml to not more than 7.5g/100ml



Further Expansion on Plant-based Products



Vitasoy remains passionate about the continued development of our beverage portfolio using wholesome plant-based ingredients. Our current product offerings, which include soy milk, plant-based milks and tea beverages, have met our 2025/26 target of maintaining a 90% plant-based beverage portfolio. We are currently reviewing our KPIs to set new ambitious goals to further innovate our product lines, providing more plant-based products to facilitate consumers in adopting more plant-based dietary patterns.

Nutrition*	Soy Milk	Oat Milk	Almond Milk
Energy content			
Protein content			
Total fat content			
Healthy unsaturated fats (% fat)			
Low saturated fat [1]			
High calcium [2]			
Low sugar [3]			
0g trans fat/100ml			
0mg cholesterol/100ml			
Lactose free			
Vegan-friendly			

Benefits of a Plant-based Diet⁵⁻⁶



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

* Nutrition comparison based on Vitasoy Australia products
^[1] Low saturated fat: not more than 0.75g saturated fat per 100ml; saturated fat contributes to not more than 10% of energy
^[2] High calcium: not less than 100mg calcium per 100kcal
^[3] Low sugar: not more than 2.5g sugars per 100ml for products sold in Australia
 ** Poore J, Nemecek T. Science. 2018 Jun 1; 360(6392): 987-92; additional calculations by J. Poore

⁵ Melina V, Craig W, Levin S. Journal of the Academy of Nutrition and Dietetics. 2016 Dec. 1970-80
⁶ Poore J, Nemecek T. Science. 2018 Jun 1; 360(6392): 987-92

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Healthier Products

Nutritious Plant Milk

Plant milk beverages can be an excellent source of plant nutrients such as protein, dietary fibre and healthy unsaturated fats. Many of Vitasoy’s plant milk options are also fortified with vitamin D, calcium and are lactose-free to help health-conscious consumers, vegetarians, and lactose intolerant individuals fulfil their dietary needs.

Since 2015/16 we have used our Nutritious Beverage Criteria to evaluate the nutritional profile of our plant milk formulas and to help guide us through reformulation and new product development. The criteria provide direction on which “nutrients to limit” and “nutrients to encourage” in our products based on dietary guidelines and regulations from government bodies and health authorities around the world. At present, 96% of our plant milk portfolio satisfies our criteria, exceeding our 2025/26 goal of 95% or more of our plant milk portfolio meeting the Nutritious Beverage Criteria.

Moving forward, we will continue to review and upgrade the Nutritious Beverage Criteria where appropriate to ensure its relevance for continual nutritional innovation in our products offerings in line with the latest dietary recommendations and nutritional needs of consumers.

New plant milk products which meet our Nutritious Beverage Criteria



Soy

- ✔ VITASOY Protein+ Unsweetened Soy Milk in Australia



Oat

- ✔ VITASOY Prebiotic Oat Milk in Australia
- ✔ VITASOY Calci-Plus Hi-Calcium Oat Milk in Hong Kong



Almond

- ✔ VITASOY Protein+ Unsweetened Almond Milk in Australia





Healthier Products (continued)

Saturated Fat Reduction

Majority of our plant-based product offerings are naturally low in saturated fat and are free of trans fat and cholesterol. We are able to provide a source of healthy unsaturated fat whilst limiting saturated fat in our products through a focus on quality heart-friendly plant ingredients such as soybeans, oats, and almonds. We have already achieved our 2025/26 goal of having 94% of our beverage portfolio as “low fat” or “low saturated fat and zero trans fat” set in 2018/19 and have continued to maintain those levels this year.

Sugar Reduction

Vitasoy supports World Health Organization’s recommendations to limit the intake of sugars for the prevention of unhealthy weight gain and associated diseases. As consumers manage their daily intake of sugar, we play our role as an enabler of healthy and balanced diets. Through the reformulation of existing products and the development of more “no added sugar” and “low sugar” beverages we have successfully increased the proportion of beverages that met our target for “moderate to zero sugar” in our beverage portfolio to 82% in 2020/21, from 63% in 2015/16, which also met our 2025/26 goal ahead of schedule. While we are pleased with these results, we aim to develop new goals reflecting our commitment to further reduce the sugar content in our beverage portfolio to encourage healthy dietary choices.

New beverage products with “no added sugar” or “low sugar” level**



No Added Sugar

- ✔ VITASOY Protein+ Unsweetened Almond Milk in Australia
- ✔ VITASOY Protein+ Unsweetened Soy Milk in Australia
- ✔ VITASOY Prebiotic Oat Milk in Australia



Low Sugar

- ✔ VITASOY Calci-Plus Hi-Calcium Oat Milk in Hong Kong, China
- ✔ VITASOY Health Plus Oat and Quinoa Plant Milk in Mainland China
- ✔ VITASOY Health Plus Almond and Macadamia Plant Milk in Mainland China



** Contains not more than 5g total sugars per 100mL



Healthier Products (continued)

Material Issues

- Non-GMO ingredients

Non-GMO

Vitasoy takes a firm stance against the use of genetically modified (GM) raw materials as ingredients in our beverage and tofu products. The stipulations detailed in the Group Non-GM Policy confirms our commitments on the use of non-GM materials and ingredients. For more details on our Group Non-GM Policy, please refer to the our [Sustainability website](#).

Reducing Artificial Ingredients

To maintain the highest standards of tasty and nutritious products, we have continued to advocate the use of natural ingredients in our product development. All Vitasoy product offerings are 100% free of added preservatives and we are currently working to further reduce the use of artificial ingredients such as artificial flavours through our reformulation programmes.

Maintaining Low Sodium Levels

As Vitasoy’s main product offerings are predominantly plant-based beverages, and because beverages are not a major source of salt or sodium, our overall product portfolio contains relatively low sodium content. Nonetheless, we remain committed to limiting the use of salt across our portfolio.

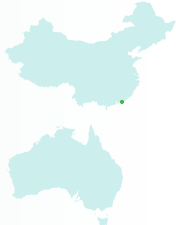
More Organic Ingredients

We have continued to increase the use of certified organic soybeans in our portfolio. We have long formulated many of our products with USDA NOP⁶ ingredients, and over the past year our Vitasoy PURE Soyabean Extract product range in the Hong Kong market also shifted to certified organic soybeans.



Made with Certified Organic Soybeans

- ✔ VITASOY PURE Soyabean Extract range in Hong Kong, China
- ✔ VITASOY SANSUI Soya Milk range in Hong Kong, China
- ✔ VITASOY Soy Milk Original in Australia



Certified (USDA NOP) Organic Products

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



⁶ United States Department of Agriculture's National Organic Program

Encourage Healthier Choices

Material Issues

- Responsible consumer communication / education
- Community engagement

When it comes to food and beverage products, consumers are faced with a plethora of choices. Vitasoy's **Group Product Health and Nutrition Policy** stipulates principles and commitments to provide consumers with accurate and reader-friendly nutritional information to encourage healthy well-informed decisions. The commitments formalised under this policy include labelling of ingredients, allergens, and nutritional information on our product packaging.

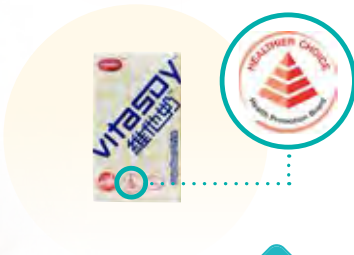
Voluntary Nutrition Label

Vitasoy continues to improve nutritional communication by adopting simple icons to illustrate key nutritional information directly on the packaging. To help consumers make healthier dietary choices, we remain a participant of voluntary graphical labelling schemes, including the Health Star Rating, front-of-pack labelling system in Australia, Healthier Choice Symbol Programme in Singapore, and the Salt/Sugar Label Scheme for Pre-packaged Food Products in Hong Kong, China.

Australia



Singapore



Hong Kong, China



St. James' Settlement

Together with St. James' Settlement, we continue to support youth education through our "Nutrition Exploration Journey - Food Knowledge and Resources" programme. Through a series of learning activities, this initiative aims to teach primary and secondary school students, and their parents, about the importance of healthy eating. With connections with the STEAM (Science, Technology, Engineering, the Arts, and Mathematics) education framework, these learning activities help to enhance nutritional awareness and encourage more nutritious daily eating habits.



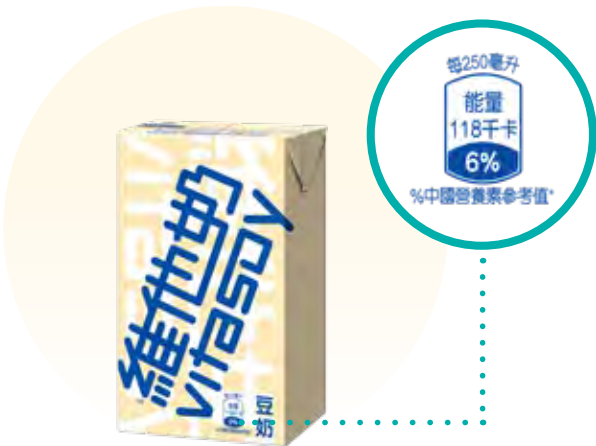
Encourage Healthier Choices (continued)

New Front-of-Pack Energy Icon Label

Vitasoy recognises the importance of front-of-pack nutrition labelling in providing consumers with accurate and useful information to guide them towards healthier choices. Although front-of-pack nutrition labelling is not mandatory in many of our markets, we want to take the initiative to provide front-of-pack label on more of our products, as per our commitment in Vitasoy's Group Product Health and Nutrition Policy. In 2021, we have rolled out a new front-of-pack label on our packaging in Hong Kong, China and Mainland China which features an easy-to-read energy icon. The energy icon provides

at-a-glance energy information to help consumers make informed choices based on their dietary needs. To make our nutrition and energy information relevant to local consumers, we have adopted Chinese Nutrient Reference Value as the reference for daily requirements.

This is a focus area in which we are putting more efforts to encourage healthier choices in our consumers to complement our existing product portfolio KPI goals. With this initiative in place, which exceeds legal requirements, our major markets (Hong Kong, China; Mainland China; Singapore; and Australia) now have voluntary nutrition labels to provide additional information to our consumers. We will continue to assess all our products to develop strategies and strive to implement front-of-pack labelling on more product packaging.



Vitasoy Soy Milk products are one of the first products to carry this energy icon in Hong Kong, China and Mainland China. We will continue to roll out front-of-pack energy icon across our portfolio in these markets with packaging

Future Steps

Vitasoy will continue to develop our product portfolio based on the three pillars of our Health and Nutrition Strategy: More Plant-based Products; Offer Healthier Products; and Encourage Healthier Choices. We will formulate new KPIs and goals and remain transparent by tracking and disclosing our progress in our Sustainability Reports.





Product Packaging

Material Issues

- Sustainable packaging/ packaging waste
- Community engagement



Demand for sustainable packaging is growing rapidly as consumers, governments, and investors worldwide are increasingly attentive to how businesses are managing single-use packaging. Consumers are more and more likely to make purchasing decisions based on sustainability considerations⁷ and many businesses are now expected to develop robust and holistic environmental targets and long-term strategies on packaging. Between consumer expectations, long-term risk management, and tightening regulations, Vitasoy is determined drive sustainable packaging across our business.

We rely on our packaging to deliver our product offerings safely and efficiently to consumers. Any packaging materials we use must meet our high standards for

hygiene, safety, strength, and durability whilst also having the lowest impact on the environment as feasible as stated in our **Responsible Packaging Policy**. Unless properly processed, the materials used in our packaging could have adverse effects on the environment and since our product packaging is highly linked to our business, Vitasoy has committed to focusing on working towards using more environmentally-friendly alternative materials in our packaging and minimising the impact from the waste generated from post-consumer consumption.

We have deliberated on the best approach to manage the impacts of our product packaging. We have taken all aspects into consideration starting from the very beginning at the materials and design phase. Over the

past several years, we have made steady progress on using as many environmentally-friendly materials as possible. For example, we have reduced the impacts of our primary and secondary packaging across our product offerings. Where possible, we give priority to renewable materials for both primary and secondary packaging. Vitasoy has explored the feasibility of current technologies and considered the characteristics of various renewable materials in the context of our product quality and safety. In this reporting year, through our sustainability efforts, 58% of our sourced packaging materials are sourced renewably. Specifically, in our primary packaging all wood fibres used for our beverage cartons are 100% Forest Stewardship Council (FSC) certified meaning that they are sourced from sustainably managed forests.

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

Note:
 • All packaging KPI percentages are rounded-off to whole number
⁷ ProCarton, European Consumer Packaging Perceptions Study, 2018

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Product Packaging (continued)

In our plastic, glass, and carton paper packaging, we have also committed to using as many recycled materials as possible.

Vitasoy continues to collect, sanitise, and reuse our glass bottles. Through our efforts, we have achieved a 94% glass bottle recycling rate, meeting our 2025/26 goal of maintaining or surpassing 90%.

Pilot Initiatives

Using the Hong Kong market as a testing ground for innovation, we have begun various pilot initiatives to validate more progress in our sustainability journey. We believe this approach to innovation provides us with the best opportunity to build operational fluency before scaling up across our operations. We have monitored the progress and initial outcomes of these pilot initiatives intently and begun to explore the feasibility of expansion to our other operating locations.

Increasing Recycled Material Sources

From our commitment to minimising the impacts of our packaging, we have implemented the use of 100% rPET bottles for all distilled water products across our operations. Given the positive results of this initial project, with careful consideration to product quality and safety, we are currently in the process of expanding our use of rPET bottles to other product offerings, which will commence towards the end of 2021.

Reducing the Use of Single-use Plastic

Besides our efforts to manage and recycle our food and beverage containers, we have also implemented plans to reduce the use of single-use plastics, such as straws on our product packaging. Through extensive research, and with consideration on ease of use and functionality for our consumers, we have replaced plastic straws with paper straws on a range of products in Europe, Singapore, North America and Hong Kong markets.

Partnering with Recycler

We understand recycling is one of the key components in the circular economic chain, we aim to work with local communities and recyclers to improve standards for waste collection and support in recycling infrastructure. In Hong Kong, we partnered with Mil Mill, the only beverage carton recycling and education facility in Hong Kong, through a pilot market initiative to help scale up their operations and enhance the overall recycling capabilities of the city. We hope that through Vitasoy's continued support, more facilities similar to Mil Mill can be established in Hong Kong, diverting beverage cartons from our landfills and greatly alleviating the impact of beverage cartons on the environment.



Product Packaging (continued)

Engaging our Consumers

Collaboration and collective actions are vital to achieve the best results in reducing environmental impacts of packaging. Hence, apart from our own commitments, we will need the help and buy-in of our consumers. As such we have concentrated our efforts on strengthening waste reduction and recycling initiatives in our community. Vitasoy launched the Beverage Carton Clean Recycling Education Programme (“the carton recycling programme”) in October 2019 and have expanded it further since. Throughout 2020, the carton recycling programme has expanded the returning network covering supermarkets, shopping malls, residential complexes, commercial buildings and schools to make it more convenient for consumers to return beverage cartons.

As the first of its kind in Hong Kong, this programme brings together multiple key stakeholders in a collaborative effort to educate local students and communities whilst supporting the development of a local beverage carton recycling value chain. We organised a series of educational events such as eco-talks, facility visits, arts and crafts classes, and inter-school competitions in primary and secondary schools to enhance students’ recycling awareness. To reach a wider audience, the Vitasoy Carton Recycling Mobile Education Centre toured around Hong Kong to showcase how beverage cartons were made and recycled. This mobile centre also serves as a community collection point for clean beverage cartons.

Future Steps

We have reviewed our packaging framework and will evolve our packaging strategy in line with the facets of a circular economy. We have committed to “Rethink, Redesign, and Reinvent” our packaging for a circular economy and endeavoured to do so by way of these three key pillars. These pillars will help us to reduce unnecessary plastics, create circular solutions, and reduce our climate footprint through a series of new action roadmaps in addressing the key issues surrounding packaging.



The education centre at Mil Mill was set up to showcase a more in-depth look of the carton recycling process

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Climate Change

Material Issues

- Climate change / emissions

Climate change remains at the top of the global agenda, from national pledges to meet targets stipulated in the Paris Agreement to increased investor interest in climate-related commitments and disclosures as

recommended in the Task Force on Climate-related Financial Disclosures (TCFD). As a leading plant-based food and beverages producer in Asia Pacific, we recognise our role in demonstrating environmental stewardship to address global climate challenges. At Vitasoy, we have made continuous efforts to assess climate impacts on our strategic planning and operational resilience, while proactively managing the associated risks and considering ways to capture opportunities. A **Group Climate Change Policy** has been developed,

outlining our approach to climate mitigation, adaptation and resilience across our operations and along the value chain. Our first climate-related disclosure in line with the TCFD's four core categories of governance, strategy, risk management, and metrics and targets were published last year. Since then, we have enhanced both our efforts in climate change risk assessment and further refined our disclosure to deepen our alignment with the TCFD recommendations.

	Results				Goals		
	2013/14 Base Year	2017/18	2018/19	2019/20	2020/21	2020/21	2025/26
Reduce fuel used to manufacture each unit of product							
Consumption (GWh)	168.25	230.64	264.70	256.26	271.67		
Intensity (kWh per kg product)	0.284	0.236	0.239	0.240	0.230	0.227	0.213
Reduction (%)		-16.9%	-15.8%	-15.4%	-18.9%	-20%	-25%
Reduce electricity used to manufacture each unit of product							
Consumption (GWh)	66.47	92.36	106.80	106.46	116.04		
Intensity (kWh per kg product)	0.112	0.094	0.096	0.100	0.098	0.090	0.084
Reduction (%)		-15.8%	-14.0%	-11.1%	-12.3%	-20%	-25%
Reduce water used to manufacture each unit of product							
Consumption (kt)	3,009.91	4,088.94	4,814.98	4,563.23	4,669.99		
Intensity (kg per kg product)	5.076	4.181	4.370	4.27	3.96	4.061	3.807
Reduction (%)		-17.7%	-13.9%	-15.8%	-22.1%	-20%	-25%
Okara recycling rate							
Recycling rate (%)	—	97.8%	95.5%	99.4%	100%	≥99%	≥99%

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

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Climate Change (continued)

The decrease in production through 2020/21 under the pandemic has affected our resource use efficiencies, but there was a slight bounce back towards the end of the financial year. Despite these challenges, our manufacturing consumption KPIs have all improved, meeting our water KPI 2020/21 target, though we fell short of our electricity and fuel KPI 2020/21 targets which are mainly due to the intrinsic basic energy consumption required for ongoing operation and maintenance of essential facilities and equipment irrespective of reduced volume growth. In addition, the completion of construction works at our new factory this past year marked the start of our production equipment testing phase, which operated at lower production levels, consuming energy at sub-optimal efficiencies. In the coming years, we expect production levels to return to expected levels and with the new factory operating optimally. We believe we will be on the right path towards achieving our 2025/26 target.

While we are encouraged by the results of our efforts so far, we endeavour to build upon successes to further drive sustainability and manufacturing efficiencies. This year, we materialised our commitments through innovative design features at our new Vitasoy Dongguan (VDL) manufacturing plant and obtained the Leadership in Energy and Environmental Design (LEED) Gold rating, an internationally recognised green building certification which demonstrates our achievements in the sustainable design of our plant across several metrics including energy savings, water efficiency, and emissions reduction. The new plant was designed with technologies which enables it to run at optimal efficiency. The VDL plant has undergone trial stages and has not yet reached full operational capacity. However its KPI performance has surpassed some of our existing production plants. We are confident that once we have reached full operating capacity, we will see even more optimised performance results.



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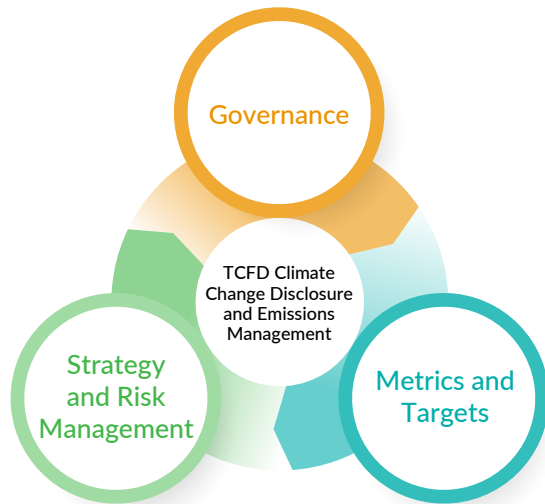
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Climate Change (continued)

TCFD Climate Change Disclosure and Emissions Management

We have made progress in address climate change in the past year. In particular, we have commenced our climate risk scenario analysis.



Future Steps

With the completion of our first GHG Scope 3 emission inventory, we will review the data and identify opportunities to enhance our progress in climate mitigation. Together with the results of our climate change risk assessment, we will formulate a long term GHG emissions reduction strategy.

Governance

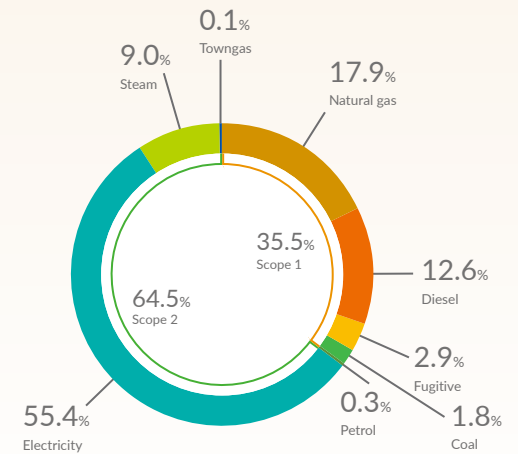
As detailed in the [Sustainability at Vitasoy section](#), the Board-level ESG Committee which reports to the Board has oversight on material ESG issues, including associated ESG risks and opportunities. To strengthen our understanding of the potential risks affecting our company, we are in the process of conducting a climate risk assessment, employing forward-looking scenario analysis to align our disclosure on climate change with reference to TCFD recommendations.

Metrics and Targets

Our Group-wide greenhouse gas (GHG) inventory was prepared in line with the Greenhouse Gas Protocol, accounting for our operations which directly and indirectly contribute to carbon emissions. The majority of our direct emissions (Scope 1) arise from the fuel burned in our boilers during the production process, while energy-related indirect emissions (Scope 2) are primarily due to electricity consumption throughout our operations. We are also working on assessing other indirect emissions (Scope 3) which we consider to be relevant and material to our operations and activities. In 2020/21, our total GHG emissions were 147,512 tonnes with an intensity of 0.125 kgCO₂e/kg of production.

We are committed to continuously improving our environmental performance and have already set energy reduction targets to help cut down our GHG emissions.

Group-wide carbon emission breakdown centred by sources





Climate Change (continued)

Strategy and Risk Management

Our climate change mitigation strategy is closely aligned with our business focus areas and the Vitasoy Sustainability Framework. We work to minimise our carbon footprint and manage the potential climate risks which may affect our business. Conducting a climate risk scenario analysis allows us to better understand the risks and opportunities brought forth by climate change.

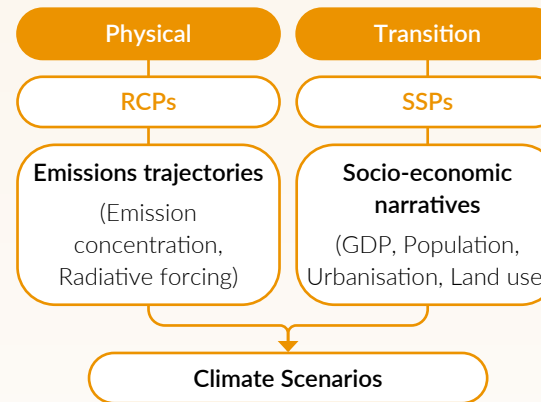
We evaluated the associated risks and opportunities by exploring possible exposures to climate impacts on our industry and geographic locations where we operate. We also conducted stakeholder engagements with our internal stakeholders across all markets for inputs based on their perspectives to form a more holistic view on the subject.

Below are some examples of risks and opportunities that we covered:

- Business and supply chain disruption due to extreme weather
- Impact on manufacturing due to water stress
- Impact on agricultural raw materials yield due to shift in climate pattern
- Impact on workforce due to shift in climate pattern
- Cost impacts due to regulatory and technological risks
- Market opportunities due to consumer preference
- Market opportunities due to population growth/ demographic change

Scenario Construction

Taking both physical and transition variables from Representative Concentration Pathways (RCP 2.6, 4.5 and 8.5) and Shared Socioeconomic Pathways (SSP1, SSP2 and SSP5) into account, we evaluated the exposure of our assets and operations over selected timeframes, namely, 2030 and 2050.

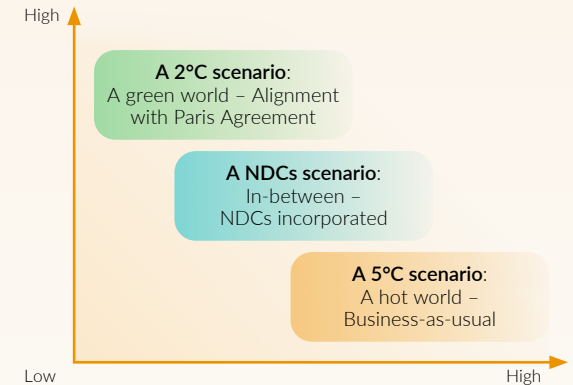


We considered three different scenarios in our assessment to represent two drastic and one moderate version of possible futures:

- (1) a green future world aligning with Paris Agreement
- (2) a hot future world without mitigation and severe global warming
- (3) a future world with efforts in line with existing Nationally Determined Contributions (NDCs)⁸ to mitigate and limit global warming to a certain extent.

Transition Risk & Opp.

Businesses impacted by carbon policies, market, and technology disruption



Physical Risk & Opp.

Businesses impacted by severe chronic and acute changes in climate and weather events

Vitasoy recognises that the impact magnitude and degree of materiality may not be necessarily uniform among the risks and opportunities across different regions where we operate. To provide contextual background to properly evaluate the potential impacts, we conducted the assessment at the local market level or facility level and leveraged local knowledge such as observations on physical risks at local scale.

The results from the climate risk assessment will enable us to gain a better understanding of our most significant climate-related risks and opportunities. Utilisation and implementation of this knowledge will enhance our climate change resilience across our operations and supply chain. Identified risks will be integrated into our business practices through our ERM framework, and any opportunities will be brought forward for deliberation when formulating business strategies.

⁸ NDCs are pledges made by countries regarding their national targets and contributions towards meeting the goals of the Paris Agreement.



Manufacturing

Energy Management

Proper energy management is vital for the long-term stability and resilience of our business; our production relies heavily on steady energy input to maintain smooth operations. The [Group Climate Change Policy](#) details our approach to climate change mitigation which includes increasing the use of renewable energy and adopting industry best practices to reduce emissions.

At our Vitasoy Foshan (VFL) plant, the rooftop solar panel system is expected to generate around 3,000 MWh every year, covering about 11.7% of 2020/21 total electricity consumption of the plant. At our Wuhan and Hong Kong operations, we embarked on a chiller replacement programme to further increase our energy efficiency. The new chillers at these production plants were chosen after taking specific operational requirements into account, with each utilising cutting edge technologies to achieve great efficiency. Both chiller designs boast much higher energy efficiency ratios than conventional chillers, which could save an estimated 4,000 kWh and 660 kWh per day, respectively.



Rooftop solar panels at our Foshan manufacturing

Manufacturing (continued)

Material Issues

- Water stewardship / efficiency
- Waste from manufacturing and operations

Water Management

Efforts have been made to strengthen our water stewardship to mitigate against potential droughts and the risks associated with water scarcity. We use results from a water risk analysis to guide our strategic decision making based on current and 2030 scenarios across our production lines and supply chain. The risk types which were identified for the risk assessment included overall water risk, baseline water stress, drought, flooding and reputational risks.

To ensure our products are made with clean fresh water which meets our high quality and safety standards, our water inputs go through a stringent purification treatment and distillation process to eliminate impurities. All the water we use in our manufacturing processes within the scope of this report comes from municipal water sources except for our production plant in the Philippines.

Waste Management

The focus of our waste management practices revolves around "okara"⁹, the main waste output resulting from our soy production process. As of 2020/21, we have reached a 100% okara recycling rate. Though we are pleased with this achievement, Vitasoy maintains a spirit of innovation and has implemented new methods to better manage the okara. This year, we installed a new okara drying equipment in our Wuhan factory as a pilot project to dehydrate the okara after collection. The process reduces the volume of the okara and prolongs its storage life. Dry okara also opened up more opportunities to promote circular waste systems, as it is much easier to process than wet okara.



TOTAL WASTE
34,100
TONNES



WASTE RECOVERED
75.1%

Making Products the Right Way



In comparison, production of solid wastes such as plastic, scrap metal and paper comprise a relatively small percentage of our overall waste inventory and Vitasoy does not generate a significant volume of hazardous waste apart from small amounts of lubricating oil and laboratory waste which are collected by specialised waste contractors and disposed of at regulated hazardous waste disposal facilities. Last year, we implemented a new waste management database system to record our solid waste generation more accurately to enable better monitoring and analysis. Vitasoy focuses on reducing the absolute amount of waste generated and facilitating waste separation in our factories to promote recycling. We have diverted 75.1% of the wastes generated from our production facilities away from landfills. Notably, over 90% of paper, glass, metals, and plant-based residue (such as food waste and tea leaves besides okara) were diverted from disposal.

⁹ A solid residue which is the by-product of soy milk production.



Supply Chain / Supplier

Material Issues

- Responsible sourcing

Our suppliers play a significant role in enabling Vitasoy's progress towards its sustainability and business objectives. The quality and dependability of the raw materials which come through our supply chain strongly influence the products we produce and have a substantial impact on our business performance. In addition, through the stakeholder engagement and materiality assessment process, we have identified "responsible sourcing of raw materials" as one of our top material issues. However, apart from the influence our supply chain has on our business, Vitasoy also recognises the potential impacts the production of raw materials can have on the environment and communities supporting the industry. Potential issues such as deforestation, water stress, and ethical farming are taken seriously across our supply chain. For these reasons, we have committed to enhancing our supply chain sustainability management to reduce our risks and impacts.

To best allocate our focus and resources in a practical manner, we will prioritise our wide range of suppliers into three categories and assign corresponding management practices for each. For instance, close partnership will be formed with Category 1 suppliers and adhere to the most detailed requirements, whilst Category 2 suppliers shall be subject to regular assessment. Category 3 suppliers are the least critical and shall be subject to

Category 1 Supplier

- Critical suppliers that can have a significant impact on product quality. Issues from these vendors could significantly affect our manufacturing process. Examples are our key raw material suppliers.
- Suppliers with long standing relationships exceeding five years or with significant total spending.
- Suppliers that produce products for Vitasoy which have the company logo or which may be directly linked to Vitasoy.



Category 2 Supplier

- Less critical suppliers with minimal impact on the manufacturing of Vitasoy's products, including volume or quality.
- Suppliers whose products may be sourced from alternative sources without major disruption to operations.

Category 3 Supplier

- Minor and peripheral suppliers that do not affect product quality and bear the least impact on Vitasoy.

Through our focus on enhancing our responsible supply chain, we have made significant progress on our **Supplier Responsibility Principles (SRP)**. As of now, 100% of direct material suppliers for Mainland China and Hong Kong operations have endorsed our SRP. Building on the momentum of this success, we have enhanced our efforts in other markets to engage their respective direct material suppliers.



Supply Chain / Supplier (continued)

Supplier Self-assessment Questionnaire (SAQ)

We have developed our SAQ programme in the past year and approximately 80% of our direct material suppliers by purchasing amount in Hong Kong and Mainland China have responded, which greatly aided in our understanding and analysis of ESG performance throughout our supply chain. The assessment covers environmental and social performance criteria which will subsequently be used to determine the necessary follow-up actions to enhance our suppliers ESG performance.

Risk Assessment Mitigation Plan

In March 2020, Vitasoy also completed a Supply Chain Sustainability Risk Assessment to establish a 2-year risk mitigation plan. Through this assessment, alongside our existing supply chain management tools, we are able to identify potential resilience improvement areas and apply the proper risk management tool such as our SAQ, on-site audits, and alternative sourcing solutions, among others.

Sustainable Farming Guidelines (SFG)

In support of these efforts, we have launched a pilot project through our Sustainable Farming Guidelines to help instil sustainable practices at our raw materials suppliers. The guidelines, which were developed based on our experience with sustainable and organic farming practices at our Australian contract farms, covered relevant practices on environmental and social aspects covering a full crop cycle spanning across the sowing, growing, and harvest stages. The following table provides further details on the SFG implementation work.

SFG Implementation



Conducted awareness training and workshops on specific topics to address identified gaps against the SFG.



Provided consultation and guidance to support implementation.



Conducted tests on soil and irrigation water to optimise formulated fertiliser application, crop evaluation, and to ensure all food safety parameters comply with legal regulations and Vitasoy's own requirements.



Encourage documentation and record-keeping to facilitate traceability.

Future Steps

We will continue to implement our Sustainable Farming Guidelines and expand to other contract farms. We will also apply the lessons learned from the pilot programme to optimise our approach.

Workplace

Material Issues

- Fair labour practices
- Talent attraction, retention, and development
- Workplace diversity, inclusion and equal opportunity



One Vitasoy

For a business to thrive and prosper in today's fast-changing environment, it is important for employees to collaborate and act in unity to deliver on our purpose. At Vitasoy, we act in unity under One Purpose and collaborate as One Team.

The "One Purpose, One Team" theme aims to bring our people together and synergise our resources to build Vitasoy as a leader in bringing sustainable, plant-based food and beverages into the mainstream. To achieve our objectives, collaboration within and across teams and markets is essential. We believe that if we all collaborate and act in unity, together we can achieve our highest potential.

2020/21 Workplace



7,979
Employees



86,142
Total hours of training



41% : 59%
Female/male ratio



0.66
Lost time injury rate

Chairman's Message

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Common area at Vitasoy headquarters in Tuen Mun

Employee Engagement and Recognition

Vitasoy is working hard to build an open and communicative working environment, directly engaging employees at all levels across our operations. Our regularly scheduled engagements help us to stay connected to their needs and encourages more two-way communication. In 2020, we conducted multi-session strategy meetings with all our markets to facilitate company-wide communication to ensure our operations work as One Vitasoy. We also introduced new communication platforms tailored to each market to help collect their feedback and to facilitate conversations within the company and among employees. In Hong Kong, our new “One Channel” was developed to provide a one-stop integrated communication experience to simplify human resources enquiries, employee support, and staff suggestions. In Mainland China, we set up “WeCom”, an online platform which supports company-level direct communication, live broadcast, on-line meetings, and e-learning modules.

To acknowledge our employees’ achievements, we created the Vitasoy Global Excellence Award, an annual award to recognise and reward individuals and teams who have demonstrated exceptional commitment to Vitasoy’s Purpose, values and competencies resulting in tangible positive impacts to the company. This year we expanded the individual category to ensure employees of all levels could be nominated for the

award regardless of their job types or levels.

We have also continued our Vitasoy Success Drivers (VSD) initiative, which is applicable to all teams and operations across our business. The VSDs encourage staff members to practice model behaviour, collaboration, accountability, and innovation in their day-to-day work. These VSDs are vital tools for Vitasoy

Core Competency Model – Vitasoy Success Drivers



We take great care to treat our employees fairly and equally in all aspects of the workplace from recruitment and training to promotion and compensation. Vitasoy cultivates an inclusive equal opportunity working environment and does not tolerate discrimination and

harassment of any kind. We require all employees to adhere to strict policies and regulations to contribute to a diverse and inclusive workplace. In 2020, we developed two new policies, the **Group Anti-Discrimination and Anti-Harassment Policy** and the **Group Diversity and Inclusion Policy**. These new policies helped to build employees’ awareness of how their actions contribute to an inclusive work environment and to deepen their understanding of how these policies apply to their everyday behaviour. Vitasoy is also currently developing a new online training course, which will be available to all employees, to be launched in coming year.

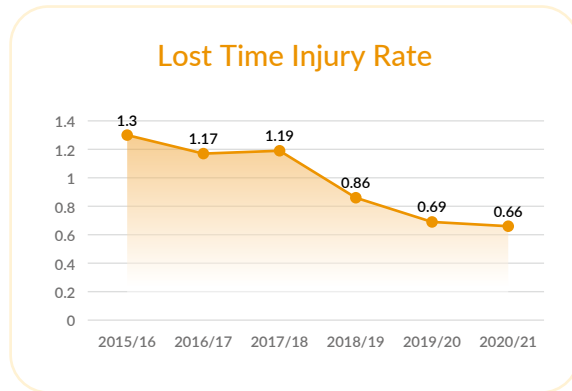
Grade	Female	Male
Overall	41%	59%
Management	44%	56%
Office supervisor	41%	59%
General staff	66%	34%
Operational staff (Manufacturing & frontline sales)	27%	73%

Workplace (continued)

Fair and Safe Working Environment

Material Issues

- Occupational health and safety



In response to the unprecedented global disruptions this year due to COVID-19, we have taken all available measures into consideration to ensure the health and safety of our employees. At the early stage of the outbreak, we quickly reinforced our sanitation guidelines in line with recommendations from local health authorities to protect the physical health of our employees across our operations. We have also updated our company Health and Safety Policy and distributed Health Advisory and Precautionary Measures to our employees in an effort to minimise health risks. Large gatherings have been restricted and at our offices, we started to operate in split teams or to work from home entirely where possible to reduce direct contact as much as possible. In cases where an employee has had direct or close contact with a confirmed case of COVID-19, we have isolation and sanitisation measures in place to protect our staff.

To support our colleagues' mental health during these difficult times, we have made use of external emotional wellness resources to organise online webinars about maintaining physical and mental wellness. We also provided employees in Hong Kong office with a personal care pack, which included face masks, cleaning detergent, and supermarket cash coupons during the initial outbreak when supplies of household items were low across the city. To boost workplace health and fitness through employee engagement, Hong Kong office launched a "Step Challenge Competition" which got overwhelming enrolments from individuals and teams. As we continue to operate under such conditions, we will constantly monitor the evolving situation and adjust our responses as needed.

Vitasoy remains resolute in our commitment to the health and safety of our employees. We have taken precautionary measures to minimise potential occupational hazards on our premises throughout our operations. Occupational Health and Safety (OHS) Committees, which comprise of management and technical staff across Vitasoy's operations, have been established in all our markets and hold regular meetings to review, enhance, and monitor safety procedures to ensure consistent improvement of our safety performance. Vitasoy also mandates daily safety briefings and conducts thorough regularly scheduled internal and external safety audits according to Good Manufacturing Practice and ISO Standards to maintain high safety standards. Safety awareness resources such as emergency preparedness procedures, hazard

identification and risk assessments, and other relevant operating guidelines are shared on intranet for employees' easy access. Moreover, Standard OHS training is provided to all new staff, whilst regular training is conducted for existing staff to renew and reinforce their safety knowledge and awareness, based on their specific job needs. Additional safety training has also been conducted via Vitasoy e-Learning Platform to further improve safety understanding and awareness with an increased focus on near miss reporting and analysis to reduce the potential risk of injuries.

As a result of our dedication to safety awareness and improvements, the total number of lost time injury incidents has steadily declined over the last five years. Vitasoy has had zero work-related fatality for many years. This year, we were saddened by an unfortunate fatality in Mainland China that occurred when one of our Sales Representative rode in a client's faulty elevator during an onsite sales visit. We immediately set up a response team consisting of colleagues from HR, Legal and Sales to investigate and handle the case whilst keeping in close communication with the colleague's family. Support for the family was quickly established and guidance was arranged to counsel the family through the work injury compensation processes.

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Fair and Safe Working Environment (continued)

Highlights of Regional Safety Initiatives

 <p>Mainland China</p>	<p>Safety training</p>	<ul style="list-style-type: none"> ● Monthly review of safety accidents ● Monthly training for all staff on safety topics ● “V Academy” online safety classes
	<p>Management systems</p>	<ul style="list-style-type: none"> ● All production plants conduct Environmental Health and Safety management in accordance with OHSAS18001 and ISO45001 management system standards
	<p>Hazardous chemicals</p>	<ul style="list-style-type: none"> ● Monitor the chemicals in use in production plants to reduce safety hazards in storage and usage ● Standardise risk assessment and control processes of newly imported chemicals to eliminate and reduce the risk of dangerous chemicals
 <p>Hong Kong, China</p>	<p>Risk assessment</p>	<ul style="list-style-type: none"> ● Comprehensive review on the Machine Guarding and Interlock System on the production lines ● Developed a regular inspection process on the Machine Guarding and Interlock System
 <p>Singapore</p>	<p>Safety policy</p>	<ul style="list-style-type: none"> ● Developed a regional safety policy and disseminated to employees for alignment
	<p>Safety audit</p>	<ul style="list-style-type: none"> ● Develop safety checklist and monthly audit routines to check safety functionality of equipment and facilities
 <p>The Philippines</p>	<p>HIRAC documentation</p>	<ul style="list-style-type: none"> ● Trained personnel to conduct Hazards Identification and Risk Assessment and Control (HIRAC)
	<p>Safety Work Permit</p>	<ul style="list-style-type: none"> ● Introduced Safety Work Permits for non-routine activities
 <p>Australia</p>	<p>Emergency response</p>	<ul style="list-style-type: none"> ● Reviewed site emergency response plans and conducted site drills with all shift teams
	<p>Traffic management</p>	<ul style="list-style-type: none"> ● Conducted risk assessments in high-risk areas and implemented additional control measures to reduce risk of collision on our premises

Future Steps

We are committed to continual improvements and growth as we operate our business. Apart from assessing the impacts of our operations on the climate and the environment, we are also developing plans to better engage our value chain and employees to ensure our business from top to bottom is as sustainable and resilient as possible.

Policy Formulation and Implementation

In line with our commitments towards continual growth and robust governance practices, Vitasoy continues to develop policies and guidelines to supplement and formalise our existing practices in line with our most acute ESG issues. This year, we have taken steps to introduce policies to reinforce our environmental stewardship and labour practices as outlined in this section. For details, please visit our [Sustainability website](#).

Environment

Group Waste Management Policy

Moving towards a circular economy is key to effective waste management and can be greatly beneficial to our cost saving effects and operational efficiency improvement. The principles and commitments within this new Waste Management Policy address the waste generated from and packaging in all operations within Vitasoy's direct management control through the implementation of responsible and sustainable practices. The policy also considers the development of our business, capacity and resources, the availability of technical solutions and relevant local public policies.

Group Water Stewardship Policy

Our business is predominately focused on plant-based food and beverage manufacturing and as such, fresh water is a critical input throughout our value chain. From the cultivation of our raw materials to the manufacturing processes of our final products, a secure supply of fresh water is vital for the continuity of our business. Our Water Stewardship Policy outlines Vitasoy's commitment to proper water management and our aim to develop annual water use reduction targets. The policy covers all operations within our

direct management control.

Group Zero Deforestation Policy

Forest is one of the key sources of our raw materials. As it also serves as important carbon stocks, deforestation will cause detrimental impact on global warming. Furthermore, forest preserve biodiversity, provide a habitat for plant and animal species, contribute to local climate pattern and maintain livelihoods for people in rural communities. We are committed to deforestation-free operations and supply chain, developing and implementing measures in line with global agricultural and forestry best practices.

Labour Practices

Group Anti-Discrimination and Anti-Harassment Policy

Vitasoy strives to maintain a safe and inclusive workplace where all employees are treated with respect, are free from discrimination and harassment, and have equal opportunities for development. The Group Anti-Discrimination and Anti-Harassment Policy contains related expectations and principles to be upheld by all employees across our operations, including subsidiaries and joint ventures over which the Group has management control.

Definitions and strict prohibition of discrimination, harassment, sexual harassment, and vilification are included within this Policy. It also defines the responsibilities of Vitasoy, the managers, supervisors, and all employees to abide by these principles.

Grievance procedures and whistleblowing channels are detailed in the Staff Handbook and the [Group's Whistleblowing Policy](#). We do not tolerate any form of victimisation or retaliation resulting from complaints made in good faith.

Group Diversity and Inclusion Policy

We value inclusivity and understand the importance of diversity in the workplace. To enhance employee awareness and foster a culture of diversity and inclusion, we have developed a new Group Diversity and Inclusion Policy to supplement our existing human resources policies and guidelines, including our Group Fair Labour Practices Policy and Group Anti-discrimination and Anti-harassment Policy. This new policy is another step along our holistic sustainability journey and is a vital part of our overall governance strategy. The Group Diversity and Inclusion Policy applies to all employees of the Group including subsidiaries and joint ventures over which the Group has management control.

The principles and requirements stipulated within the Policy express Vitasoy's commitment to creating a culture of inclusiveness and mutual respect between employees of different characteristics, such as nationality, race, gender, age, religions, political beliefs, sexual orientation, disability, marital status, or family responsibilities. The Policy also lays out practices to review and benchmark our workforce profile, actively engage employees, cultivate inclusive employment opportunities, enhance talent attraction, retention and development, and to promote gender diversity especially in leadership roles.

Appendix

“Nutritious Beverage Criteria” for plant-milk beverages

Applicable to plant milk beverages: Milk-like beverages derived from plant ingredients such as grains, legumes, soybeans, nuts and seeds.

Criteria:

- Is a “source of” one or more of the “nutrients to encourage”, namely protein, fibre or vitamins and minerals; AND
- Is “low in” one or more of the “nutrients to limit”: sugar, fat or saturated fat and trans fat

Criteria	Australia	Mainland China and Hong Kong, China	Other markets
1) Is a “source of” one or more of the “nutrients to encourage”			
Protein	At least 10g per 250ml serving	At least 3g per 100kcal	At least 2.5g per 100kcal or 5g per 250ml serving
Fibre	At least 4g per 250ml serving	At least 1.5g per 100ml	At least 1.5g per 100kcal
Essential Vitamins / Minerals e.g. Calcium, vitamin D, vitamin A (excluding sodium)	At least 25% Recommended Dietary Intake (RDI) of a vitamin or mineral per 250ml serving	At least 5% of the Chinese Nutrient Reference Value (NRV) of a vitamin or mineral per 100kcal	At least 5% of Nutrient Reference Value (NRV) of a vitamin or mineral per 100kcal
2) Is “low in” one or more of the “nutrients to limit”			
Sugar	Contains not more than 2.5g sugars per 100ml	Contains not more than 5g sugars per 100ml	Contains not more than 5g sugars per 100ml
Fat	Contains not more than 1.5g total fat per 100ml		
Saturated Fat and Trans Fat	No detectable trans-fatty acids or not more than 0.3g trans fat per 100ml of food; Contains not more than 0.75g of saturated fat and trans-fatty acids combined per 100 ml of food; and The sum of saturated fat and trans-fatty acids contributes not more than 10% of energy		

References:

- I) FSANZ – Australia New Zealand Food Standards Code – Standard 1.2.7 – Nutrition, Health and Related Claims
- II) National Health and Family Planning Commission of the People's Republic of China – National Food Safety Standard
- III) Hong Kong Centre for Food Safety – Technical Guidance Notes on Nutrition Labelling and Nutrition Claims
- IV) Codex Alimentarius – Guidelines for Use of Nutrition and Health Claims (CAC/GL 23-1997)



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