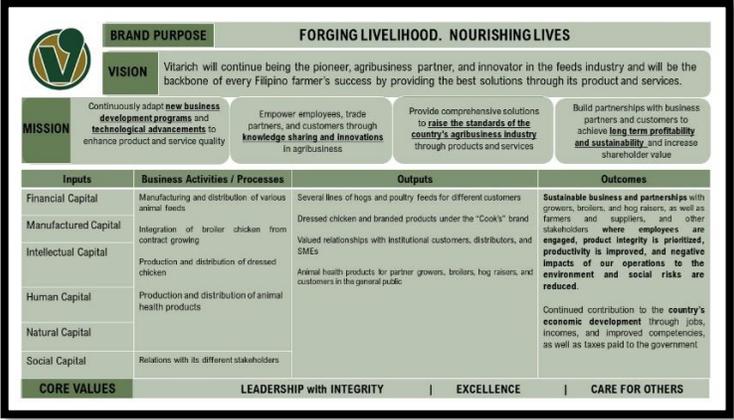


# 2021 SUSTAINABILITY REPORT

## VITARICH CORPORATION

### Contextual Information

Company Details	
Name of Organization	Vitarich Corporation (PSE: VITA)
Location of Headquarters	Marilao-San Jose Road, Sta. Rosa I, Marilao, Bulacan
Location of Operations	<p>Principal Office: Marilao-San Jose Road, Sta. Rosa I, Bulacan</p> <p>Other offices:</p> <p>Zone 4, San Isidro, Magarao, Camarines Sur            Brgy. Mali-ao, Pavia, Iloilo            Luzuriaga Ext., Reclamation Area, Brgy. 13, Bacolod City            Jabbe Properties and Warehouse No. 10, Maciano Quizon St.,            Brgy. Alang Alang, Mandaue City, Cebu            Km. 14, Panacan, Davao City            Unit A, Warehouse 3, Neo Central Arcade, Cugman, Cagayan De Oro City            Block 14, Lot 1, Door 1, DARBCI Homes Subdivision, General Santos City</p> <p>Feed Mill Plants owned and operated by VITA:</p> <p>Brgy. Mali-ao, Pavia, Iloilo            Km. 14, Panacan, Davao City</p> <p>VITA has also operations with its Toll Mill Partner in 105 Barrio Bagbaguin, Sta. Maria, Bulacan</p>
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Having no subsidiaries during the reporting period, the report covers only VITA and the feed mill plants it operates, except as otherwise stated in the report. Except as otherwise stated and/or reported, this report excludes the operations in VITA's dressing plants in Marilao, Bulacan and Tugbok, Davao City as they are being operated by third parties/business partners.
Business Model, including Primary Activities, Brands, Products, and Services	Please see Annex "A"

	
Reporting Period	January 1, 2021 to December 31, 2021
Highest Ranking Person responsible for this report	Atty. Mary Christine C. Dabu-Pepito (Assistant Corporate Secretary/Compliance Officer/Corporate Information Officer)

*\*If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

### Materiality Process

<p><b>Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.<sup>1</sup></b></p>
<p>The data and information needed were collated from the different departments of VITA. Based on these existing data, the material topics for the report were analyzed using the Materiality Matrix. Per assessment, the following are the topics material to Vitarich:</p> <ul style="list-style-type: none"> <li>(a) All topics under Economic Sustainability in the SEC-provided template.</li> <li>(b) Resource Management except Reduction of Energy Consumption and Ecosystems and Biodiversity (the Corporation does not operate within or adjacent to protected areas and areas of high biodiversity value outside protected areas)</li> <li>(c) Environmental Impact Management</li> <li>(d) Environmental Compliance</li> <li>(e) Employee Management</li> <li>(f) Workplace Conditions, Labor Standards and Human Rights, except Supply Chain Management</li> <li>(g) Relationship with Community, except those pertaining to IPs</li> <li>(h) Customer Management, except Customer Privacy</li> </ul> <p>However, while the same were assessed to be material, some disclosure topics have limited available data because VITA is still in the early stage in integrating sustainability in its business model.</p> <p>The topics that are not material were left in blank/unanswered.</p>

<sup>1</sup> See [GRI 102-46](#) (2016) for more guidance.

# ECONOMIC

## Economic Performance

### Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	9,704,281,449.00	PhP
Direct economic value distributed:		
a. Operating costs	8,847,927,288.00 (direct costs)	PhP
b. Employee wages and benefits	247,960,596.00	PhP
c. Payments to suppliers, other operating costs	700,926,732.00 (other opex)	PhP
d. Dividends given to stockholders and interest payments to loan providers	Dividends – none Interests – 23,051,290.00	PhP
e. Taxes given to government	123,431,294.00 (includes national and local taxes and licenses and permits)	PhP
f. Investments to community (e.g. donations, CSR)	1,391,075.00	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>VITA generated a total revenue of Php9,704,281,449.00 as a result of its business operations, strategies and other operating and passive income. With this amount, it was able to fund its operating costs and pay the salaries of its employees. It was also able to contribute to the government in the form of taxes and license fees. In addition, it was able to pay interests to its loan providers and still had something to share with the community in the form of donations and Corporate Social Responsibility (CSR) activities. Its generated revenue has an impact on the country's revenue through the taxes it paid for 2021. It also has an impact on the labor</p>	<p>Government, employees, creditors, suppliers, community.</p>	<p>VITA has a Lifetime Profitable Partnership program designed to create long term growth not only of VITA but also of its partners.</p> <p>The monthly results of operations as well as the projections for the succeeding months are reported to the Board of Directors every month. Changes in the business strategies are constantly made if necessary in order to adapt to the COVID-19 situation and regulations in place in the country.</p> <p>VITA maintained the additional sales channels it made in 2020 and continuously looked for additional sales channels in 2021. It also renegotiated its contracts with some of its suppliers and customers</p>

sector through job creation and retention as well as in food production and distribution.		for mutually beneficial amended contracts. It complied with the terms of its contracts or re-negotiated contracts.
<b>What are the Risk/s Identified?</b>		VITA also maintained its COVID-19 Crisis Management Team to ensure the health and safety of its employees and business continuity in order to avoid disruptions in the operations.
The COVID-19 pandemic and the several lockdowns in 2021 continued to pose financial risks as it affected not only the operations but also the customers' demands for VITA's products.		To avoid disruptions in operations due to temporary closure of its offices and plants because of COVID-19 infections, VITA followed all public health standards imposed and recommended by the government, provided transportation to its employees, allowed telecommuting even if it is allowed to operate on-site at 100% capacity.
The African Swine Flu also continued to pose risks not only to VITA's operations but also to its customers' operations.		VITA likewise paid its creditors in accordance with the terms of the loan in order to avoid penalties and law suits.
<b>What are the Opportunity/ies Identified?</b>		VITA commits to continue improving its operations and business strategies.
The availability of multiple sales channels for VITA's products helped the innovations made in its business strategies.		

### Climate-related risks and opportunities<sup>2</sup>

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities	Disclose the actual and potential impacts <sup>3</sup> of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	Disclose how the organization identifies, assesses, and manages climate-related risks	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material
<b>Recommended Disclosures</b>			

<sup>2</sup> Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

<sup>3</sup> For this disclosure, impact refers to the impact of climate-related issues on the company.

<p>a) Describe the board’s oversight of climate-related risks and opportunities</p>	<p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term</p>	<p>a) Describe the organization’s processes for identifying and assessing climate-related risks</p>	<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</p>
<p>The President and/or department heads report to the Board of Directors how floods or extreme weather conditions affect or impact VITA’s business as well as the measures undertaken to minimize the impacts.</p>	<p>VITA is exposed to the following risks due to climate change:</p> <ul style="list-style-type: none"> <li>i. Physical Risk. Being an agribusiness, it is exposed to physical risks of drought and extreme rains/extreme weather condition and flooding.</li> <li>ii. Operational Risk. Climate change poses the risk of disrupting VITA’s operations.</li> <li>iii. Credit and Liquidity Risks. Climate change could affect VITA’s financial performance and access to capital.</li> </ul> <p>For tropical countries like the Philippines, the global warming effect of climate change gives VITA the opportunity to use solar energy technology. Since global warming tends to produce less clouds in the atmosphere, the intensity and duration of sunlight exposure increases. Thus, the opportunity of converting this into</p>	<p>VITA identifies and assesses climate-related risks through any or all of the following methods: (a) continuous analysis of its business processes and finding the factors that could affect its processes and targeted goals; (b) reviewing past negative experiences or negative results and finding out the root cause; and/or (c) continuous research and benchmarking with other companies in the same industry.</p>	<p>VITA’s metrics in assessing its climate-related risk management and strategy are: (a) cost efficiency of its strategy; (b) quality of feeds and poultry; (c) ability to meet customers’ demands; and (d) customer satisfaction.</p>

	solar energy and using the same in its business operations.		
b) Describe management's role in assessing and managing climate-related risks and opportunities	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	b) Describe the organization's processes for managing climate-related risks	b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets
The management meets at least twice a month to discuss the results of the previous month's operations, the factors for achieving said results/non-attainment of targets, the financial and climate-related risks and opportunities as well as the possible spread of animal diseases/viruses. It makes the appropriate adjustments in its strategies. Any climate-related issue that affects or may potentially affect VITA's business operations are likewise discussed to the Board, together with measures undertaken or to be undertaken to address the climate-related issues.	Drought and extreme rains/extreme weather condition and flooding cause disruptions in crop production and also affects the quality of raw materials. In addition, all the identified risks have the following impacts/potential impacts on its business operations:  a. Higher costs due to insufficiency or scarcity of raw materials or because of disruptions in the crop production. b. Decrease in demand for feeds from animal raisers/growers since drought and extreme rains and flooding adversely affect the growth efficiency of farm animals, especially poultry.	To manage the climate-related risks, VITA reformulates its feeds using alternative materials and changing parameters in processing to attain the specified quality for a specific feed type. VITA also benchmarks and conducts continuous consultations and research and development to maintain the quality of feeds despite using alternative raw materials. Likewise, VITA's locally sourced materials are supported by importations and frame contract to manage and mitigate impacts of climate-related risks.  VITA has also an ongoing solar energy	VITA's target in managing its climate-related risk management and strategy is to continue to deliver on time the agreed volume or agreed reduced volume of feeds and chicken to its customers without sacrificing quality, and without incurring too much costs.

	<p>c. Disruption in the breeding cycles of imported poultry breeding stocks, thus, disrupting the supply chain considering that limited breeding stocks result in scarcity of day old chicks.</p> <p>d. Exposure to all sorts of risks posed by international supply chain should corn importations increase to more than 50% of the corn supply due to decrease in local corn produce and producers.</p> <p>e. Disruptions in poultry growing.</p> <p>f. Delays in delivery brought about by delays in payment to suppliers.</p> <p>On the other hand, converting the increased intensity of sunlight exposure brought about by global warming into solar energy could drastically lower VITA's GHG emissions, in addition to lowering electricity costs. Lowering the electricity cost for the farm would have an immediate impact on the bottom line of the growers, making it more attractive for them to continue in the business or even consider expansion. This could also help in mitigating the impacts of other risks leading to</p>	<p>project in its Iloilo Feed Mill, which aims not only to minimize its negative impact to the environment but also to help improve operational efficiencies and reduce cost in order to mitigate also financial impacts of climate-related financial risks.</p> <p>Apart from this, VITA also regularly maintains and upgrades its equipment to comply with DENR standards.</p>	
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	<p>less exposure to operating loss.</p> <p>In addition, this would also enable VITA to match its need to increase its contract growing capacities with the increase in customer demand for chickens in the market.</p>		
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	
	VITA's climate-related risk management continues to prove to be resilient as evidenced by: (a) its 71 years of continued existence; (b) continued financial stability; (c) increase in its net income from its 2020 level.	As can be seen above, changes and modifications are made in VITA's business processes and feed formulation to mitigate impacts of climate-related risks and adapt to constraints brought about by climate-related risks and events.	

**Procurement Practices**

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	Nationwide: 95.45 Luzon – 50.61 Visayas – 13.92 Mindanao – 30.92	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>For the year 2021, 95.45% of VITA's procurement budget was spent on local suppliers. These suppliers consisted not only of suppliers of raw and other trade materials used in the manufacture of feeds and chicken but also service providers such as consultants and contractors.</p>	<p>Suppliers, domestic companies, especially the MSMEs, and farmers.</p>	<p>VITA's procurement policies and strategies were crafted, reviewed, revised and implemented in a manner consistent with the company's vision of being the backbone of every Filipino farmer's success and mission of building partnerships with its suppliers, among others. Its procurement policies and strategies are periodically reviewed in order to continuously improve the company's buying plans, strategies and timings.</p> <p>VITA likewise partnered with the government in the latter's "Pilipinas Kontra Gutom" program. Through this program, VITA will procure one of its major raw materials from local farmers, thereby increasing farmer productivity and income. The contract will be implemented in 2022.</p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>Operational risks due to supply constraints, poor quality of supplies, and delays in deliveries due to calamities or extreme weather conditions.</p> <p>Financial risks due to sudden or significant increase in prices of goods and services.</p> <p>Legal, operational, and financial risks for late or non-payment of suppliers.</p>	<p>In addition to the foregoing, customers, creditors, shareholders and investors.</p>	<p>In addition to the above, VITA makes payment allocations to suppliers, especially major raw materials suppliers in order to ensure timely deliveries of major raw materials absent calamities or extreme weather conditions.</p>
What are the Opportunity/ies Identified?		
<p>VITA's multiple sourcing strategy allows it to manage climate-related</p>		

<p>risks. The availability of reliable suppliers can ensure operational efficiencies despite extreme weather conditions.</p> <p>The availability of raw materials and other input goods and services all year round can minimize increase in costs despite sudden or significant increase in prices of goods and services.</p> <p>Continuity of operations due to on-time payment of suppliers.</p>		
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## Anti-corruption

### Training on Anti-corruption Policies and Procedures

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	0 <i>See Management Approach</i>	%
Percentage of directors and management that have received anti-corruption training	0 <i>See Management Approach</i>	%
Percentage of employees that have received anti-corruption training	100	%

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<p>Training on anti-corruption policies and procedures directly impacts VITA's business operations, supply chain, human capital, and goodwill.</p> <p>Its anti-corruption policies relate mostly to prohibitions on conflicts of interests, theft, and kickbacks, as</p>	Suppliers, customers, employees, shareholders/investors, directors, officers and regulators.	<p>In 2021, the employees were re-oriented and re-trained on the Company Rules and Regulations, which included the company's current anti-corruption policies.</p> <p>The internal audit department conducts regular audit of VITA's different</p>

well as to ensuring arms-length transactions in all dealings.		departments to ensure compliance with the company's processes, rules, regulations and internal controls.
<b>What are the Risk/s Identified?</b>		
Legal, financial, operational and reputational risks brought about by conflicts of interest, theft, or kickbacks.		VITA also complies with all laws and regulations. It ensures that it complies with its regulators' requirements and that it has all the necessary permits and licenses.
<b>What are the Opportunity/ies Identified?</b>		
VITA's current anti-corruption policies present an opportunity to participate in external trainings on anti-corruption in the workplace in order to strengthen and improve its own policies in line with its core value of "integrity".		VITA also approved its Whistle Blowing Policy on 16 December 2021, which covered directors, officers, and employees. This aims to enable any concerned individual to report and provide information on any of the reportable actions specified in the policy.  Consistent with its core value of integrity, VITA will draft a program to effectively communicate its anti-corruption policies to its business partners. It also commits to conduct anti-corruption training to its directors and management.

#### Incidents of Corruption

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Prevention of corruption directly impacts VITA's business operations, supply chain, human capital, and goodwill.	Suppliers, customers, employees, shareholders/investors, directors, officers and regulators.	In 2021, the employees were re-oriented and re-trained on the Company Rules and Regulations, which included the company's current anti-corruption policies.

<p><b>What are the Risk/s Identified?</b></p>		<p>The internal audit department conducts regular audit of VITA’s different departments to ensure compliance with the company’s processes, rules, regulations and internal controls.</p>
<p>Legal, financial, operational and reputational risks brought about by incidents of corruption.</p>		<p>VITA also complies with all laws and regulations. It ensures that it complies with its regulators’ requirements and that it has all the necessary permits and licenses.</p>
<p><b>What are the Opportunity/ies Identified?</b></p>		<p>VITA also approved its Whistle Blowing Policy on 16 December 2021, which covered directors, officers, and employees. This aims to enable any concerned individual to report and provide information on any of the reportable actions specified in the policy.</p>
<p>VITA’s current anti-corruption policies present an opportunity to participate in external trainings on anti-corruption in the workplace in order to strengthen and improve its own policies in line with its core value of “integrity”.</p>		

## ENVIRONMENT

### Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (SFO)	Visayas – 4,363	GJ
Energy consumption (gasoline)	0	GJ
Energy consumption (LPG)	Visayas – 12.25	GJ
Energy consumption (diesel)	Luzon – 19,500 (for forklift) Visayas – 695.75 Mindanao – 13,128.78	Liters GJ
Energy consumption (electricity)	Luzon – 1,296 Visayas – 1,657,600 Mindanao – 3,146,111	kWh

### Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (SFO)		GJ
Energy reduction (gasoline)		GJ
Energy reduction (LPG)		GJ
Energy reduction (diesel)		GJ
Energy reduction (electricity)		kWh
Energy reduction (gasoline)		GJ

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The data was primarily based from VITA's Iloilo and Davao feed mill plants as well as from the Luzon feed mill plant being operated by VITA's business partner in so far as diesel consumption in its forklift equipment is concerned. For the electricity consumption, the data presented is for VITA's office in Luzon, office and feed mill plants in Visayas and Mindanao.	Suppliers and communities where VITA operates.	To manage its environmental impacts, VITA conducts regular preventive maintenance of equipment.  In 2021, it replaced its auto-bagger and mixer and re-designed the production planning in its Davao feed mill plant in order to improve efficiency and align its production planning with the new equipment.

<p>The impact is on the environment and the supply chain as the use of these different energy sources result in emissions and wastes that could be harmful to the environment, especially since VITA does not, for now, use renewable sources of energy.</p>		<p>To further improve its efficiencies and reduce its environmental impact, VITA has also an ongoing Solar Energy Project in its Iloilo feed mill plant, which is targeted to be completed in 2022. Once the same is completed, it plans to continue this project in its Davao feed mill plant.</p>
<p><b>What are the Risk/s Identified?</b></p>		<p>Vivant Corporation, the parent company of Corenergy, Inc., is looking at VITA's different facilities like the breeder farms aiming to help VITA in making its facilities more energy efficient. Corenergy is VITA's electricity provider in its Luzon office.</p>
<p>Climate change brought about by increase in air emissions and pollutions.</p> <p>Shortage or scarcity of non-renewable sources of energy.</p> <p>Legal and reputational risks are seen should VITA's GHG emissions and air pollution contribution increase significantly or when the same went beyond the thresholds provided by the government.</p>		
<p><b>What are the Opportunity/ies Identified?</b></p>		
<p>The ongoing Solar Energy Project in the Iloilo feed mill plant gives VITA the opportunity to have a more efficient and more environment friendly operations.</p>		

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	Visayas – 6089 Mindanao – 6,142	Cubic meters
Water consumption	Visayas – 6089 Mindanao – 6,140	Cubic meters
Water recycled and reused	Visayas - 0 Mindanao – 2.0	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>The data was based from the water consumption and withdrawal in VITA's Iloilo and Davao feed mill plants.</p> <p>In the Iloilo feed mill plant, water is used mainly for steam generation of its boilers. In the Davao feed mill plant, water is mainly used for steam generation. Recycled water in Davao feed mill plant is very low as water is used only to control particulate matter.</p> <p>The slight increase in the water consumption and withdrawal in 2021 as compared to 2020 were both production driven in the sense that when there is an increase in the pellets and crumbles, more steam is needed. Therefore, more water is needed.</p>	<p>The communities where VITA operates and the government.</p>	<p>VITA continuously improves its operational efficiencies in order to lower its water consumption. It also conducts regular preventive maintenance of its equipment and replace the same with more efficient and more technologically advanced equipment as may be necessary.</p> <p>VITA also complies with the requirement of putting a waste water treatment in its Luzon and Davao dressing plants. While these dressing plants are being operated by third parties, thus, not included in the data provided above, VITA completed the necessary facilities being the owner thereof.</p>
<b>What are the Risk/s Identified?</b>		
<p>An increase in water consumption may result in higher water pollution and higher waste water contributions.</p> <p>Water shortage or scarcity.</p> <p>Legal and reputational risks are seen should VITA's waste water contributions increase significantly.</p>		
<b>What are the Opportunity/ies Identified?</b>		
<p>Reduction in waste water and water pollution contributions.</p>		

Presence of technologies that can help improve waste water treatment in the feed mills.		
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Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
<ul style="list-style-type: none"> <li>Renewable</li> </ul>	Luzon – 76,468,560 Visayas – 48,329,676.52 Mindanao – 84,128,100	kg
<ul style="list-style-type: none"> <li>non-renewable</li> </ul>	Luzon – 1,531,440 Visayas – 2,077,707.23 Mindanao – 588,897	Kg
Percentage of recycled input materials used to manufacture the organization’s primary products and services	0	%

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>The data above was based on the raw materials for feed production – macro, micro and packaging.</p> <p>The non-renewable materials are the packaging used for the feeds (sacks).</p> <p>As can be seen, however, while VITA uses more renewable materials than non-renewable materials, it does not use recycled materials in its production. Since VITA still uses non-renewable materials, it is still contributing to waste generation and pollution.</p>	Suppliers, communities where VITA operates, the government and customers.	<p>As can be seen in the data, VITA heavily uses renewable materials in its operations.</p> <p>As for the non-renewable materials, VITA is shifting from the laminated sack to reusable woven sack for its feeds.</p> <p>The management is taking steps to address waste and pollution generated and contributed.</p>
<b>What are the Risk/s Identified?</b>		
Shortage or scarcity of renewable or reusable materials due to increase in demand for the same.		

<p>The continuous demand for non-renewable materials increases VITA's contribution to pollution and waste.</p> <p>Legal and reputational risks are also seen considering that the thrust now is for companies to operate in a more environment friendly manner, if not 100% environment friendly manner.</p>		
<p><b>What are the Opportunity/ies Identified?</b></p>		
<p>Reduction in waste and pollution contribution.</p> <p>In addition, there is still opportunity to use more renewable, reusable and recyclable materials in the production of feeds.</p>		

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	(identify all sites)	
Habitats protected or restored		ha
IUCN <sup>4</sup> Red List species and national conservation list species with habitats in areas affected by operations	(list)	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</p> <p>Indicate involvement in the impact (i.e., caused by the organization or</p>	<p>(e.g. employees, community, suppliers, government, vulnerable groups)</p>	<p>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</p>

<sup>4</sup> International Union for Conservation of Nature

<i>linked to impacts through its business relationship)</i>		
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<i>Identify risk/s related to material topic of the organization</i>		
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<i>Identify the opportunity/ies related to material topic of the organization</i>		

## Environmental impact management

### Air Emissions

#### GHG

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Direct (Scope 1) GHG Emissions	Visayas – 0.079 MT/year  Mindanao (CO emission only for broilers 1 and 2, respectively) – 2.6 tonnes/year and 1.6 tonnes/year, respectively.	Tonnes CO <sub>2</sub> e
Energy indirect (Scope 2) GHG Emissions	0	Tonnes CO <sub>2</sub> e
Emissions of ozone-depleting substances (ODS)	0	Tonnes

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
The data was based on the emission testing conducted by a DENR-EMB accredited third party company on VITA's Iloilo and Davao feed mill plants.	The communities where VITA operates, the government and the public in general.	VITA regularly conducts preventive maintenance on its equipment. It also conducts regular repair of its facilities, including pollution control facilities, to ensure not only good operating conditions

<p>While VITA neither has indirect GHG emissions nor ozone depleting substances emissions, its feed mill operations in Iloilo and Davao contribute to GHG emissions as a necessary consequence of its operations, albeit in a low level only.</p> <p>The use of special fuel oils in the Iloilo feed mill plant contributed to the low emissions from the said plant.</p>		<p>but also compliance with environmental laws and regulations. In 2021, VITA upgraded its feed mill machinery in its Davao feed mill plant to maintain operational efficiencies and minimize GHG emissions. It likewise ensures that its operations are efficient in order to keep its emissions not only within DENR-EMB standards but also to keep the emissions low. VITA also operates within the bounds of its Environmental Compliance Certificate (“ECC”).</p>
<p><b>What are the Risk/s Identified?</b></p>		
<p>Climate change brought about by continuous GHG emissions and continuous contribution to air pollution.</p> <p>Health risks on the communities where VITA operates as well as the public in general due to the continuous GHG emissions.</p> <p>Legal and reputational risks should VITA’s GHG emissions significantly increase or even went beyond DENR-EMB standards.</p>		
<p><b>What are the Opportunity/ies Identified?</b></p>		
<p>Decrease in GHG emissions and air pollution contributions.</p> <p>Decrease in health risks on the communities where it operates as well as the public in general.</p> <p>Avoidance of unnecessary penalties imposed for non-compliance with environmental laws and regulations.</p>		

*Air pollutants*

Disclosure	Quantity	Units
NO <sub>x</sub>	Visayas – 350 Mindanao Boiler 1-A – 29.3 Boiler 1-B – 30.2 Boiler 2-B – 39.4 Genset – 290.4	Mg/Ncm  Kg
SO <sub>x</sub>	Visayas – 618 (as SO <sub>2</sub> ) Mindanao Boiler 1-A – 5.1 Boiler 1-B – 3.2 Boiler 2-B – 3.7	Mg/Ncm  Kg
Persistent organic pollutants (POPs)	0	Kg
Volatile organic compounds (VOCs)	0	Kg
Hazardous air pollutants (HAPs)	0	Kg
Particulate matter (PM)	Visayas – 62.6 Mindanao Boiler 1-A – 32.3 Boiler 1-B – 8.9 Boiler 2-B – 8.6	Kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>The data was based on the emission testing conducted by a DENR-EMB accredited third party company on VITA's Iloilo and Davao feed mill plants.</p> <p>For 2021, the lower NO<sub>x</sub> and SO<sub>x</sub> emissions from the Company's boilers in its Davao feed mill resulted from the replacement of its equipment. VITA invested in a more environment friendly and efficient equipment.</p>	<p>The communities where VITA operates, the government and the public in general.</p>	<p>VITA regularly conducts preventive maintenance on its equipment. It also conducts regular repair of its facilities, including pollution control facilities to ensure not only good operating conditions but also compliance with environmental laws and regulations. In 2021, VITA upgraded its feed mill machinery in its Davao feed mill plant to maintain operational efficiencies and minimize GHG emissions. It likewise ensures that its operations are efficient in order to keep its emissions not only within DENR-EMB standards but also to keep the emissions</p>
<b>What are the Risk/s Identified?</b>		

<p>Climate change brought about by continuous contribution to air pollution.</p> <p>Health risks on the communities where VITA operates as well as the public in general due to the continuous air pollution contribution.</p> <p>Legal and reputational risks should VITA's air pollutant emissions significantly increase or even went beyond DENR-EMB standards.</p>		<p>low. VITA also operates within the bounds of its ECC.</p>
<p><b>What are the Opportunity/ies Identified?</b></p>		
<p>Decrease in air pollutants emissions, thereby decreasing air pollution contributions.</p>		
<p>Decrease in health risks on the communities where VITA operates as well as the public in general.</p>		
<p>Avoidance of unnecessary penalties imposed for non-compliance with environmental laws and regulations.</p>		

## Solid and Hazardous Wastes

### Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	Visayas – 1,700/month Mindanao – 2,500/month	kg
Reusable	Visayas – 300/month Mindanao – 500/month	kg
Recyclable	Visayas – 250/month Mindanao – 300/month	kg

Composted	Visayas – 150/month Mindanao – 700/month	kg
Incinerated	Visayas – 0 Mindanao – 0	kg
Residuals/Landfilled	Visayas – 1000/month Mindanao – 1000/month	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>The data was based on the monthly solid waste collected by VITA's third party solid waste collectors from the Iloilo and Davao feed mill plants. These solid wastes relate to feed production in the said feed mill plants.</p> <p>The total solid wastes generated for both feed mill plants in 2021 are the same as that in 2020.</p>	<p>The employees, the communities where VITA operates, the public in general, and the government.</p>	<p>VITA has a Materials Recovery Facility in its plants for the proper segregation, storage and disposal of these wastes. It also hired a third party solid waste collector to properly dispose its solid wastes.</p> <p>In addition, VITA continuously reiterated and strengthened its campaign and practice for proper waste segregation.</p> <p>It collects sweepings (assorted wastes collected through the process of sweeping) to be reprocessed/included in the formulation of feeds, reuses and recycles all that may be reused or recycled, as the case may be, and keeps its residual solid wastes within the allowed threshold. It regularly evaluates the sweepings to make sure that it would not cause infections. VITA also provides the employees with PPEs and biosecurity measures in place are strictly implemented.</p> <p>VITA will explore partnering with host LGUs to increase its composting capability.</p>
<b>What are the Risk/s Identified?</b>		
<p>Increase in pollution due to increase in residual solid wastes.</p> <p>Health risks on the employees, communities where VITA operates and the public in general.</p> <p>Legal and reputational risks brought about by significant increase in residual solid waste generated or by improper solid waste disposal.</p>		
<b>What are the Opportunity/ies Identified?</b>		

<p>Decrease in pollution due to decrease in residual solid wastes.</p> <p>Minimize health risks on the employees, the communities where VITA operates and on the public in general.</p> <p>Avoidance of unnecessary imposition of penalties due to non-compliance with environmental laws and regulations.</p> <p>There is continuous funding available from the national government for bio-composter for Local Government Units (LGUs). This presents an opportunity for VITA to partner with host LGUs to increase its composting capability. VITA can also seek the assistance of the DOST to avail of bio-composters at reasonable price.</p>		
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Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	Visayas:  Used oil – 350/year Busted lamps – 61/year  Mindanao:  Used oil – 1000/year Busted lamps – none	  liters kg  liters
Total weight of hazardous waste transported	Visayas: 0  Mindanao: 1,000	  liters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>The hazardous wastes generated by VITA for both feed mill plants are low or minimal only.</p> <p>The data was based on the hazardous waste generated and transported as indicated on the Iloilo feed mill plant inventory and on the Davao feed mill plant inventory as well as the hazardous waste collected and transported by VITA's third party hazardous waste transporter.</p> <p>For the Iloilo feed mill plant, since the volume of hazardous waste is still minimal, there is no need yet to transport the same as there is also no hazardous waste transporter that would cater at the minimal volume.</p>	<p>The employees, the communities where VITA operates, the public in general, and the government.</p>	<p>The Company has a designated Materials Recovery Facility to properly store used oil and busted lamps. It also makes sure that the proper waste disposals prescribed under existing laws and regulations are strictly followed.</p> <p>It continuously improves its preventive maintenance program/schedule in order to minimize used oil. It continuously converts all lights into LED lamps/bulbs, which have a higher life span, to minimize busted lamps.</p>
What are the Risk/s Identified?		Management Approach
<p>Improper disposal may lead to environmental risks as well as health risks on the employees, the communities where VITA operates and the public in general. It may also lead into fire and pollution as well as legal and reputational risks against VITA.</p>		<p>In addition to the foregoing, VITA monitors the consumption of oils and lamps so that the waste is kept within the threshold and that these hazardous wastes are segregated from the non-hazardous wastes. It also strictly implements its "No Smoking" policy and provides employees with PPEs, which they are also required to wear within the premises.</p>
What are the Opportunity/ies Identified?		
<p>Reduction or elimination of environmental and health risks.</p> <p>Avoidance of fire and decrease in contribution to pollution.</p>		

Avoidance of unnecessary penalties or expenses due to non-compliance with disposition of hazardous waste or accidents caused by hazardous wastes.		
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Effluents

Disclosure	Quantity	Units
Total volume of water discharges	Visayas – 66/month Mindanao – 0	Cubic meters
Percent of wastewater recycled	Visayas – 0 Mindanao – 4.12	%

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>The data was based on the water discharges and recycled in the Iloilo and Davao feed mill plants.</p> <p>While there was an increase in the water discharge in Iloilo feed mill in 2021, the same is still considered minimal. 95% of the water consumption is used for its feeds production and 5% goes to domestic use – handwashing, cleaning and flushing toilets. This 5% waste water goes directly to the septic tanks.</p> <p>In the Davao feed mill plant, the 4.12% of wastewater recycled was supposed to be part of the water discharge but instead of being discharged, the same went into being recycled to control the particulate matter.</p>	<p>The communities where VITA operates, and the government.</p>	<p>VITA monitors the final discharge of waste water to ensure that its operations are within regulatory standards.</p> <p>It complies with the proper waste water disposal prescribed under the law and regulations.</p> <p>As disclosed above, VITA complies with the requirement of putting a waste water treatment in its Luzon and Davao dressing plants. While these dressing plants are being operated by third parties, thus, not included in the data provided above, VITA completed the necessary facilities being the owner thereof.</p>

This water discharge impacts the environment, particularly the water bodies.		
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	
<p>Shortage or scarcity of water resources due to increase in effluents.</p> <p>Increase in water pollution contribution.</p> <p>Legal risks for non-compliance with environmental laws and regulations relative to cleanliness and conservation of water.</p>	The communities where it operates, public in general and the government.	
<b>What are the Opportunity/ies Identified?</b>		
<p>Conservation of water resources.</p> <p>Decrease in water pollution contribution.</p> <p>Avoidance of unnecessary penalties for non-compliance with environmental laws and regulations relative to cleanliness and conservation of water.</p>		

## Environmental compliance

### Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<p>VITA was neither penalized nor complained for violation or non-compliance with environmental laws and regulations in 2021.</p> <p>Having complied with environmental laws and regulations, VITA maintained its contribution to pollution at a minimal level.</p>	<p>The government, communities where VITA operates, business partners, customers, investors, shareholders, directors, and officers.</p>	<p>VITA strictly monitors compliance with environmental laws and regulations, including securing all permits and licenses needed for the continued operation of its business. It continuously upgrades and regularly maintains its facilities to ensure efficiencies and maintain pollution contribution to a minimum.</p>
<b>What are the Risk/s Identified?</b>		
<p>Legal and reputational risks as non-compliance with environmental laws and regulations will expose VITA not only to monetary fines or suspension of business but also permanent closure of business.</p> <p>Environmental risks such as increase in contribution to pollution.</p> <p>Possible reputational risks brought about by non-compliance with environmental laws and regulations of VITA's partners and suppliers.</p>		<p>VITA incorporates in its contracts with suppliers and partners the obligation to comply with all existing laws and regulations. This includes the duty to comply with environmental laws and regulations. The contracts also provide for sanctions for breach of this obligation.</p>
<b>What are the Opportunity/ies Identified?</b>		
<p>Business continuity and avoidance of fines and suspension or closure of operations.</p> <p>Contribution to pollution was maintained at a minimal level.</p>		

## SOCIAL

### Employee Management

#### Employee Hiring and Benefits

##### *Employee data*

Disclosure	Quantity	Units
Total number of employees <sup>5</sup>	581	
a. Number of female employees	223	#
b. Number of male employees	358	#
Attrition rate <sup>6</sup>	1.75%	Rate
Ratio of lowest paid employee against minimum wage	None	Ratio

##### *Employee benefits*

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	6.20	9.64
PhilHealth	Y	2.41	2.58
Pag-ibig	Y	4.99	9.47
Parental leaves	Y	2.75	0.69
Vacation leaves	Y	32.01	50.95
Sick leaves	Y	23.06	30.29
Medical benefits (aside from PhilHealth))	Y	19.10	27.71
Housing assistance (aside from Pag-ibig)	N		
Retirement fund (aside from SSS)	Y	0.17	1.03
Further education support	N		
Company stock options	N		
Telecommuting	Y	63.44	21.69
Flexible-working Hours	Y	4.65	11.19
(Others)	Y		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
With operations in Luzon, Visayas and Mindanao, VITA contributes to labor and employment both on localized and nationwide scopes. It helps promote local hiring in Bulacan, Iloilo, Davao and all other provinces where it holds its operations.	VITA abides by the country's labor laws and regulations and it provides additional benefits in the following forms:

<sup>5</sup> Employees are individuals who are in an employment relationship with the organization, according to national law or its application ([GRI Standards 2016 Glossary](#))

<sup>6</sup> Attrition rate = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

<p>It also contributes to its employees' welfare and quality of life not only through the government-mandated benefits but also through the additional benefits given to employees.</p> <p>46.81% of its employees availed of medical benefits other than PhilHealth in 2021. Without these additional benefits, the employees would have spent their own money for the medical expenses and other expenses due to accidents that they or their dependents encountered.</p>	<ul style="list-style-type: none"> <li>a. Medical benefits in addition to Philhealth in the forms of Group Health Insurance Plan (GHIP) and Group Personal Accident (GPA) Insurance. Under the GHIP, the employees and their dependents (up to 3) may reimburse actual medical expenses incurred to the extent of the ceiling provided under the plan. Such ceiling depends on the employee's rank and is not limited to work related illness/medical expense. Similar to the GHIP, the GPA Insurance may be availed of even when the accident is not work-related.</li> <li>b. PPEs</li> <li>c. Uniform</li> <li>d. Rice Subsidy</li> <li>e. Seniority Pay</li> <li>f. When applicable, transportation and meal allowances</li> <li>g. Funeral assistance</li> <li>h. Hazard pay to qualified employees</li> </ul> <p>It also engaged physicians where it can refer employees for medical examinations and check-ups. Its company physicians in Visayas and Mindanao visits VITA's plants on a regular basis.</p> <p>It also has an employees' welfare program. Through this program, it procured COVID-19 vaccines for its employees, gave and distributed PPEs and vitamins to its employees. This program also enabled VITA to provide COVID-19 care kits to its employees and their families.</p> <p>As disclosed above, VITA also maintained its COVID-19 Crisis Management Team to ensure the health and safety of its employees and business continuity in order to avoid disruptions in the operations. VITA followed all public health standards imposed and recommended by the government, provided transportation to its employees, allowed telecommuting even if it is allowed to operate on-site at 100% capacity. VITA continuously conducted massive awareness campaign on COVID-19 prevention and management.</p>
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	<p>It also has an Employee Lifetime Profitable Partnership Program (“Employee LPP”) where it regularly and continuously engages with the employees to check on them and get their inputs to further improve VITA’s operations.</p> <p>VITA has a Green Sanctuary Program, which is anchored to the core value Care for Others. Each VITA site has put up an area where employees can plant flowering and vegetable plants. Production are shared to the employees.</p>
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
The COVID-19 pandemic continued to pose health risks on the employees.	In addition to the foregoing, VITA regularly checks the laws and regulations on the minimum employee benefits set by the government as well as industry standards and benchmarks on similar companies within the industry to evaluate the need to update and increase the benefits.
<b>What are the Opportunity/ies Identified?</b>	
Availability of skilled workforce in the areas of operation.	

#### Employee Training and Development

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Total training hours provided to employees		
a. Female employees	1,534.00	Hours
b. Male employees	2,709.50	Hours
Average training hours provided to employees		
a. Female employees	7.4	hours/employee
b. Male employees	7.5	hours/employee

<b>What is the impact and where does it occur? What is the organization’s involvement in the impact?</b>	<b>Management Approach</b>
<p>VITA’s training and development programs for its employees, whether internal or external, contribute to employee’s personal and professional growth and efficiency in the performance of their tasks.</p> <p>In 2021, it had trainings on technical topics, administrative and support, and leadership. ISO-FSMS compliance trainings, such as upskilling of workforce, supervisory training, fundamentals of sales capability training, food safety, and awareness orientation for all employees, were also conducted.</p>	<p>VITA has a training calendar per region. The trainings are held on a monthly basis unless otherwise requested by the concerned department.</p> <p>Most of the trainings are targeted and tailor fit on the employees’ and departments’ needs/requests. VITA conducts an over-all post-training evaluation and feedback based on how the training was conducted. It also conducts regular performance evaluation of the employees to measure their growth and improvement.</p>

<b>What are the Risk/s Identified?</b>	In 2021, aside from the regular employee evaluation, VITA started getting feedback and data on the training effectiveness from the employees' supervisor two (2) months after the training was conducted. This evaluation aims to check whether there was an improvement on the employee, such as change in behavior, improvement in time management skills, or improvement in work skills. However, as this was a new procedure, there was a difficulty in getting timely reports/data from the supervisors. Thus, VITA plans to institutionalize this in 2022 to ensure timely submission of reports/evaluations of the supervisors.
Ineffective or irrelevant trainings, which, in turn, result in zero to minimal effects on productivity.	
<b>What are the Opportunity/ies Identified?</b>	
Availability of external training providers for employees can help VITA to continuously build new leaders and develop the organization and the management team to have better productivity and efficiency results.	

### Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	13.25	%
Number of consultations conducted with employees concerning employee-related policies	1 (pertains to the CBA concluded in March 2021)	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
In March 2021, VITA and the union representing its rank and file employees negotiated and closed a new Collective Bargaining Agreement to retroactively apply as early as August 2020 until the next 5 years or until 2025.	In addition to the employee LPP, VITA regularly and constantly communicates with the employees and their union and upholds the terms and conditions in the CBA. It also upholds and follows labor laws and regulations.
<b>What are the Risk/s Identified?</b>	
Legal, reputational and operational risks may result from labor unrest or strikes should VITA fail to have a mutually beneficial CBA or should it fail to meet/comply with its obligations under the CBA and labor laws and regulations.	
<b>What are the Opportunity/ies Identified?</b>	
Having a mutually beneficial CBA and compliance with the CBA, the labor laws and regulations not only enables VITA to avoid all legal, reputational and operational risks but also allows it to have a	

strengthened relationship with the employees and the union representing them.	
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### Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	40.62	%
% of male workers in the workforce	65.92	%
Number of employees from indigenous communities and/or vulnerable sector*	None	#

\*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
VITA contributes to the employment and empowerment of women, especially that of working mothers. It provides equal opportunity for all persons, regardless of sex and gender.	While the number of male employees are higher than the female employees, it does not mean that there is gender preference in the selection, hiring and promotion of employees. Many of the top key positions are held by female employees, such as the Research and Development, Supply Chain, Chief Finance Officer positions. VITA adheres to the principle that equal opportunity for all does not mean equality in numbers but equality in rights and obligations.
<b>What are the Risk/s Identified?</b>	
Sex-based and gender-based discrimination among the employees in terms of opportunities, rights and obligations would result in legal and reputational risks.	
<b>What are the Opportunity/ies Identified?</b>	
Giving equal opportunity and equal treatment for all persons, regardless of sex and gender gives an opportunity for VITA avoid legal and reputational risks.	

### Workplace Conditions, Labor Standards, and Human Rights

#### Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	1,582,560	Man-hours
No. of work-related injuries	Luzon – 0 Visayas – 0 Mindanao – 2	#
No. of work-related fatalities	Luzon – 0 Visayas – 0 Mindanao – 0	#
No. of work related ill-health	Luzon – 0	#

	Visayas – 0 Mindanao – 0	
No. of safety drills	Luzon – 0 Visayas – 0 Mindanao – 1	#
<b>What is the impact and where does it occur? What is the organization’s involvement in the impact?</b>	<b>Management Approach</b>	
In 2021, there were 2 work-related injuries, both of whom were able to claim from the SSS ECC and were able to go back to work. In its Mindanao office, a fire safety drill was conducted by the Bureau of Fire Protection (“BFP”). In the Luzon offices, none was conducted in 2021 by the BFP and in Visayas offices, the BFP did not accommodate VITA’s request.  VITA’s occupational health and safety plays a vital role not only in its business operations but also in its customer’s business and the health, safety, well-being and continued employment of its workers. In addition, by maintaining a health and safe workplace, VITA contributes to the growth of employment rate in the country and in the areas where it operates.	To keep its work place safe and healthy, VITA has an existing Safety Policy and Safety Officer in all company-owned manufacturing sites. It also promotes health and safety awareness to employees through its Safety Officer. It strictly implements all sanitary and biosecurity measures in place. In addition, VITA provides safety-related trainings and personal protective equipment to all employees.  VITA commits to continuously cooperate with the BFP for the conduct of a fire safety drill. It also commits to resume conducting its earthquake drill.  Moreover, since 2020, VITA has been complying with all recommended and mandatory public health standards, including awareness campaigns and vaccination program, to minimize and prevent the spread of COVID-19 virus.	
<b>What are the Risk/s Identified?</b>		
Failure to maintain a safe and healthy workplace will result in more work-related injuries and even fatalities. These, in turn, would incur legal and reputational risks.		
<b>What are the Opportunity/ies Identified?</b>		
Maintaining a safe and healthy workplace gives VITA the opportunity to avoid work-related injuries and deaths. These, in turn, would translate to avoidance of legal and reputational risks.		

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	None	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace? **Yes, but it is limited in scope.**

Topic	Y/N	If Yes, cite reference in the company policy
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Forced labor	N	
Child labor	Y	This is one of the provisions in the Company Hiring Policy. There is a need for the applicant to be of legal age.
Human Rights	Y	One human right being upheld in the Company Rules and Regulations is the right of employees against sexual harassment.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
VITA contributes to the government's policy against forced and child labor. It also contributes to the promotion of human rights in the workplace. It contributes to the peace and order in society as well as to the employees' improved quality of life.	<p>At the outset, while there is no specific provision on the Company Hiring Policy and Company Rules and Regulations prohibiting forced labor, VITA, as a matter of practice, <b>does not</b> engage in forced labor. As mentioned above, all its employees were hired based on their qualifications, skills, and credentials and their all the employees voluntarily applied for their jobs. All of them are receiving the compensation packages agreed upon with the company.</p> <p>In addition, it also strictly adheres to the provisions of the labor laws and CBA.</p> <p>VITA continuously and periodically revisits its Company Hiring Policy and Company Rules and Regulations in order to fill in gaps in its policies and rules and maintain a conducive working environment.</p> <p>VITA also continuously complies with all labor laws and regulations.</p>
What are the Risk/s Identified?	
<p>The absence of an explicit prohibition on forced labor may be misconstrued by the public and other employees that the company allows forced labor.</p> <p>Likewise, the lack of provisions regarding human rights in the company's rules and regulations may result in impunity for acts or omissions constituting violations of human rights.</p>	
What are the Opportunity/ies Identified?	
Continuous protection of human rights in the workplace.	

### Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

\_\_\_\_\_

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance		
Forced labor		
Child labor		
Human rights		

Bribery and corruption		
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<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i>  <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
<i>Identify risk/s related to material topic of the organization</i>	
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
<i>Identify the opportunity/ies related to material topic of the organization</i>	

## Relationship with Community

### Significant Impacts on Local Communities

<b>Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)</b>	<b>Location</b>	<b>Vulnerable groups (if applicable)*</b>	<b>Does the particular operation have impacts on indigenous people (Y/N)?</b>	<b>Collective or individual rights that have been identified that or particular concern for the community</b>	<b>Mitigating measures (if negative) or enhancement measures (if positive)</b>
Feed mill operations	Iloilo		N	As discussed above, VITA contributes to local employment and job creation. However, in the	As mentioned above, VITA regularly conducts preventive maintenance of its equipment to minimize its
	Davao		N		

				pursuit of its operations, it is unfortunate that it also contributes to pollution through its GHG emissions, air pollutants, solid, water and hazardous wastes.	emissions. It also ensures that all wastes are properly segregated. VITA also complies with all environmental laws and regulations.
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*\*Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: \_\_\_\_\_

Certificates	Quantity	Units
FPIC process is still undergoing		#
CP secured		#

<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
<i>Identify risk/s related to material topic of the organization</i>	
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
<i>Identify the opportunity/ies related to material topic of the organization</i>	

## Customer Management

### Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	July 2021 (Feeds only) :  Product (physical appearance, bulk and price at the market) –	N

	<p>3.58/5.0 (average – nationwide) Performance of feeds – 3.8/5 (average – nationwide)</p> <p>Sales, technical and marketing services provided to customers – 3.99/5 (average – nationwide)</p> <p>Average score for all criteria (nationwide) – 3.79/5</p> <p>September 2021 (Feeds only):</p> <p>Product (physical appearance, bulk and price at the market) – 3.9/5.0 (average – nationwide)</p> <p>Performance of feeds – 4.17/5 (average – nationwide)</p> <p>Logistics – 3.59/5 (average – nationwide)</p> <p>Sales and technical services provided to customers – 3.83/5 (average – nationwide)</p> <p>Marketing services provided to customers – 3.44/5 (average – nationwide)</p>	
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	Average score for all criteria (nationwide) – 3.8/5	
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What is the impact and where does it occur? What is the organization’s involvement in the impact?	Management Approach
<p>Excellent customer service translates to customer satisfaction. Customer satisfaction, in turn, contributes not only to building a lifetime partnership with the customer and to the continuous improvement of VITA’s products, services and processes but also to the morale and productivity of the employees and to the company’s relationship with its suppliers as well. In addition to that, customer satisfaction also contributes to the financial growth of the company’s business partners.</p> <p>In 2021, VITA conducted 2 customer satisfaction surveys relative to its feeds products in terms of the physical product, the performance of the feeds, and the sales and marketing services provided by the Company. Both resulted in 3.79/5 and 3.8/5 ratings.</p>	<p>VITA has a Lifetime Profitable Partnership (“LPP”) program as well as regular customer satisfaction surveys done on farmers, retailers and distributors with respect to its feeds in order to assess how it can improve its products, services and processes.</p> <p>VITA is taking steps to institutionalize its customer care processes in order to further improve its customer service.</p>
<p><b>What are the Risk/s Identified?</b></p>	
<p>Poor customer service translates to poor customer satisfaction, which may result in shift to competitors and reputational risk against VITA.</p>	
<p><b>What are the Opportunity/ies Identified?</b></p>	
<p>Excellent customer satisfaction leads to good customer service and a carefully calculated growth focused on VITA’s LPP programs rather than merely increasing sales. It will also result in higher customer retention and will also contribute to customer’s growth and expansion.</p>	

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

*\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
For 2021, there was no substantiated complaint against the health and safety of VITA's products. Thus, it was not exposed to any legal, operational, financial risks.	VITA takes into consideration the health and safety of its feeds for consumption of poultry and livestock. It also requires its growers to follow the best practices in growing and raising poultry.
<b>What are the Risk/s Identified?</b>	VITA has Quality Assurance personnel to ensure the health and safety of its products. Only those who passed VITA's quality standards shall be supplied and distributed to the customers.
Since VITA is engaged in the feeds and poultry business, it is a highly regulated business. As such, it is exposed to legal, operational, reputational and financial risks should it fail to maintain the health and safety of its products.	VITA has a Hazard Analysis Critical Control Points (HACCP) certification, an internationally recognized standard of identifying and managing food safety related risk. This means that VITA's production process and food safety program are at par and aligned with internationally recognized standards.
<b>What are the Opportunity/ies Identified?</b>	
Keeping and ensuring the products' health and safety, to avoid legal, operational, reputational and financial risks.	Moreover, VITA's Iloilo and Davao feed mill plants are FSMS ISO 22000:2018 certified, meaning that the food safety management systems in place in these plants passed internationally recognized standards.

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	None	#
No. of complaints addressed	None	#

*\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
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For 2021, there was no substantiated complaint on marketing and labelling. Thus, VITA was not exposed to legal, reputational, financial or operational risks.	VITA has Quality Assurance personnel to ensure not only the health and safety of its products but also to ensure that its products are properly packed and labelled.
<b>What are the Risk/s Identified?</b>	
Failure to properly pack and/or label the products may cause confusion, misinformation, and even contamination of products. Thus, VITA is exposed to legal, operational, financial and reputational risks.	
<b>What are the Opportunity/ies Identified?</b>	
Proper packing and labelling of the products avoid confusion, misinformation, contamination or food poisoning (chicken), thereby, reducing and even eliminating legal, operational, financial and reputational risks.	

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*		#
No. of complaints addressed		#
No. of customers, users and account holders whose information is used for secondary purposes		#

\*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
<i>Identify the impact and where it occurs (i.e., primary business operations and/or supply chain)</i> <i>Indicate involvement in the impact (i.e., caused by the organization or linked to impacts through its business relationship)</i>	<i>What policies, commitments, goals and targets, responsibilities, resources, grievance mechanisms, and/or projects, programs, and initiatives do you have to manage the material topic?</i>
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
<i>Identify risk/s related to material topic of the organization</i>	
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>

<i>Identify the opportunity/ies related to material topic of the organization</i>	
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Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Management Approach
For 2021, VITA did not experience data breach, leak, theft or even loss. All data regarding the its business operations, trade secrets, employees, suppliers, and customers are intact and secured. Since it was able to keep its data secured, its business operations and supply chain remained undisturbed and its business operations and supply chain were not exposed to legal, financial and operational risks.	VITA has an IT department in charge of maintaining the integrity and security of data stored electronically as well as the maintenance and security of all computers used by the employees. It has also developed a safe-keeping system of all its contracts, records, and important documents to protect the data in the said contracts, records or documents. Only those that have a “need” to access these documents may be allowed access to the said records, contracts, or documents and the information contained in those records, contracts or documents must be used only for a legitimate purpose.
What are the Risk/s Identified?	
Breach of data security exposes VITA, its directors, officers, and employees to legal, operational, financial and reputational risks.	
What are the Opportunity/ies Identified?	
Continuously keeping VITA’s data safe and secured not only minimizes the legal, operational, financial and reputational risks of VITA, its directors, officers, and employees.	

## UN SUSTAINABLE DEVELOPMENT GOALS

### Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Animal Feeds	<p><b>SDG Goal 2: Zero Hunger</b></p> <ol style="list-style-type: none"> <li>1. Continuous provision of healthy and safe feeds for animals and foods for people.</li> <li>2. Partnered with government in the latter's Pilipinas Kontra Gutom program.</li> <li>3. Lifetime Profitable Partnerships with its business partners, suppliers, customers and employees.</li> </ol> <p><b>SDG Goal 8: Decent Work and Economic Growth</b></p> <ol style="list-style-type: none"> <li>1. Continued economic growth of VITA and contribution to its stakeholders' economic growth.</li> <li>2. Job creation, competitive compensation packages, and career growth opportunities.</li> <li>3. Full, productive, efficient, healthy and safe workplace.</li> <li>4. Green Sanctuary program.</li> </ol> <p><b>SDG Goal 12: Responsible Production and Consumption</b></p>	<ol style="list-style-type: none"> <li>1. Shortage of natural resources.</li> <li>2. Waste generation.</li> <li>3. Pollution.</li> <li>4. Contribution to Climate Change.</li> </ol>	<p>As disclosed in the previous topics, VITA shall continue to operate within the parameters of law, regulations, its ECC and it shall continue to look for solutions to further reduce its contributions to pollution and climate change as well as to further reduce the wastes it generates/produces from its operations. It shall continue to regularly maintain and upgrade its equipment and facilities.</p>
Animal Health Care			
Chicken			

	<ol style="list-style-type: none"> <li>1. Efficient use and management of natural resources.</li> <li>2. Compliance with environmental laws and regulations.</li> <li>3. Ongoing Solar Energy Project in Iloilo Feed Mill.</li> <li>4. Study on shifting to reusable woven sacks for feeds packaging.</li> <li>5. About 95% of procurement budget was spent on local suppliers.</li> </ol>		
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*\* None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*

# ANNEX “A”



BRAND PURPOSE

FORGING LIVELIHOOD. NOURISHING LIVES

VISION

Vitarich will continue being the pioneer, agribusiness partner, and innovator in the feeds industry and will be the backbone of every Filipino farmer’s success by providing the best solutions through its product and services.

MISSION

Continuously adapt **new business development programs** and **technological advancements** to enhance product and service quality

Empower employees, trade partners, and customers through **knowledge sharing and innovations** in agribusiness

Provide comprehensive solutions to **raise the standards of the country’s agribusiness industry** through products and services

Build partnerships with business partners and customers to achieve **long term profitability and sustainability** and increase shareholder value

Inputs	Business Activities / Processes	Outputs	Outcomes
Financial Capital	Manufacturing and distribution of various animal feeds	Several lines of hogs and poultry feeds for different customers	<b>Sustainable business and partnerships</b> with growers, broilers, and hog raisers, as well as farmers and suppliers, and other stakeholders <b>where employees are engaged, product integrity is prioritized, productivity is improved, and negative impacts of our operations to the environment and social risks are reduced.</b>  Continued contribution to the <b>country’s economic development</b> through jobs, incomes, and improved competencies, as well as taxes paid to the government
Manufactured Capital	Integration of broiler chicken from contract growing	Dressed chicken and branded products under the “Cook’s” brand	
Intellectual Capital	Production and distribution of dressed chicken	Valued relationships with institutional customers, distributors, and SMEs	
Human Capital	Production and distribution of animal health products	Animal health products for partner growers, broilers, hog raisers, and customers in the general public	
Natural Capital			
Social Capital	Relations with its different stakeholders		
CORE VALUES			
LEADERSHIP with INTEGRITY   EXCELLENCE   CARE FOR OTHERS			