


# 2019 SUSTAINABILITY REPORT

## VITARICH CORPORATION

### SEC Reporting Template

#### Contextual Information

Company Details																															
Name of Organization	Vitarich Corporation (“Vitarich”)																														
Location of Headquarters	Principal Place of Business: Marilao- San Jose Road, Sta. Rosa I, Marilao, Bulacan																														
Location of Operations	Aside from Marilao, Bulacan, Vitarich also operates in the following areas: a. Iloilo: Brgy. Mali-ao, Pavia, Iloilo b. Bacolod: Door M-4, Palanca Avenue, Reclamation Area, Bredco 1, Bacolod City c. Cebu: A.C.Cotez Avenue, Ibabao, Mandaue City, Cebu d. Cagayan de Oro: General Milling Corporation, Tablon, Cagayan De Oro City e. Davao: KM.14 Panacan, Davao City																														
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	This report involves only the business operations of Vitarich, including the operations in the feedmill plants that it operates, which are located in Iloilo and Davao. It excludes, however, the dressing plants as these are not operated by Vitarich.																														
Business Model, including Primary Activities, Brands, Products, and Services	 <p><b>Brand Purpose:</b> FORGING LIVELIHOOD, NOURISHING LIVES.</p> <p>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 products and services.</p> <table border="1"> <thead> <tr> <th>VISION</th> <th>INPUTS</th> <th>BUSINESS ACTIVITIES / PROCESSES</th> <th>OUTPUTS</th> <th>OUTCOMES</th> </tr> </thead> <tbody> <tr> <td rowspan="6"> <b>MISSION</b>  <ul style="list-style-type: none"> <li>To Continuously adopt new business development programs and technological advancement that will enhance quality of products and services.</li> <li>To empower employees and customers by imparting knowledge and innovations in agribusiness</li> <li>To Provide comprehensive solutions through products and services in raising the standard of the Philippine Agribusiness Industry</li> <li>To build partnerships with our suppliers and customers to achieve long term profitability and sustainability and increase shareholders' value</li> </ul> </td> <td>Financial Capital consists of money/cash generated from payments of stockholders for their subscriptions or from trading of shares in the PSE. It also includes money generated from its business operations and loans from banks and other financial institutions.</td> <td>Manufacturing and distribution of various animal feeds.</td> <td>Vitarich has several lines of hogs and poultry feeds, which cater to different types of customers.</td> <td>70 years of feeds manufacturing and distribution</td> </tr> <tr> <td>Manufactured Capital includes office supplies, feedmill/dressing plant and its equipment, office building, vehicles, office equipment, phones and laptops</td> <td>Poultry Integration.</td> <td>Vitarich has also produced dressed chicken and value added chicken products under the brand "Cook's"</td> <td>Continued contribution to the government through the taxes that the Corporation pays.</td> </tr> <tr> <td>Intellectual Capital includes feeds formulations, dressed chicken plans, goodwill and reputation of the Corporation, logo, product lines, and brand names such as "Cook's" brand.</td> <td>Production and distribution of dressed chicken</td> <td>It is also a business partner and supplier of dressed chicken to rotisseries, restaurants, distributors and other small to medium scale enterprises.</td> <td>Long term business partnerships with its growers, broilers, and hog raisers as well as with the farmers from whom the Corporation buys its raw materials.</td> </tr> <tr> <td>Human Capital includes hard working and efficient employees, consultants, management team, directors and officers.</td> <td>Production and distribution of animal health products.</td> <td>Its animal health products are used by its growers, broilers, and hog raisers in their operations. 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	For a more readable business model, kindly see <b>Annex “A”</b> of this Sustainability Report.
Reporting Period	January to December 2019
Highest Ranking Person responsible for this report	Atty. Mary Christine Dabu-Pepito, <i>Assistant Corporate Secretary, Compliance Officer, Corporate Information Officer, and Legal Counsel</i>

*\*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

### Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.<sup>1</sup>

Since this is the first Sustainability Report of Vitarich, the Sustainability Report team collated all existing data and information needed. Based on these existing data, the team analyzed the material topics for the report using the Materiality Matrix. Per assessment, the following are the topics material to Vitarich:

- (a) Direct Economic Value Generated and Distributed
- (b) Climate-Related Risks and Opportunities
- (c) Proportion on Spending on Local Suppliers
- (d) Training on Anti-Corruption Policies and Procedures
- (e) Incidents of Corruption
- (f) Materials Used by the Organization
- (g) Air Emissions
- (h) Air Pollutants
- (i) Solid Wastes
- (j) Hazardous Wastes
- (k) Effluents
- (l) Environmental Compliance
- (m) Employee Data
- (n) Employee Benefits
- (o) Employee Training and Development
- (p) Labor Management Relations
- (q) Diversity and Equal Opportunity
- (r) Occupational Health and Safety
- (s) Labor Laws and Human Rights
- (t) Supply Chain Management
- (u) Significant Impacts on Local Communities
- (v) Customer Satisfaction
- (w) Health and Safety
- (x) Marketing and Labelling
- (y) Customer Privacy

However, while the same were assessed to be material, there are still no available data on some

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

topics.

The topics that were not relevant were left in blank/unanswered.

## ECONOMIC

### Economic Performance

#### Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	8,918,466,510.00	PhP
Direct economic value distributed:		
a. Operating costs	588,305,146.00	PhP
b. Employee wages and benefits	267,795,206.00	PhP
c. Payments to suppliers, other operating costs	7,528,487,783.00	Php
d. Dividends given to stockholders and interest payments to loan providers	Interests - 74,965,307.00 Dividends - none	PhP
e. Taxes given to government	44,150,032.00 (inclusive of licenses, income and other taxes paid)	PhP
f. Investments to community (e.g. donations, CSR)	51,500.00	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>For the year 2019, Vitarich generated a total revenue of Php8,918,466,510.00 as a result of its business operations and strategies. With this amount, it was able to fund its operating costs and pay the salaries of its employees. It was also able to contribute the amount of Php44,150,032.00 to the government in the form of taxes and license fees. In addition, the company 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.</p> <p>Vitarich's generated revenue has an impact on the country's revenue</p>	<p>Vitarich's economic value generated and distributed affected the following stakeholders: (a) government; (b) employees; (c) suppliers; (d) customers; (e) other business partners; and (f) loan providers.</p>	<p>Vitarich has a Lifetime Profitable Partnership (LPP) program, which has been proven to be a financially and socially efficient strategy. Thus, the company commits to continuously strengthen, update and innovate its LPP program.</p> <p>Vitarich also commits to continuously update capabilities and efficiencies within its organization. It will continue to pay the correct and right amount of taxes and comply with government rules and regulations.</p>

<p>through the taxes it paid for 2019. It also has an impact on the labor sector through job creation and retention as well as in food production and distribution.</p>		
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<p>The following are the risks identified relative to this topic:</p> <ol style="list-style-type: none"> <li>1. Decrease in revenue due to a shift of the customers to the competitor.</li> <li>2. Increase in expenses due to overspending.</li> <li>3. Decrease in revenue and/or increase in expenses due to over-expansion.</li> <li>4. Decrease in revenue due to pest infestation, weather disturbance, scarcity of local raw materials, animal sickness/diseases like Avian Flu and African Swine Fever.</li> <li>5. Decrease in revenue, delay in the operations and/or increase in operating costs due to over-importation of dressed chicken, high market prices of raw materials, unreasonable government policies and regulations as well as possible labor unrest.</li> <li>6. Unnecessary payment of penalties to loan providers and the government for late payment of loans and/or taxes, as the case may be.</li> <li>7. Delay in operations due to relocation caused by urbanization of areas where dressing plants and/or feedmills operate.</li> <li>8. Legal prosecution and/or legal liabilities (i.e. penalties) due to Bureau of Internal Revenue (“BIR”) and/or Local Assessor’s Office assessment for deficiency taxes.</li> <li>9. Lay-off of employees due to liquidity issues of the company.</li> </ol>	<p>These risks are seen to affect the either the government, the company’s suppliers, loan providers, employees, directors, or customers.</p>	<p>Vitarich continuously evaluates and improves its operational efficiencies (including customer service and cost reduction measures) as well as its bio-security measures and policies. It also continuously researches and develops alternative raw materials, as well as source raw materials within the locations where it operates.</p> <p>The company commits to continue to improve its allocation of resources to weather drastic price fluctuation of chicken. It also commits to continue to pay its obligations on time to avoid the imposition of charges and penalties.</p> <p>In addition, Vitarich strives to do its best to coordinate with government policy makers and comply with applicable regulations. It will continue to foster labor relations and community relationship.</p> <p>To address urbanization in areas where its plants are located, Vitarich commits to plan for transition to cope with urbanization as well as to continuously upgrade and modernize infrastructure, plants and equipment in order to minimize, if not, avoid, the relocation of dressing plants due to urbanization.</p> <p>It will continue to pay the right and correct amount of taxes on time and should the company be subject of an assessment, it will cooperate with BIR or the local assessor in the reconciliation of records and, if found to have deficiency taxes, to pay the deficiency taxes at once in order to avoid not only additional penalties and surcharges but also to avoid</p>

		legal prosecution.
<b>What are the Opportunity/ies Identified?</b>		<b>Management Approach</b>
<p>The following are the opportunities identified relative to this topic:</p> <ol style="list-style-type: none"> <li>1. Increase in revenue due to high retention of customers because of the company's resiliency over wide-spread sickness of animals, pest infestation and over-importation of chicken.</li> <li>2. Use of modern and cutting-edge technology for the chicken industry due to the company's good financial standing.</li> <li>3. Improvement in operations and innovations due to the company's good economic performance.</li> <li>4. Increase in net revenue due to lowering of corporate income tax should the second instalment of the TRAIN law is passed.</li> <li>5. Expansion of business operations due to increase in net revenue.</li> <li>6. Continuous contribution to the government due to the taxes paid by the company.</li> <li>7. Increase in credit rating and in credit line from loan providers due to on-time payment of obligations.</li> <li>8. Continuous job creation in the areas where the company operates.</li> </ol>		<p>In addition to the foregoing approach, Vitarich commits to maximize its profits by using the same to improve the company's business operations in order to be able to give or contribute more to its stakeholders. The company also commits to continuously pay its suppliers and loan providers on time to maintain good relationship with them.</p>

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	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

<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.

	information is material		
Recommended Disclosures			
a) Describe the board's oversight of climate-related risks and opportunities	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	a) Describe the organization's processes for identifying and assessing climate-related risks	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>The climate-related risks and opportunities are discussed during the regular and/or special meeting of the Board of Directors, as the need arises. Heads of concerned departments report and update the Board on the effects of climate-related risks and opportunities on Vitarich's business operations, if any, and the measures undertaken to prevent and/or minimize adverse effects.</p>	<p>On the short term horizon, Vitarich is exposed to the following climate-related issues: (a) lack or scarcity of local raw materials; (b) flooding; (c) power shortages; and (d) water shortages.</p> <p>On the medium to long term horizon, the following are the climate-related issues relevant to the company: (a) weather disturbances; (b) erratic climate conditions; (c) increasing temperatures during summer; (d) continuous rise of sea water level; (e) ban on use of plastics in the packaging of products; (f) shift to the use of biodegradable plastic packaging; (g) customer preference on "green" companies/companies who have been certified as eco-friendly; (h) scarcity of non-renewable resources; and (h)</p>	<p>While climate-related risks have not yet been included in Vitarich's existing risk management policy, the company, in practice, is already assessing climate-related risks and opportunities through the following means: (a) continuous research and development on emerging trends, alternative raw materials, and latest technology and infrastructure; (b) review and audit of effects of recurring risks such as flooding and weather disturbances; (c) innovation on strategies to address recurring risks and evaluation of such strategies versus former strategies; and (d) continuous review and innovation of strategies.</p> <p>Moving forward, Vitarich commits to include climate-related risks and opportunities</p>	<p>Since climate-related risks and opportunities have not yet been incorporated on Vitarich's risk management policy, there is no available data yet on the metrics used to assess these climate-related risks and opportunities.</p>

	<p>urbanization.</p> <p>Based on these risks, Vitarich sees the following opportunities, which has not only short term but also long term impacts on the company's business operations: (a) use of alternative raw materials; (b) use of renewable sources; (c) reduced consumption of water; (d) use of biodegradable plastics in packaging; (e) use of organic materials in packaging; (f) reduction of wastes; (g) use of climate proof infrastructures; and (h) use of eco-friendly, state-of-the-art equipment.</p>	<p>in its existing risk management policy.</p>	
<p><b>b) Describe management's role in assessing and managing climate-related risks and opportunities</b></p>	<p><b>b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.</b></p>	<p><b>b) Describe the organization's processes for managing climate-related risks</b></p>	<p><b>b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</b></p>
<p>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. Any</p>	<p>Lack or scarcity of raw materials, power and water shortages may either hamper business operations or increase costs to produce Vitarich's products.</p> <p>Continuous rise of sea water level, and weather disturbances may devastate infrastructure. Erratic climate conditions, flooding, and</p>	<p>Vitarich manages its climate-related risks and opportunities in the same manner as how it assesses these risks and opportunities. These means are already provided for in disclosure (a) above.</p>	<p>Since climate-related risks and opportunities have not yet been incorporated on Vitarich's risk management policy, there is no available data yet on the targets used to assess these climate-related risks and opportunities other than meeting the targeted revenues for the months that weather disturbances,</p>

<p>climate-related issue that affects or may potentially affect the company's business operations are likewise discussed to the Board of Directors, together with measures undertaken or to be undertaken to address the climate-related issues.</p>	<p>increasing temperatures during summer, on the other hand, may destroy or contaminate Vitarich's products or even limit product movement. These may also reduce demand for products. The ban on use of plastics in the packaging of products or at least the shift to the use of biodegradable plastic packaging, as well as customer preference on "green" companies/companies who have been certified as eco-friendly, and scarcity of non-renewable sources may have the following impacts: (a) increase cost to produce; (b) decrease in the demand for goods; (c) reduced revenue; (d) increase in interest rates on future and even existing loans, if any; (e) increase expenditures on research and development; and (f) increase in capital expenditures in technology development.</p> <p>Urbanization may result in increase in capital expenditures for relocation.</p> <p>On the other hand, all of the above-identified opportunities have the following potential financial impacts on</p>		<p>flooding and increase in temperature are experienced.</p>
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	Vitarich: (a) increased efficiencies thereby reducing costs; (b) increase in demand; (c) increase in revenue; (d) decrease in costs to produce; (e) increase in production capacity; (f) increased employee retention; (g) increased customer retention; (h) decrease in capital expenditures; and (i) increased goodwill of the company.		
	<b>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario</b>	<b>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management</b>	
	<p>Vitarich has shown resilience over short term risks and some of the long term risks (flooding, weather disturbances) it encountered in the past but this has to be further improved, strengthened, and institutionalized within the organization.</p> <p>While the company had started to make plans to take measures on the opportunities identified above, it has yet to develop strategies in order to maximize the potentials of the said opportunities.</p>	<p>As mentioned above, while climate-related risks have not yet been included in Vitarich's existing risk management policy, the company, in practice, is already assessing climate-related risks and opportunities.</p> <p>Vitarich commits to include climate-related risks and opportunities in its existing risk management policy.</p>	

	The aforementioned risks and opportunities have the potential to affect Vitarich financially and physically (i.e. relocation due to urbanization).		
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**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	78.73	%

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>Vitarich’s procurement policies and practices generate a positive value for local suppliers as 78.73% of the procurement budget was spent on local suppliers.</p> <p>However, while Vitarich is committed to support local farmers, it cannot help but import some of its raw materials due to significant price differences between local and imported materials, or because of weather disturbances, extreme weather conditions or lack/scarcity of materials.</p> <p>In addition, these practices and policies also have an impact on the supply and cost of acquisition of raw materials that translate to the cost of feeds and/or poultry products. Raw materials, security of supply, and cost are the main concerns of the overall operation of the company both for internal and commercial sales.</p>	<p>Affected stakeholders are suppliers, farmers, traders, customers, community and the government.</p>	<p>Vitarich’s Procurement Department uses the Buying Plan method based on the Material Requirement Plan (“MRP”) provided by the Production Planning and Inventory Control (“PPIC”) to plan buying strategies and timing.</p> <p>Aside from this, Vitarich has an existing procurement policy which is reviewed periodically.</p>
What are the Risk/s Identified?	Which stakeholders are	Management Approach

	affected?	
<p>The risks identified are: (a) lack/scarcity of supply brought about weather disturbances or climate changes; (b) over-importation; (c) government ban on importation; (d) high/increase in the cost of raw materials to produce finished feeds; (e) changing or cancelling orders due to production limitations, government policies, reduced demand for the materials; and (f) exposure risk on importation due to direct importation of some of the materials.</p>	<p>Weather disturbances, climate changes, increase in prices of materials and government policies may affect the financial condition of the suppliers as the company would source the materials elsewhere. Over-importation will also affect suppliers' financial condition as the prices will go down.</p> <p>Vitarich's customers will also be affected most of the identified risks may potentially increase the prices of the company's products due to the increase in the prices of the raw materials.</p>	<p>The Buying Plan mentioned above, Materials and Supplies Report and Material Canvass Evaluation Form, are used to capture price offers of different suppliers, including prices for term and COD payments, and analysis of savings between local sourcing and importation.</p> <p>In case of lack/scarcity of supply, Vitarich augments its requirements through importation.</p> <p>To reduce exposure risk on importation, Vitarich engages a third party to do importation activities for the company.</p> <p>Further, as stated above, Vitarich's existing procurement policy is being reviewed from time to time. Necessary amendments on the policy are also done in order to improve the company's procurement policies and processes.</p>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p>Vitarich can help spur the development of local corn industry. It can be a ready taker of produce that would stabilize the risk and increase viability of planting corn.</p> <p>For the materials that Vitarich import, vessel loading of the materials instead of placing them in the containers.</p>	<p>Stakeholders include local suppliers, farmers and traders.</p> <p>For importation, foreign suppliers, customers, and employees under the procurement, finance, warehouse and logistics departments are affected because if these raw materials will be loaded in a vessel, it is seen to make the importation and procurement process faster and more efficient, thereby may affect the price of the product.</p>	<p>Vitarich is actively looking for local suppliers of raw materials and as a matter of policy, patronizes these local suppliers.</p> <p>Importation comes only as a secondary option or done only to augment the company's requirements.</p> <p>The management plans to study the costs and benefits of vessel loading of one of the major raw materials versus the existing practice/s as well as the measures that may be undertaken to reduce importation risk and exposure of Vitarich.</p>

## Anti-corruption

### Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
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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	%
Percentage of directors and management that have received anti-corruption training	0	%
Percentage of employees that have received anti-corruption training	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>Training on anti-corruption policies and procedures contribute to having arms-length transactions with the suppliers. It also promotes competition among the suppliers to help them improve their own businesses, which would also translate to more income and more tax payments from the suppliers and the company as well. Further, it helps parties dealing with the company to conduct their businesses in a legal, moral, and ethical manner. It also upholds laws and company policies. It also has an impact on the company's business operations, supply chain, and goodwill.</p> <p>However, while this is a material topic for Vitarich as integrity is one of the company's core values and it conducts its business in an honest, legal, moral and ethical manner, its anti-corruption policy at present is limited to the prohibitions and penalties for conflicts of interests as indicated in the Company Rules and Regulations. There is no comprehensive and separate anti-corruption policy yet. As such, there is no available data yet on the extent of the impact of this material topic.</p>	<p>Since Vitarich's anti-corruption policy at present is limited to prohibition on conflict of interest, the stakeholders affected so far are the employees, suppliers and customers.</p>	<p>Vitarich commits to establish a comprehensive anti-corruption policy and procedure and communicate the same to the employees, directors, officers, business partners, suppliers, and the public within the year 2020. Finally, it commits to conduct a series of anti-corruption trainings within 3 years starting from 2020 to 2022.</p>

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>Since the only anti-corruption policy in place is conflict of interest and there had been no regular trainings regarding this policy, the following are the risks identified relative to this topic:</p> <ol style="list-style-type: none"> <li>1. Employees, particularly those involved in procurement, sales, and collection may not be able to draw the line between a mere accommodation given to a customer or a supplier or those given to Vitarich and an act amounting to a conflict of interest.</li> <li>2. Failure to draw the line between a mere accommodation given to Vitarich or those given to suppliers and customers and an act that is corrupt, dishonest, or unethical.</li> <li>3. Decline of confidence of customers, suppliers and any external business partners.</li> <li>4. Lack of basis for issuing fines and penalties involving corruptions within and outside the organization.</li> <li>5. Possible legal suits against the company, its directors, officers, or employees.</li> <li>6. Lost income opportunities or decrease in revenue.</li> <li>7. Demoralization of employees.</li> <li>8. Company's reputation may be tainted.</li> <li>9. Decline in the company's market value.</li> <li>10. Abusive transactions/contracts or those where the terms and conditions are not arms-length.</li> </ol>	<p>These identified risks will affect Vitarich's employees, customers, suppliers, business partners, directors, officers, and even shareholders.</p> <p>Erring employees, officers, and directors may not only lose their jobs in the company but may also face criminal prosecution. If found guilty, they may even suffer the penalty of imprisonment.</p> <p>Should confidence in the company decline as a result of corrupt acts and practices, shareholders' investments may be affected, especially if the market value of the company becomes too low.</p>	<p>In addition to those mentioned above, Vitarich commits to strengthen its control procedures to ensure that business operations are conducted and profits are earned in a legal, moral, and ethical manner.</p>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p>If anti-corruption policies and</p>	<p>Shareholders would have</p>	<p>Vitarich reiterates the management</p>

<p>procedures are communicated to the stakeholders and trainings have been given to them, Vitarich's business operations will be more profitable as it need not spend for fines and penalties on account of corrupt practices and acts. The company also need not spend for legal actions against employees, officers, directors, and business partners who are proven to commit corrupt practices and act.</p>	<p>peace of mind about their investments in the company. Business partners are assured of a continuing business relations with Vitarich. Suppliers are given the opportunity to compete for every requirement.</p>	<p>approach disclosures made above and, in addition, it plans to study the possibility of partnerships with the government and its agencies and to analyze the extent of the contributions it will make and benefits it may derive from such partnerships.</p>
<p>Employees will be more motivated to work and they will be more efficient. There will be a very minimal employee turnover rate because fewer employees will resign and no employee will be dismissed due to corrupt practices and act.</p>	<p>Employees are more secured in their employment and they are more motivated to work. Career growth is a high possibility for the employees. They also need not worry about legal suits against them for corrupt practices that amount to criminal acts under our laws.</p>	
<p>Once anti-corruption policy is promoted and implemented strictly, it will provide positive image to external business partners, potential investors, potential employees and others.</p>	<p>The government will earn the correct and right amount of taxes from Vitarich.</p>	
<p>A corrupt-free business operations will also pave the way for tie-ups and partnerships with the government, its agencies and adjunct departments.</p>	<p>The government's partnership with Vitarich will also help the</p>	
<p>Long term partnerships with existing business partners is also seen. In addition to this, Vitarich may be able to gain new customers.</p>	<p>government enrich the lives of more people.</p>	
<p>In terms of financing, there is a high possibility of getting low interest rates as Vitarich's exposure to closure and legal suits are avoided or at least maintained at a very minimal level.</p>		

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	None	#

Number of incidents in which employees were dismissed or disciplined for corruption	3	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	None	#

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>In 2019, a number of corruption incidents involving food sales department and supply chain group were reported. There were bribery incidents to give preference to distributors when there were shortage of products. These incidents resulted in certain amount of cash and company assets being utilized for personal advantage of these employees and officer. They were dismissed.</p>	<p>Erring employees were affected and were eventually terminated and/or did not intentionally report to the company for work (considered as AWOL). Customers involved in the transactions were also affected.</p> <p>Suppliers providing services to Vitarich were also affected.</p>	<p>In addition to the management approach given under the heading of Anti-Corruption Policies and Procedures, Vitarich has an existing policy and process regarding these kinds of infractions/dishonesty. It has an established procedure for investigating such matters, and what kind of penalty/ies to be imposed on erring employees.</p> <p>Vitarich's management had also established the guidelines for food sales operations as agreed with all the departments involved (dressing plant group, food sales group, accounting, credit and collection and audit group). The company has also strengthened its controls over the supply chain group transactions especially on capital expenditures.</p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>Incidents of corruption may lead to the following: (a) use of company assets and properties for personal advantage; (b) lost sales and customers; (c) intentional mismanagement of company funds; (d) weak internal controls become futile; (e) demoralized employees; (f) reduced confidence from possible investors; (g) increase in operating costs; (h) high employee turn-over; (i) reduction in revenue due to increase in costs; and (j) taint in the company's reputation/good will.</p>	<p>The stakeholders that may be affected by the identified risks are the employees, customers, suppliers, stockholders, directors and officers.</p>	<p>In addition to those mentioned above, Vitarich shall strengthen internal controls over food sales operation and supply chain group. It also commits to strengthen its internal audit and to conduct more regular audits for each department nationwide.</p>

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
A corrupt-free workplace and company will make the following possible: (a) improvement of the process of not only the food sales operations and supply chain group but also all processes within the company; (b) employee turn-over is maintained at a minimal level; (c) reduction in costs because the company is not exposed to risk of being penalized; (d) increase in revenue due to reduction in costs; (e) increase in confidence of investors; and (f) high reputation/goodwill of the company.	A corrupt-free workplace affects the customers, suppliers, employees, stockholders, and other investors.	In addition to those already mentioned above, Vitarich shall consistently monitor the efficiency and effectiveness of all departments covering it through the internal audit department in collaboration with the legal group and Business Process Monitoring Unit ("BPMU").

## ENVIRONMENT

### Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)		GJ
Energy consumption (SFO)		GJ
Energy consumption (gasoline)		GJ
Energy consumption (LPG)		GJ
Energy consumption (diesel)		GJ
Energy consumption (electricity)		kWh

Reduction of energy consumption

Disclosure	Quantity	Units
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
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach



What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal		Cubic meters
Water consumption		Cubic meters
Water recycled and reused		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
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
➤ Renewable	Luzon – 3,700,000 Visayas – 1,950,000 Mindanao – 4,200,000 Total: 9,850,000	Kilo
➤ Non-renewable	Luzon - 2,800,000 Visayas - 1,800,000 Mindanao – 4,250,000 Total: 8,850,000	Kilo
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
As a feed and poultry company, Vitarich relies heavily on raw, manufactured and processed	One of the stakeholders affected are the communities in which	Being aware of the environmental problems of the world, Vitarich commits to conduct a study to shift to the use of

<p>materials in order to manufacture, market and sell its products.</p> <p>As can be seen, however, while it uses more renewable materials than renewable materials, it does not use recycled materials in its production. Moreover, the difference between the use of renewable and non-renewable materials is only 1,000,000 kilos, thus, still contributing to waste generation and pollution.</p>	<p>Vitarich has business operations as they bear the company's contributions to pollution and wastes. The suppliers of non-renewable materials are affected as they may, over a period of time, suffer shortage or scarcity of materials to be supplied to the company. The customers are also affected because the prices of the products of the company depend also on the costs of production.</p>	<p>more renewable and/or recyclable materials in the manufacturing and selling of its products in order to minimize, if not totally avoid, the use of non-renewable materials.</p> <p>In order to minimize wastes, it plans to look into the possibility of trading the excess non-renewable materials.</p>
<p><b>What are the Risk/s Identified?</b></p>	<p><b>Which stakeholders are affected?</b></p>	
<p>The company's continuous demand for non-renewable materials may result in the shortage or scarcity of any of these materials. The scarcity or shortage of these materials will hamper or delay the company's operations.</p> <p>It also increases the company's contribution to pollution and generation of waste.</p>	<p>The suppliers of non-renewable resources will be affected by the shortage or scarcity of the non-renewable materials. The customers will also be affected because the prices of the products also depend on the prices and availability of the materials. The communities where the company operate will be affected by the increase in the contribution to pollution and waste.</p>	
<p><b>What are the Opportunity/ies Identified?</b></p>	<p><b>Which stakeholders are affected?</b></p>	
<p>The use of renewable materials will decrease the company's contributions to pollution and waste. It also conserves non-renewable materials so that these may be used for a longer time.</p> <p>In addition, renewable materials may be more cost efficient than non-renewable ones.</p>	<p>The communities where Vitarich has operations will be affected because the decrease in pollution and waste would mean a healthier environment for them. The suppliers of non-renewable materials will be affected in the sense that Vitarich's</p>	

	orders will decrease. On the other hand, suppliers of renewable sources will benefit from the shift to the use of renewable sources, albeit gradually. Customers will be affected as the use of renewable materials may be more cost efficient on the part of the company, thus, making the company's products more affordable to the customers.	
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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)	

<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>
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<b>What are the Opportunity/ies Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>

**Environmental impact management**

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	Iloilo Feedmill - 4,100/year  Davao Feedmill (CO emission only for broiler 1 and 2 respectively) -	Tonnes CO <sub>2</sub> e

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

	1.4tons/yr and 0.6tons/yr, respectively	
Energy indirect (Scope 2) GHG Emissions	Iloilo Feedmill – 0 Davao Feedmill -	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>
<p>While Vitarich does not emit ozone-depleting substances, its feedmill operations in Iloilo and Davao contribute to GHG emissions, albeit in a very minimal level compared to the thresholds allowed per Department of Environment and Natural Resources ("DENR") standards.</p> <p>While the impact to the environment is very low, this topic is still material for the company as the company's air emissions are highly significant for the stakeholders.</p>	<p>The communities where the Iloilo and Davao feedmills are located are affected by these emissions. In addition, the government is also affected because of regulatory measures in place.</p>	<p>Vitarich regularly maintains its feed mills and equipment and checks its emissions at least once a month and ensures that emissions are within the threshold allowed by law.</p>
<b>What are the Risk/s Identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<p>The possible increase in GHG emissions, health risks of the community, and legal action and/or liability against the company and/or its directors, officers, or employees due to increase in GHG emissions are the risks associated with this topic.</p>	<p>The stakeholders who may be affected are the communities where the feed mills are located, the government, the company's directors, officers or employees.</p>	<p>Aside from those mentioned above, Vitarich does continuous research on more eco-friendly machines and equipment to maintain emissions within the threshold allowed by law or better, to even reduce the emissions.</p>
<b>What are the Opportunity/ies Identified?</b>		
<p>Reduction in GHG emissions from feed mills, thereby reducing health risks of the community and reducing exposure to legal action and/or liability of the company, its directors, officers or employees.</p>		

Air pollutants

Disclosure	Quantity	Units
NO <sub>x</sub>	Iloilo Feedmill -349  Davao Feedmill - 142.0 (Genset), 109.4 (Boiler No. 1), 37.6 (Boiler No. 2)	ave. concentration in mg/Nm <sup>3</sup>
SO <sub>x</sub>	Iloilo Feedmill – 605 (as SO <sub>2</sub> )  Davao Feedmill – 74.8 (Boiler No. 1), 97.4 (Boiler No. 2)	ave. concentration in mg/Nm <sup>3</sup>
Persistent organic pollutants (POPs)	0	kg
Volatile organic compounds (VOCs)	0	kg
Hazardous air pollutants (HAPs)	0	kg
Particulate matter (PM)	Iloilo Feedmill -56.9  Davao Feedmill – 13.1 (Boiler No. 1) 9.3 (Boiler No. 2)	concentration in mg/Nm <sup>3</sup>

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>Vitarich's feedmill operations in Iloilo and Davao contribute to air pollution, albeit in a very minimal level compared to the thresholds allowed per DENR standards.</p> <p>While the impact to the environment is very low, this topic is still material for the company as the company's contribution to air pollution is highly significant for the stakeholders.</p> <p>Please note that data reflected for Iloilo Feedmill was based on the test result for 2017, which is still valid until 2022.</p>	<p>The stakeholders affected are the communities where these feedmills operate, the employees in the feedmills and the government.</p>	<p>Vitarich has pollution control devices, including dust collectors, in its feedmills in order to minimize, if not totally avoid, contribution to air pollution. These pollution control devices and all other equipment are continuously and regularly monitored and maintained. To protect its employees and even third persons, biosecurity measures are in place and the company also provides them with personal protective equipment ("PPE"). The company also conducts an annual maintenance/servicing for its boilers.</p>
What are the Risk/s Identified?	Which stakeholders are affected?	

<p>The risks identified with respect to the air pollutants being emitted by the company's feedmills in Iloilo and Davao are: (a) increase in contribution air pollution; (b) health risks on the part of the employees and the communities where the feedmills operate; and (c) legal action and/or liability on the company, directors, officers, or employees due to increase in air pollution contribution.</p>	<p>The stakeholders who may be affected are the communities where the feed mills are located, the government, the company's directors, officers or employees.</p>	
<p><b>What are the Opportunity/ies Identified?</b></p>		<p><b>Management Approach</b></p>
<p>Decrease in air pollution contribution, thereby reducing health risks of the community and reducing exposure to legal action and/or liability of the company, its directors, officers or employees.</p>		<p>In addition to the foregoing, Vitarich is continuously researching and finding means to further reduce its contribution to air pollution, including the possibility of converting to mechanical operation in the pouring line.</p>

## Solid and Hazardous Wastes

### Solid Waste

Disclosure (include office)	Quantity	Units
Total solid waste generated	Iloilo Feedmill - 2,500/month  Davao Feedmill - 2,500/month	kg
Reusable	Iloilo Feedmill – 500/month  Davao Feedmill – 500/month	kg
Recyclable	Iloilo Feedmill – 300/month  Davao Feedmill – 300/month	kg
Composted	Manure - 174,000  Iloilo Feedmill – 700/month  Davao Feedmill –	kg

	700/month	
Incinerated	0	kg
Residuals/Landfilled	Iloilo Feedmill – 1000/month	kg
	Davao Feedmill – 1000/month	

<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>The company produces residual solid waste of about 2,000 kg per month or about 24,000 kg per year from its Iloilo and Davao feedmill operations, even after its recycling, reusing and composting measures in place.</p>	<p>The stakeholders affected would be the employees involved in the feed mill operations, the communities where the feedmills operate as well as the communities near the landfills where the residual wastes go and the government.</p>	<p>Vitarich 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.</p>
<b>What are the Risk/s Identified?</b>		<b>Management Approach</b>
<p>Collection of sweepings could result in health risks to employees, such as infections.</p> <p>Increase in residual wastes may harm the communities where the feedmills operate and those near the landfills.</p> <p>Legal action and legal liability on the company's part as well as its directors, officers, or employees should the solid wastes go beyond the threshold allowed by law.</p>		<p>In addition to the foregoing, the company regularly evaluates the sweepings to make sure that it would not cause infections. It also provides the employees with PPEs and the biosecurity measures in place are strictly implemented. Vitarich also continuously looks for solutions to further reduce its solid wastes, if not totally eliminate them.</p>
<b>What are the Opportunity/ies Identified?</b>		
<p>Increase in volume of sweepings to be reprocessed to reduce use of raw materials.</p> <p>Reduction in residual wastes as well as elimination of the same may reduce health risks to communities where the feedmills operate and those near the</p>		

landfills. It may also reduce exposure of the company, its directors, officers and employees to legal action and legal liability.		
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Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	Iloilo Feedmill:  Used oil – 160/year  Busted lamps – 32/year  Davao Feedmill:  Used oil – 20/year  Busted lamps – 20/year	liters  kg  liters  kg
Total weight of hazardous waste transported	Iloilo Feedmill – 0  Davao Feedmill – 0	kg  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>As can be seen in the table above, the company's business operations in its Iloilo and Davao Feedmills generate hazardous wastes in the form of used oil and busted lamps, which, if not disposed properly, may result in harmful effects to the environment and even to human beings.</p> <p>The volume of these hazardous wastes is, however, very minimal. Thus, there is no need to transport the same yet and there is also no hazardous waste transporter that would cater the very minimal volume. The same are properly kept within the vicinity.</p>	<p>The stakeholders who may be affected are the people living nearby, the employees of the organization, and the government.</p>	<p>The company has a designated Materials Recovery Facility ("MRF") 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>



What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Improper disposal of these wastes may lead to: (a) health risks of employees and people living nearby; (b) fire; (c) air and/or water pollution; and (d) legal action and liability on the company, its directors, officers, and employees.	The stakeholders who may be affected are the people living nearby, the government, and the company's directors, officers, and employees.	In addition to the foregoing measures, the company monitors 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 working in its feedmills PPEs, which they are also required to wear within the premises.
What are the Opportunity/ies Identified?		
The opportunities seen are: (a) reduction or even elimination of health risks of employees and people living nearby; (b) prevention of fire; (c) prevention of air and/or water pollution; and (d) prevention of legal action and liability on the company, its directors, officers, and employees.		

#### Effluents

Disclosure	Quantity	Units
Total volume of water discharges	Iloilo Feedmill - 52/month  Davao Feedmill - 52/month	Cubic meters
Percent of wastewater recycled	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
As can be seen above, the company's feedmill operations in Iloilo and Davao contribute to the generation of waste water, albeit minimal in volume.	The communities where feedmills operate as well as the government are the stakeholders affected by the company's effluents.	Vitarich complies with MRF and waste water requirements as well as the proper waste water disposal prescribed under the law and regulations. It also makes sure that it operates within the thresholds allowed by law.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Increase in effluents may result in scarcity of water resources in the	The stakeholders who may be affected are the	In addition to the foregoing, Vitarich commits to look for solutions to further

<p>areas where the feedmills operate as well as legal action and/or liability on the part of the company, its directors, officers, and employees.</p> <p>Improper waste water disposal may cause: (a) health risks to the employees and the communities where the feedmills operate; (b) water pollution; (c) legal action and/or liability on the company, its officers, directors, and employees; or (d) closure by DENR and/or LGU.</p>	<p>communities where feedmills operate, the government, as well as the company's directors, officers, and employees.</p>	<p>reduce waste water.</p>
<p><b>What are the Opportunity/ies Identified?</b></p>		
<p>Decrease in effluents help in the conservation of the water resources in the areas where the feedmills operate and avoidance of legal action and/or liability on the part of the company, its directors, officers, and employees.</p> <p>Recycling of water, treatment of water, and implementation of rain water catcher system would not only reduce waste water but would also: (a) prevent or reduce health risks to the employees and the communities where the feedmills operate; (b) prevent or reduce contribution to water pollution; (c) prevent legal action and/or liability on the company, its officers, directors, and employees; and (d) prevent closure by DENR and/or LGU.</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	15,000	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</b>	<b>Which stakeholders are</b>	<b>Management Approach</b>
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does it occur? What is the organization's involvement in the impact?	affected?	
<p>Since the fine was imposed for commencing the operations of the company's research and development (R &amp; D) farm despite the lack/absence of Environmental Compliance Certificate ("ECC"), the impact was only on the company's compliance with regulatory requirements. However, the same did not result in any harm to any person or even animal or even to the environment.</p>	<p>The stakeholders affected were the employees who were assigned at the farm, as well as the business partners of the company, and the government.</p>	<p>The company was able to correct the oversight by securing the required ECC. It included the regulatory requirements for the continued operation of the farm in the monitoring of its compliance team in order to ensure that permits are renewed and secured annually.</p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>The risks involved in non-compliance with environmental laws and regulations are as follows: (a) imposition of sanctions in the form of fine, cease and desist order, or closure of operation; (b) civil, criminal, or administrative liability on the part of the erring employee; (c) high contribution to air, water, or land pollution; (d) shortage of resources; (e) health risks of employees, customers, and animals fed with the company's feeds; and (f) taint in the reputation/goodwill of the company.</p>	<p>The stakeholders who may be affected are the: (a) company's stockholders, directors, officers, and employees; (b) customers; (c) business partners; (d) the communities where the company has operations; (e) suppliers; and (f) government, especially the regulators.</p>	<p>Vitarich strictly monitors compliance with environmental laws and regulations, including securing all permits and licenses needed for the continued operation of its business. As mentioned above, it operates within the thresholds allowed by law and it regularly monitors and maintains its equipment. It also continuously looks for solutions to further lessen its wastes, air emissions and air pollutants.</p>
What are the Opportunity/ies Identified?		
<p>Compliance with environmental laws and regulations not only avoids harm to the people in the communities where Vitarich has business operations, its customers and to the animals fed with its feeds, but also ensures business continuity and peaceful relationship with the communities where it operates and the government. Compliance with</p>		

environmental laws and regulations also prevent liabilities on the part of the company, its directors, officers, or employees.		
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## SOCIAL

### Employee Management

#### Employee Hiring and Benefits

##### Employee data

Disclosure	Quantity	Units
Total number of employees <sup>5</sup>		
a. Number of female employees	228 (national)	#
b. Number of male employees	382 (national)	#
Attrition rate <sup>6</sup>	7 %	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	53	39
PhilHealth	Y	12	28
Pag-ibig	Y	42	57
Parental leaves	Y	2	5
Vacation leaves	Y	184	277
Sick leaves	Y	126	176
Medical benefits (aside from PhilHealth)	Y	34	43
Housing assistance (aside from Pag-ibig)	N	0	0
Retirement fund (aside from SSS)	Y	0	3
Further education support	N	0	0
Company stock options	N	0	0
Telecommuting	N	0	0
Flexible-working hours	N	0	0
(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, Vitarich contributes to labor and employment not only on a nationwide scope but also on a localized scope. It helps promote local hiring in Bulacan, Iloilo,	Vitarich not only abides by the country's labor standards laws but also gives the employees additional benefits such as medical allowance, personal protective equipment, uniform, medical

<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 are = (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>and Davao. Since it has 610 employees as of 2019, who mostly reside in the localities where the company operates, Vitarich aids in addressing congestion and overpopulation in Metro Manila. In addition, the company also gives the employees compensation and benefits that are greater than what the law provides.</p>	<p>benefits, dental benefits, rice subsidy, seniority pay, personal accident assurance, transportation and meal allowances (when applicable), leave credits over and above the service incentive leave pay, hazard pay for entitled employees, and funeral assistance. It also ensures the timely processing and payments of government contributions not only to comply with laws and regulations but also to ensure timely release of benefits.</p> <p>Vitarich further commits to take care and empower its employees through its Employee Lifetime Profitable Partnership (“employee LPP”) program to be launched in 2020.</p>
<p><b>What are the Risk/s Identified?</b></p>	<p><b>Management Approach</b></p>
<p>The following are the risks identified relative to this topic:</p> <p>(a) Demotivation of employees due to reduction in take home pay in order to repay SSS and Pag-ibig loans.</p> <p>(b) Demotivation/demoralization of employees due to the late posting of SSS, Philhealth and Pag-ibig contributions.</p> <p>(c) High turnover rate may result from resignation of demoralized employees as a result of the above-mentioned risks.</p> <p>(d) Higher turn-over rate due to relocation of operations caused by urbanization of the areas where the company operates.</p> <p>(e) Ageing workforce due to the unattractiveness of the agriculture industry to young professionals.</p>	<p>In addition to the foregoing, Vitarich ensures that all employees take home at least 50% of their salary in order to avoid demotivating them. It also makes sure that the benefits are timely released to the employees, thereby preventing also unnecessary expenses. To manage the late posting of government contributions, Vitarich remits the government contributions on or before due dates and keeps the receipts thereof in order to help employees avail of these benefits.</p> <p>In order to attract and encourage young professionals to join Vitarich, the company partnered with schools, such as CLSU, UPLB College of Engineering and Agro Industrial Technology, DLS – Araneta, Central Phil. University and NGOs. The company commits also to study the feasibility of providing scholarship programs to employees and to college students.</p>
<p><b>What are the Opportunity/ies Identified?</b></p>	<p><b>Management Approach</b></p>
<p>High retention rate is being experienced and will continue to be experienced if Vitarich continues to comply with existing laws, rules, and regulations and company practices/policies. Further, since the company provides not only the compensation and benefits provided under the law but also additional medical and retirement benefits, there is an opportunity to attract and encourage young professionals to join Vitarich.</p>	<p>As mentioned above, the company partnered with schools and NGOs to make it more attractive to young professionals and it commits to study the feasibility of providing scholarship programs to employees and to college students.</p>

## Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	4,224	hours
b. Male employees	5,750	hours
Average training hours provided to employees		
a. Female employees	18.53	hours/employee
b. Male employees	15.33	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>Vitarich's training and development programs, whether internal or external, for its employees contribute to employee's personal and professional growth and efficiency in the performance of their tasks.</p>	<p>Vitarich provides both in-house and external skills/technical, behavioral, or compliance trainings. In-house trainings are provided/facilitated either by the training team, a consultant or an expert in the field. External trainings are sponsored in full by the company.</p> <p>Since the Employee Training &amp; Development program is geared toward creating relevance, work efficiency, productivity, and growth, Vitarich measures the effectiveness of the training and development program as well as the types of the trainings and/or seminars being attended through regular employee performance evaluations. Should a specific training be proven ineffectual, an alternative training and/or approach will be given and/or implemented.</p>
What are the Risk/s Identified?	Management Approach
<p>Failure to give trainings and/or to send employees to relevant trainings may result in career stagnancy of employees, demoralization and demotivation of employees, inefficiency of employees, and non-growth of employees due to non-upgrading of skills. There will also be an increase in employee turnover.</p> <p>Less skilled and demotivated employees may also result in non-attainment of targets.</p> <p>Another risk identified is the failure of employees to return investment on trainings due to their eventual resignation.</p>	<p>In addition to those provided above, Vitarich manages the risks and opportunities associated with employee training and development by making sure that most, if not all, the trainings are industry-related. Vitarich also commits to study the feasibility of institutionalizing a continuous learning program for its employees and, as mentioned above, to launch the employee LPP program in 2020.</p>
What are the Opportunity/ies Identified?	
<p>Investing on employees' trainings and development will result in the professional and personal growth of the employees, which, in turn, may yield to higher</p>	

employee retention and better productivity results.	
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### Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	72 (national)	%
Number of consultations conducted with employees concerning employee-related policies	9 for major employee related policies	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>With 72% of its employees covered by Collective Bargaining Agreements ("CBA"), Vitarich contributes not only to the growth of the country's employment rate but also to the empowerment of its employees. Through their union, employees are represented and their concerns are taken into consideration in the preparation and implementation of policies, wages, and benefits.</p>	<p>Vitarich regularly and constantly communicates with the employees and their union and upholds the terms and conditions in the CBA for as long the organization can sustain. However, for the obligations that Vitarich cannot meet or provide, the company explains the reasons and rationale for postponing/deferring compliance with the obligations. Moreover, the company practices full transparency in informing its employees and their union of the company's financial performance.</p>
<p><b>What are the Risk/s Identified?</b></p> <p>Labor unrest may occur should there be a delayed performance of company's obligations under the CBA.</p> <p>Economic demands of union that the company may not be able to provide due to its financial performance at the time of negotiations on the economic provisions of the CBA.</p> <p>Strike, whether legal or illegal, for failure of parties to agree on CBA terms.</p>	
<p><b>What are the Opportunity/ies Identified?</b></p> <p>Cooperation of the union in disseminating relevant information and the company's situation to the rest of the employees may result from the company's full transparency on the company's financial performance and condition.</p>	

### Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	228	37%
% of male workers in the workforce	382	63%
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
<p>As mentioned above, the company contributes to the growth of employment rate in the country and in the areas where the company operates. It also contributes to the empowerment and employment of women. It provides equal opportunity for all persons, regardless of sex and gender.</p>	<p>While the number of male employees are higher than the female employees, it does not mean that there is gender preference in the selection and hiring of employees. In fact, Vitarich has always upheld and commits to continue to uphold meritocracy in the selection, employment and promotion of all its employees. Vitarich does not and will never include in its list of qualifications a gender preference for each position – from the lowest rank up to the top rank. Moreover, female employees are given the opportunity not only to be employed in the company but also to handle supervisory, managerial and even executive positions. The company's management committee is composed of both male and female officers.</p>
What are the Risk/s Identified?	Management Approach
<p>Work interruptions due to avilment of maternity leave for women employees and solo parent leave for solo parents.</p> <p>Increase in costs due to the requirement in the Expanded Maternity Leave Law for shoulder part of the benefits and hiring of relievers.</p> <p>Work interruptions and increase in costs due to gynecological-related diseases for women.</p>	<p>Vitarich determines if there is a need to hire a reliever in order not to over-burden the other employees. If there is none, it distributes in the meantime the workload of the employee on leave. Otherwise, it hires a reliever in order to prevent work interruptions and overloading the work of other employees. To address the possibility of increase in costs due to avilment of maternity leave and due to gynaecological-related diseases for women, Vitarich has a regular family planning and women's health seminars.</p>
What are the Opportunity/ies Identified?	Management Approach
<p>Since Vitarich has no gender preference for every position in the company, it may become more attractive to the workforce and it creates a more conducive working environment for women.</p>	<p>As mentioned above, Vitarich had always upheld and commits to continue to uphold meritocracy in the selection, employment, and promotion of its employees. It does not look at gender, age, or status as a qualification for hiring or promotion.</p>

## Workplace Conditions, Labor Standards, and Human Rights

### Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	493,664	Man-hours
No. of work-related injuries	5	#



No. of work-related fatalities	None	#
No. of work related ill-health	40	#
No. of safety drills	6	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Vitarich'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, Vitarich contributes to the growth of employment rate in the country and in the areas where it operates.	<p>To keep its work place safe and healthy, Vitarich has an existing Safety Policy and Safety Officer in all company-owned manufacturing sites. It also promotes health and safety awareness to employees through the Company's Safety Officer. It also maintains buffer of finished goods and raw material inventories. It also conducts regular fire and earthquake drills. Further, Vitarich strictly implements all sanitary and biosecurity measures in place. In addition, the company provides safety-related trainings and personal protective equipment to all employees.</p> <p>Vitarich commits to evaluate and improve its risk management system and policies in order to prepare and better equip its employees during calamities and disasters.</p>
What are the Risk/s Identified?	
<p>Failure to maintain a health and safe workplace may hamper not only the company's business operations but also its customer's business operations due to delays in deliveries resulting from accidents and/or illnesses.</p> <p>Delays in deliveries may result in decrease in revenue.</p> <p>Accidents and illnesses may also increase the company's costs and result in higher turn-over rate.</p>	
What are the Opportunity/ies Identified?	
A safe and healthy workplace will increase the company's good will and will promote low turn-over rate. It will also keep operational costs within budget or may even lessen it. It may increase revenue due to on-time delivery of products.	

### 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
Forced labor	N	
Child labor	Y	This is one of the provisions in the Company Hiring Policy
Human Rights	Y	One human right being upheld in the Company Rules and Regulations is the right of employees against

		sexual harassment.
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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>Vitarich contributes to the government's policy against forced and child labor and to the promotion of human rights in the work place. Thus, by upholding the laws and public policies, Vitarich contributes to peace and order in society as well as to the growth of employment rate. Since it upholds human rights in the workplace, it promotes a healthy and harmonious working relationship among the employees.</p>	<p>At the outset, while there is no specific provision on the Company Hiring Policy and Company Rules and Regulations prohibiting forced labor, the company, 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, Vitarich also strictly adheres to the provisions of the labor laws and CBA.</p> <p>Furthermore, the company commits to revisit 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>
What are the Risk/s Identified?	
<p>The absence of prohibition on forced labor may be misconstrued by the public and other employees that the company allows the same.</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, which, in turn, will lead to higher turn-over rate of employees.</p>	
What are the Opportunity/ies Identified?	
<p>Higher retention rate of employees due to explicit protection of human rights on the company's rules and regulations.</p> <p>Justice for victims of violations for labor laws and human rights in the workplace due to established policies and procedures.</p>	

### Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:  
**No.**

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	<i>Please see explanation in the Management Approach Column</i>
Forced labor	Y	
Child labor	Y	
Human rights	Y	
Bribery and corruption	Y	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>Vitarich's supplier accreditation requirements contribute not only to ensuring that its business operates within the bounds of law but also ensures that its suppliers conduct their businesses within the bounds of law. It contributes to the government in terms of compliance with laws and public policies. It helps the government save money on pursuing administrative and/or criminal action/s against erring corporations.</p>	<p>While Vitarich has not yet institutionalized its supplier accreditation policy, it has been following the standards in the ISO Manual and in the list of requirements in its Supplier Accreditation Form. It requires suppliers to submit their Business Permit, Certification of Registration, Income Tax Return, Audited Financial Statement, among others.</p>
What are the Risk/s Identified?	<p>Environmental performance is considered through the requirement of submission of applicable environmental permits together with their business permits. It ensures also that the suppliers are not engaged in forced labor and child labor and that it upholds human rights through their certificates of registration and supporting documents thereof such as the number and profile of manpower are declared. Bribery and corruption are considered by also</p>
<p>Since Vitarich's procurement policy has not yet been institutionalized, business interruptions may happen.</p> <p>Conducts amounting to unethical or illegal acts may happen due to the absence of a separate procurement policy.</p>	<p>looking at the suppliers' income tax returns, audited financial statements and sample purchase orders. The company also makes sure that it deals with an authorized person by the supplier by requiring a Board/Partnership resolution/authorization letter from proprietor, as the case may be, authorizing its representative. Further, realizing the risks and opportunities on having an established and separate supplier accreditation policy, the company commits to institutionalize its supplier accreditation policy.</p>
What are the Opportunity/ies Identified?	
<p>Having an established and separate procurement policy will contribute to the growth of the suppliers as they will also be able to embed sustainability in their businesses. Helping or contributing to suppliers' growth will, in turn, lead the company to a stronger relationship with all suppliers.</p>	

## Relationship with Community

### Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
As part of its operations,				Aside from its	To increase its

<p>Vitarich conducts a regular Veterinary Medical Mission nationwide – in and near the areas where it operates. This program contributes to raising awareness, job and livelihood creation, sharing of water resource to the community, and in generating business taxes in the locality.</p>			N	<p>contributions, there is no collective or individual right that has been identified as a concern in the community.</p>	<p>contributions to employees, business partners, and the community, Vitarich commits to maintain and improve its communications with the community.</p>
<p>As part of its poultry operations, the company also conducts pocket seminars on Animal Raising &amp; Management nationwide – in and near the areas where it operates. These seminars contribute not only to raising awareness on how to properly raise and manage poultry and livestock but also in job and livelihood creation and in the growth of poultry and hog raisers in the area.</p>			N		
<p>The company's poultry operations - Broiler Contract Growing, Broiler Breeder Contract to Buy (Hatching Eggs &amp; Day Old Chicks), and Broiler Contract To Buy (Live Chicken) contribute positively and negatively to the communities where they operate.</p>	<p>It conducts these operations nationwide, particularly in Central Luzon, Bicol, Iloilo/Western Visayas, Cagayan De Oro / Iligan, Davao Del Sur/ Del Norte / City / Compostella Valley, Caraga / Surigao Del Sur, General Santos /South Cotabato</p>	<p>Farmers from the country side</p>	N	<p>Apart from its positive impacts like job and livelihood creation, empowerment of farmers and increase in local business taxes in the community, these business operations unfortunately raise concerns on pest / fly infestation and foul odor / air pollution within the community.</p>	<p>To mitigate the concerns and at the same ensure the continued positive contributions to the community, Vitarich practices a Comprehensive &amp; Holistic Pest Control &amp; Pollution Management, employs Farm Best Practices / Management, as well as Chemical and Biological Approaches in the conduct of these operations.</p>

<p>Vitarich's feedmill operations both have positive and negative impacts on the environment.</p>	<p>Iloilo Davao</p>		<p>N</p>	<p>The company's feedmill operations contribute to job creation and employment. However, as disclosed under the various topics on impacts on Environment above, these operations also contribute to pollution and production of wastes, although in a very minimal level.</p>	<p>Vitarich ensures that all its equipment are regularly maintained and that all laws, regulations, and company policies are followed. It also operates within the allowable threshold. All wastes are properly segregated, those that may be recycled or re-used are either recycled or re-used. Those that may not be recycled or re-used are disposed of properly. As disclosed above, Vitarich continuously looks for solutions to further reduce its air emissions, air pollutants, and wastes.</p>
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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		#

<p><b>What are the Risk/s Identified?</b></p>	<p><b>Management Approach</b></p>
<p><b>What are the Opportunity/ies Identified?</b></p>	<p><b>Management Approach</b></p>

## Customer Management

### Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	No data available yet	N

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Customer satisfaction contributes not only to building a lifetime partnership with the customer but also to the morale and productivity of the employees and to Vitarich's relationship with its suppliers as well. In addition to that, customer satisfaction also contributes to the financial growth of Vitarich's business partners.	For 2019, while it has in place a LPP program for its customers, customer satisfaction was based on personal relationship and attention of the account manager. At that time, its customer satisfaction assessment has not yet been institutionalized. Moving forward, Vitarich is in the process of institutionalizing its customer satisfaction assessment.
What are the Risk/s Identified?	Management Approach
Poor customer satisfaction may result in customer shift to competitors and bad public perception towards the company. This, in turn, may result in decrease in revenue for the company. It may also decrease revenue of customers for failure to attend to their concerns/complaints within reasonable time.	Vitarich commits to strengthen and improve the implementation of its LPP program for its customers and business partners. It also plans to institutionalize best practices in addressing customer needs and satisfaction.
What are the Opportunity/ies Identified?	
A good customer satisfaction leads to a carefully calculated growth focused on the company's LPP programs rather than merely increasing sales. It may also result in higher customer retention and will also contribute to customer's growth and expansion.	

### 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.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
For the year 2019, there was no substantiated complaint against the health and safety of Vitarich's products. Since there was no substantiated	The company applies its best practices and continuously evaluates, researches ways to improve, and actually improves its products and

complaint, the company was not exposed to any legal and/or financial risks in 2019.	services to ensure their health and safety. Likewise, as a matter of policy and practice, the company verifies a product complaint immediately upon receipt of such complaint. Once a complaint has been verified/substantiated to be valid, Vitarich takes the appropriate measure/s to address the complaint.
<b>What are the Risk/s Identified?</b>	
<p>Failure to timely address a customer complaint may lead to the shift of customers to the competitors and bad public perception on the company's products. This, in turn, may result in decrease in revenue.</p> <p>Failure to keep the products safe may result in a legal liability on the part of the corporation, its officers, employees or even business partners.</p> <p>Death or sickness on the animals may occur if the feeds are not kept healthy and safe. Likewise, death or sickness may occur should the chickens sold by the company are not kept healthy and safe.</p>	
<b>What are the Opportunity/ies Identified?</b>	
Maintaining the health and safety of the company's products and immediate actions on customer complaints may increase customer retention and generate more income. In addition, the company avoids exposure to legal liability. It also does not expose its business partners to any legal liability.	

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	8	#
No. of complaints addressed	8	#

*\*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>
These complaints involved the company's change in the packaging of its feeds, which resulted in customers' disappointment and loss of income potential as they were unable to recycle the pack.	As stated above, the complaints were validated and once proven to be valid, appropriate action was taken to correct the same. Should the complaints were found to be invalid, the same are addressed by explaining the company's decisions/actions/investigation to the customer. It applies its LPP program and further commits to institutionalize its best practices in addressing customer needs and satisfaction. In addition, the company makes sure that the packaging makes it easy for the customers to access shelf-life
<b>What are the Risk/s Identified?</b>	
Poor labelling, marketing and packaging may cause confusion, misinformation, and even contamination of products. It may also lead to a legal liability on the	

company's part when expired products are mistakenly sold and consumed. It may also cause loss of customers/business opportunities when customer concerns/complaints are not attended to within reasonable time. The use of plastics in the labels and packages of the products not only contributes to plastic pollution but also may lead to loss of customers due to the latter's preference for companies who are more eco-friendly.	information of products.
<b>What are the Opportunity/ies Identified?</b>	
Proper labelling and packaging of the product may be used as a marketing tool by the company. Customers might shift to patronizing the customer's products due to its proper labelling and packaging.	

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	None reported	#
No. of complaints addressed	None reported	#
No. of customers, users and account holders whose information is used for secondary purposes	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 the year 2019, there was neither a substantiated complaint nor a reported violation of customer's privacy. Thus, the customer's full trust and confidence on Vitarich was maintained, thereby creating stronger partnership with the customers.	Vitarich implements the provisions of the Data Privacy Law and honors all non-disclosure agreements entered into with customers.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Employees' improper gathering, processing, handling and retention of customers' information may lead to leaks about the customers' profile or trade secrets.  The company, its officers, and erring employees may face civil, criminal or administrative procedures or civil, criminal, or administrative liabilities may be imposed on them due to a breach of a customer's data privacy rights.  Shift of customers to competitors due to loss of trust and confidence on account of data privacy breaches.	Vitarich collects only the data that is needed for the customer. For customers applying for a credit line with the company, the customers are fully made aware of the necessity of gathering information proving their financial capacity. It also conducts trainings regarding its customer privacy policy and regularly monitors data privacy updates in compliance with laws. All employees whose functions would necessarily have access to customers' data are reminded regularly about the non-disclosure of customer's information and trade secrets. The company also conducts regular audits of its employees to ensure that customer's



<b>What are the Opportunity/ies Identified?</b>	data are well protected. The company 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. The company also has developed a safe-keeping system of all its contracts, records, and important documents to protect the data of the customers.
Protection of customers' right to the privacy of their data has been a proven way to have stronger ties with the customers, thereby, making them more loyal to the company. In addition, the company continues to grow due to these loyal customers.	

### Data Security

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

<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>For 2019, the company did not experience data breach, leak, theft or even loss. All data regarding the company's business operations, trade secrets, employees, suppliers, and customers are intact and secured. Since it was able to keep its data secured, the company's business operations and supply chain remained undisturbed and the company's business operations and supply chain were not exposed to risks attached to breach of data security.</p> <p>The company was able to maintain its relationship with its business partners and customers.</p>	<p>As mentioned above, the company 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. The company also has 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. The company also regularly reminds the employees about compliance with the data privacy policy of the company and the data privacy law. Employees are regularly reminded not to disclose information about the company, business operations, strategy, suppliers, customers and other information that are not public or have not been made public. As part of its contracts with employees, customers, suppliers, consultants and other persons, liabilities are imposed for breach of data privacy and/or non-disclosure provisions in contracts.</p>
<p><b>What are the Risk/s Identified?</b></p> <p>A breach in the company's data security may result in any of the following:</p> <ol style="list-style-type: none"> <li>1. Identity of employees may be stolen and used in the commission of crimes.</li> <li>2. The company's computer system may bug down should a virus be able to penetrate it.</li> <li>3. The company's name and data may be used to commit crimes or propagate false information about the company.</li> <li>4. The company's trade secrets and strategies may be used by competitors.</li> <li>5. Suppliers' and customers' sensitive information may be used in a wrongful, illegal or immoral activity.</li> <li>6. Loss of trust of suppliers and customers may cause them to terminate or no longer renew their contracts with the company.</li> <li>7. Legal actions and/or liabilities against the</li> </ol>	

<p>company, its officers and/or erring employees due to violation of non-disclosure and data security provisions of contracts.</p> <p>8. Theft of company's data and money.</p>	
<p><b>What are the Opportunity/ies Identified?</b></p>	
<p>The protection of data of the company, its operations, strategies, employees, suppliers and customers may result in:</p> <ol style="list-style-type: none"> <li>1. Protection of employees against identity theft.</li> <li>2. Security from viruses of the computers, thereby avoiding any unnecessary expenses.</li> <li>3. Protection of the company against crimes or false information.</li> <li>4. Protection of the company's trade secrets and strategies.</li> <li>5. Protection of suppliers' and customers' sensitive information against any wrongful, illegal or immoral activity.</li> <li>6. Trust of suppliers and customers will strengthen causing them to renew their contracts with the company.</li> <li>7. Protection against legal actions and/or liabilities against the company, its officers and/or erring employees due to violation of non-disclosure and data security provisions of contracts, thereby also avoiding unnecessary litigation costs.</li> <li>8. Protection against theft of company's data and money, thus, keeping the company's liquidity.</li> </ol>	

## UN SUSTAINABLE DEVELOPMENT GOALS

### Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.


<b>Key Products and Services</b>	<b>Societal Value / Contribution to UN SDGs</b>	<b>Potential Negative Impact of Contribution</b>	<b>Management Approach to Negative Impact</b>
Animal Feeds	Vitarich's products contribute to the UN Sustainable Development Goals ("SDGs") through: <ol style="list-style-type: none"> <li>1. Job creation and equal opportunity for all</li> </ol>	The potential negative impacts of the contributions to the SDGs are: <ol style="list-style-type: none"> <li>1. Shortage of natural resources.</li> </ol>	As disclosed in the previous topics, Vitarich 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
Animal Health Care			
Live and			

<p>Dressed Chicken</p>	<p>persons not only in terms of hiring but also with respect to promotions (SDGs 1, 2, 5, 8 and 10).</p> <p>2. Compensation and benefits package higher than what the law provides (SDGs 1, 2, 5, 8 and 10).</p> <p>3. Harmonious working relationship environment and promotion of labor and human rights in the workplace (SDGs 3 and 8).</p> <p>4. Continuous provision of food for animals and people, thereby increasing sales volume of its feeds and dressed chicken (SDGs 2 and 8).</p> <p>5. Strict compliance and implementation of biosecurity and sanitation measures (SDGs 3 and 12)</p> <p>6. Regular seminars on family planning, sanitation, and health promote the over-all well-being of the employees (SDGs 3 and 8).</p> <p>7. Implementation of employee LPP in 2020 (SDGs 1, 3 and 8).</p> <p>8. Operations are within the parameters and thresholds of the company's ECC (SDGs 12 and 13).</p> <p>9. Lifetime profitable</p>	<p>2. Pollution.</p> <p>3. Increase in water waste, solid and hazardous wastes.</p>	<p>as well as to further reduce the wastes it generates/produces from its operations. It shall continue to regularly maintain its equipment. It shall also look into the possibility of using renewable materials in order to conserve natural resources.</p>
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	partnerships with the company's business partners, suppliers, and customers (SDGs 1 and 8).  10. Taxes paid to the government.		
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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: BUSINESS MODEL

 <b>Brand Purpose:</b> <b>FORGING LIVELIHOOD, NOURISHING LIVES.</b>					
<b>VISION</b> 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 products and services.					
<b>MISSION</b>	<ul style="list-style-type: none"> <li>To Continuously adopt new business development programs and technological advancement that will enhance quality of products and services.</li> <li>To empower employees and customers by imparting knowledge and innovations in agribusiness</li> <li>To Provide comprehensive solutions through products and services in raising the standard of the Philippine Agribusiness Industry</li> <li>To build partnerships with our suppliers and customers to achieve long term profitability and sustainability and increase shareholders' value</li> </ul>	<b>INPUTS</b>	<b>BUSINESS ACTIVITIES / PROCESSES</b>	<b>OUTPUTS</b>	<b>OUTCOMES</b>
	Financial Capital consists of money/cash generated from payments of stockholders for their subscriptions or from trading of shares in the PSE. It also includes money generated from its business operations and loans from banks and other financial institutions.	Manufacturing and distribution of various animal feeds.	Vitarich has several lines of hogs and poultry feeds, which cater to different types of customers.	70 years of feeds manufacturing and distribution	
	Manufactured Capital includes office supplies, feedmill/dressing plant and its equipment, office building, vehicles, office equipment, phones and laptops	Poultry integration.	Vitarich has also produced dressed chicken and value added chicken products under the brand "Cook's"	Continued contribution to the government through the taxes that the Corporation pays.	
	Intellectual Capital includes feeds formulations, dressed chicken formulations, business strategies and plans, goodwill and reputation of the Corporation, logo, product lines, and brand names such as "Cook's" brand.	Production and distribution of dressed chicken	It is also a business partner and supplier of dressed chicken to rotisseries, restaurants, distributors and other small to medium scale enterprises.	Long term business partnerships with its growers, broilers, and hog raisers as well as with the farmers from whom the Corporation buys its raw materials.	
	Human Capital includes hard working and efficient employees, consultants, management team, directors and officers.	Production and distribution of animal health products.	Its animal health products are used by its growers, broilers, and hog raisers in their operations. These products are likewise available to the public, even if they are not Vitarich's growers, broilers, or hog raisers.	Business partnerships with its tollers.	
	Social Capital includes the Corporation's business partners, customers, and suppliers.			Providing employment in the areas where it operates.	
	Natural Capital includes Vitarich's raw materials for its feeds, day old chicks and hatching eggs for its poultry operations as well as water, and land where its offices and plants are located.				
<b>VALUES</b>		<b>LEADERSHIP WITH INTEGRITY</b>	<b>EXCELLENCE</b>	<b>CARE FOR OTHERS</b>	