


2020 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: Marciano Quizon St., Brgy. Alang-alang, Mandaue, Cebu City d. Cagayan de Oro: Unit A, Warehouse 3, Neo Central Arcade, Cugman, 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	<div><div></div><div><p>Brand Purpose: FORGING LIVELIHOOD, NOURISHING LIVES.</p><p>VISION VITARICH will continue being the pioneer, agribusiness partner, and innovator in the feeds industry and will be the backbone of every Filipino farmer's success by providing the best solutions through its products and services.</p></div></div> <table><tr><th>MISSION</th><th>INPUTS</th><th>BUSINESS ACTIVITIES / PROCESSES</th><th>OUTPUTS</th><th>OUTCOMES</th></tr><tr><td rowspan="6"><ul style="list-style-type: none">• To Continuously adopt new business development programs and technological advancement that will enhance quality of products and services.• To empower employees and customers by imparting knowledge and innovations in agribusiness• To Provide comprehensive solutions through products and services in raising the standard of the Philippine Agribusiness Industry• To build partnerships with our suppliers and customers to achieve long term profitability and sustainability and increase shareholders' value</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 formulation, business strategies and 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 Annex “A” of this Sustainability Report.
Reporting Period	January to December 2020
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.¹

In view of the restrictions brought about by the COVID-19 pandemic, Vitarich was unable to conduct a comprehensive stakeholder engagement other than the customer survey during the first quarter of the year. Thus, similar to the 2019 report, 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) Energy Consumption within the Organization
- (f) Water Consumption within the Organization
- (g) Materials Used by the Organization
- (h) Air Emissions
- (i) Air Pollutants
- (j) Solid Wastes
- (k) Hazardous Wastes
- (l) Effluents
- (m) Environmental Compliance
- (n) Employee Data
- (o) Employee Benefits
- (p) Employee Training and Development
- (q) Labor Management Relations
- (r) Diversity and Equal Opportunity
- (s) Labor Laws and Human Rights
- (t) Supply Chain Management
- (u) Significant Impacts on Local Communities
- (v) Customer Satisfaction
- (w) Health and Safety

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

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

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

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	7,928,548,948.00	PhP
Direct economic value distributed:		
a. Operating costs	7,310,120,736.00	PhP
b. Employee wages and benefits	155,908,377.00	PhP
c. Payments to suppliers, other operating costs	367,666,873.00	PhP
d. Dividends given to stockholders and <u>interest payments</u> to loan providers	34,454,582.00	PhP
e. Taxes given to government	33,570,374.00	PhP
f. Investments to community (e.g. donations, CSR)	317,500.00	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>Despite the pandemic, Vitarich generated a total revenue of Php7,928,548,948.00 as a result of its business operations, strategies and other operating and passive income. With this amount, it was able to fund its operating costs and pay the salaries of its employees. It was also able to contribute to the government in the form of taxes and license fees, including deficiency taxes. 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 through the taxes it paid for 2020. It also has an impact on the labor sector through job creation and</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 continues to commit to strengthen and innovate its Lifetime Profitable Partnership (LPP) program, which has been proven to be a financially and socially efficient strategy. It 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>

retention as well as in food production and distribution.		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
For the year 2020, the COVID-19 pandemic posed a lot of economic risks for the company, including (a) decrease in revenue as a result of decrease in demand, delays in production, shortage of raw materials, delays in deliveries, and African Swine Fever; (b) increase in expenses/costs; (c) lay-off of employees; and (d) delay and/or restructuring of loans and payments to suppliers.	These risks affected the government, the company's suppliers, loan providers, employees, directors, customers, and even the communities where Vitarich operates.	Vitarich made innovations on its business strategies to cope with the pandemic and to bring its products closer to its customers. It strengthened and improved its operational efficiencies (including customer service and cost reduction measures) as well as its bio-security measures and policies. It created a COVID-19 Crisis Management Team ("COVID-19 CMT") in order to ensure business continuity and health and safety of its employees. It continued to pay its obligations to creditors and suppliers. Vitarich also renegotiated its contracts with some of its suppliers and customers for mutually beneficial amended contracts.
What are the Opportunity/ies Identified?		Management Approach
Innovations in business strategies to continue thriving amidst the pandemic, thereby resulting in a positive net income for the company, continuous contribution and partnership with the suppliers, customers, creditors, and business partners. The company also continuously contributed to the government and the community in the form of taxes and employment.		In addition to the foregoing approach, Vitarich continues to commit to maximize its profits by using the same to improve its business operations in order to be able to give or contribute more to its stakeholders. Vitarich also commits to continuously pay its suppliers and loan providers on time to maintain good relationship with them.

Climate-related risks and opportunities²

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities	Disclose the actual and potential impacts ³ of climate-related risks and opportunities on the organization's businesses, strategy,	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

² 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.

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

	and financial planning where such information is material		such 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>Whenever necessary, the department heads report and update the Board of Directors during the latter's meetings on climate-related risks and opportunities and their impact on Vitarich's business operations, if any, and the measures undertaken or proposed to be undertaken to prevent and/or minimize adverse effects.</p> <p>For the year 2020, during the period of the Enhanced Community Quarantine ("ECQ") in Luzon, the Board met almost every week in order to oversee and aid the management in addressing and managing the effects of the current pandemic.</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</p>	<p>As mentioned above, Vitarich formed a COVID-19 CMT. The CMT helps the management in identifying and assessing COVID-19 related risks, in addition to crafting policies to manage and address the risks posed by the current pandemic.</p> <p>As regards the identified climate-related risks, Vitarich, 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</p>	<p>Since climate-related risks and opportunities have not yet been incorporated on Vitarich's risk management policy in 2020 as the focus was on ensuring business continuity and safety of employees amid the pandemic, there is no available data yet on the metrics used to assess these climate-related risks and opportunities.</p>

	<p>non-renewable resources; and (h) urbanization.</p> <p>While not necessarily climate-related, the COVID-19 pandemic posed an actual risk to all types of businesses – including Vitarich’s business.</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>As regards the COVID-19 pandemic, Vitarich had seen the following opportunities in addressing the risks: (a) innovations in business strategies to bring its products closer to the people; (b) lesser overhead costs due to telecommuting; (c) strengthening biosecurity measures; (d) creation of</p>	<p>strategies to address recurring risks and evaluation of such strategies versus former strategies; and (d) continuous review and innovation of strategies.</p> <p>Vitarich adopts and includes climate-related risks and opportunities in its existing risk management policy. It commits to integrate the same in the written policy moving forward.</p>	
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	additional sales channels; (e) lesser manpower footprint and costs due to remote communication facilities and digital banking and other transactions.		
b) Describe management's role in assessing and managing climate-related risks and opportunities	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	b) Describe the organization's processes for managing climate-related risks	b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets
<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 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>When Luzon was placed in ECQ, the management met at least once a week to monitor compliance</p>	<p>The COVID-19 pandemic pushed the government to lockdown the entire island of Luzon for 1.5 months last 2020. This lockdown posed the risk of economic loss to all businesses – Vitarich included – considering that only essential industries were allowed to operate. While Vitarich is considered as an essential business, nonetheless, the risk of economic loss was still apparent and real because of the reduced demand for its products as most people were required to stay home and a lot of people either lost their jobs, got sick or suffered financial losses.</p> <p>Lack or scarcity of raw materials, power and water shortages may either hamper business</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 as the focus in 2020 was COVID-19 management, 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, flooding and increase in temperature are experienced.</p>

<p>and results with the policies in place, monitor and check on employees' productivity and well-being and to monitor business operations as well as to address gaps in the business strategies being employed.</p>	<p>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 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.</p> <p>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>		
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	<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 Vitarich: (a) increased efficiencies thereby reducing costs; (b) increase in demand; (c) increase in revenue; (d) positive net income after tax despite the pandemic; (e) business continuity and innovations in business strategies; (f) decrease in costs to produce; (g) increase in production capacity; (h) increased employee retention; (i) increased customer retention; (j) decrease in capital expenditures; and (k) increased goodwill of the company.</p>		
	<p>c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario</p>	<p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management</p>	
	<p>With a positive net income after tax amidst the pandemic, Vitarich has once again shown resiliency as it did in the past over</p>	<p>Vitarich adopts and includes climate-related risks and opportunities in its existing risk management policy. It</p>	

	<p>short term risks and some of the long term risks (flooding, weather disturbances).</p> <p>Vitarich commits to continuously improve, strengthen, and institutionalize its risk management policy within the organization.</p> <p>Vitarich continuously reviews and updates its business strategies in order to maximize the potentials of the said opportunities.</p> <p>The aforementioned risks and opportunities have the potential to affect Vitarich financially and physically (i.e. relocation due to urbanization).</p>	<p>commits to institutionalize it moving forward.</p>	
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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	Luzon – 37 Visayas – 22 Mindanao - 41	%

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 relatively positive value for local suppliers as 37% of the procurement budget in Luzon was spent on local suppliers. For Visayas, 22% of the procurement budget was spent on local suppliers while 41% of the procurement budget was spent on</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>Vitarich has an existing procurement policy which is reviewed periodically.</p>

<p>local suppliers in Mindanao.</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 2020, supplier engagements and transactions decreased due to limited sales and farm projection.</p>		<p>In 2020, the company had intensive online meetings and frequent supplier phone discussions in order to maintain good relationship with local suppliers. Market updates by suppliers were also being asked. Intensive monitoring and feedback with suppliers, LGUs and the procurement team were also conducted in 2020 to manage the risks brought about by COVID-19 pandemic. The procurement team also joined webinars and conferences to better understand factors affecting fluctuation of prices local and abroad.</p> <p>The company also explored alternatives, made constant price analysis/buying recommendations of local and global markets, looked for means to better understand the market's behavior and the factors affecting such behavior.</p>
What are the Risk/s Identified?		
<p>In 2020, local sourcing and delivery schedule were affected by the very limited and restricted mobility and travels. Exploratory sourcing was likewise limited. Demand became highly unpredictable, which resulted in decline or increase in production.</p>		
What are the Opportunity/ies Identified?		
<p>In 2020, there was an opportunity to review and evaluate existing micro raw materials and explore new alternatives. The pandemic also saw the opportunities for the development of skills and for the adoption a more proactive mindset.</p>		

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
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	%
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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 institutionalize and conduct trainings on its anti-corruption policy and procedure as well as to communicate the same to the employees, directors, officers, business partners, suppliers, and the public.</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</p>	<p>These identified risks will affect Vitarich's employees, customers,</p>	<p>In addition to those mentioned above, Vitarich commits to strengthen its control procedures to ensure that business</p>

<p>trainings regarding this policy, the following are the risks identified relative to this topic:</p> <ol style="list-style-type: none"> 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. 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. 3. Decline of confidence of customers, suppliers and any external business partners. 4. Lack of basis for issuing fines and penalties involving corruptions within and outside the organization. 5. Possible legal suits against the company, its directors, officers, or employees. 6. Lost income opportunities or decrease in revenue. 7. Demoralization of employees. 8. Company's reputation may be tainted. 9. Decline in the company's market value. 10. Abusive transactions/contracts or those where the terms and conditions are not arms-length. 	<p>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>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 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</p>	<p>Shareholders would have peace of mind about their investments in the company.</p> <p>Business partners are assured of a continuing</p>	<p>Vitarich reiterates the management 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</p>

<p>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>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>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>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>Long term partnerships with existing business partners is also seen. In addition to this, Vitarich may be able to gain new customers.</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>	<p>business relations with Vitarich.</p> <p>Suppliers are given the opportunity to compete for every requirement.</p> <p>Employees are more secured in their employment and they are more motivated to work.</p> <p>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>The government will earn the correct and right amount of taxes from Vitarich.</p> <p>The government's partnership with Vitarich will also help the government enrich the lives of more people.</p>	<p>partnerships.</p>
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Incidents of Corruption

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

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

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (SFO)	Visayas – 4,691.10 Mindanao - 0	GJ
Energy consumption (gasoline)	0	GJ
Energy consumption (LPG)	0	GJ
Energy consumption (diesel)	Visayas – 792 Mindanao – 11,988.89	GJ
Energy consumption (electricity)	Visayas – 1,779,250 Mindanao – 3,005,411.40	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
The data was based from the Iloilo and Davao feed mill plants and offices of Vitarich. As can be seen, the company's SFO and electricity consumption in	The communities where the company operates, the employees, and the government.	Keeping the energy consumption in minimal to standard level balances industrialization and environmental impact and even lessens and/or minimizing adverse environmental impact of the company's operations.

<p>Visayas is within standard/usual consumption while the diesel consumption is low.</p> <p>For Mindanao, the company no longer uses SFO in its broilers at the Davao feed mill plant. Its diesel and electricity consumption in Mindanao are within industry standards.</p> <p>The company's energy consumption in its Iloilo and Davao Feed Mill plants and offices in Visayas and Mindanao had minimal adverse impacts on the environment, particularly in the areas where it operates, as the consumption is within regulatory standards.</p> <p>Furthermore, Vitarich was able to significantly reduce the level of its Nitrogen Oxide Concentration, Sulfur Oxide Concentration and Particulate Matter contributions when it converted the fuels of its Davao Feed mill's broilers and generators from SFO to diesel.</p>		<p>Vitarich commits to further lower its energy consumption by strengthening its energy saving tips awareness. Furthermore, the company plans to install solar panels to partially source some of its electricity requirements from this system.</p> <p>The company also continuously looks at the possibility of shifting to renewable sources of energy for use in its business operations. It also looks at different means to improve energy consumption and efficiency.</p>
<p>What are the Risk/s Identified?</p> <p>An increase in energy consumption may result in higher air pollution contribution, thus, increasing negative impacts to the environment.</p> <p>Increase in energy consumption may also lead to shortage or scarcity of non-renewable sources.</p> <p>Legal and health risks are also seen should energy consumption increase significantly.</p>		
<p>What are the Opportunity/ies Identified?</p> <p>Maintaining the energy consumption at a minimal may result in decreasing negative</p>		

impacts to the environment.		
Reduction in energy consumption may help in preventing shortage or scarcity of non-renewable sources as well as in preventing health and/or legal risks.		

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	Visayas – 5,736 Mindanao – 2,008	Cubic meters
Water consumption	Visayas – 5,736 Mindanao – 1,962	Cubic meters
Water recycled and reused	Visayas – 0 Mindanao – 2	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>Data was based from water consumption in the Iloilo and Davao Feed mill plants and offices of the company.</p> <p>As can be seen, the company's water withdrawal and consumption are within standard/usual consumption.</p> <p>On the other hand, its recycled and/or re-used water is very low.</p> <p>The company's water consumption and withdrawal had a very minimal adverse impact on the environment, particularly in the areas where it operates, as the consumption has only minimal wastewater discharge.</p>	<p>The communities where the company operates, the employees, and the government.</p>	<p>Keeping the water consumption in minimal to standard level balances industrialization and environmental impact and even lessens and/or minimizing adverse environmental impact of the company's operations.</p> <p>The company also continuously improves its efficiencies in order to lower its water consumption.</p> <p>Vitarich commits to further lower its water consumption by strengthening its water conservation tips awareness.</p> <p>Should there be a significant increase in the water consumption, Vitarich shall also look into water recycling and/or water re-use in order to minimize adverse impact of significant increase in water consumption.</p>
What are the Risk/s Identified?		
<p>An increase in water consumption may result in higher water pollution contribution, thus,</p>		

<p>increasing negative impacts to the environment.</p> <p>Increase in water consumption may also lead to shortage or scarcity of water.</p> <p>Legal and health risks are also seen should water consumption increase significantly.</p>		
What are the Opportunity/ies Identified?		
<p>Maintaining the water consumption at a minimal may result in decreasing negative impacts to the environment.</p> <p>Reduction in water consumption may help in preventing shortage or scarcity of water as well as in preventing health and/or legal risks.</p>		

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
➤ Renewable	200,712,600	Kilo
➤ Non-renewable	3,887,400	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
<p>As a feed and poultry company, Vitarich relies heavily on raw, manufactured and processed materials in order to manufacture, market and sell its products.</p> <p>As can be seen, however, while it uses more renewable materials than non-renewable materials, it does not use recycled materials in</p>	<p>One of the stakeholders affected are the communities in which Vitarich has business operations as they bear the company's contributions to pollution and wastes. The suppliers of non-renewable materials are affected as</p>	<p>Vitarich opts to use 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>Vitarich continuously looks for ways and means to further minimize the use of non-renewable materials.</p>

its production. Moreover, since the company still uses non-renewable materials, it is still contributing to waste generation and pollution.	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.	
What are the Risk/s Identified?	Which stakeholders are affected?	
<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>	
What are the Opportunity/ies Identified?	Which stakeholders are affected?	
<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 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</p>	

	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 ⁴ Red List species and national conservation list species with habitats in areas affected by operations	(list)	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	Iloilo Feedmill - 0.08MT/year Davao Feedmill (CO emission only for broiler 1 and 2 respectively) - 2.9/yr and 3.1/yr, respectively	Tonnes CO ₂ e
Energy indirect (Scope 2) GHG Emissions	0	Tonnes CO ₂ e
Emissions of ozone-depleting substances (ODS)	0	Tonnes

What is the impact and where	Which stakeholders are	Management Approach
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⁴ International Union for Conservation of Nature

does it occur? What is the organization's involvement in the impact?	affected?	
<p>While Vitarich neither has indirect GHG emissions nor ozone depleting substances emissions, its feedmill operations in Iloilo and Davao still contribute to GHG emissions as a necessary consequence of its operations, albeit in a very low 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>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<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 feedmills 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 and even replace old machines to new ones which are more environment friendly to maintain emissions within threshold allowed by law or better, to even reduce the emissions.</p>
What are the Opportunity/ies Identified?		
<p>Maintaining its GHG emissions to a very low level and even reducing it will reduce health risks of the community as well as exposure to legal action and/or liability of the company, its directors, officers or employees.</p>		

Air pollutants

Disclosure	Quantity	Units
NO _x	Iloilo Feedmill -348	
	Davao Feedmill -98.6	ave.

	(Genset), 107(Boiler No. 1), 78.6 (Boiler No. 2)	concentration in mg/Nm ³
SO _x	Iloilo Feedmill – 605 (as SO ₂) Davao Feedmill – 22.5 (Boiler No. 1), 26.7 (Boiler No. 2)	ave. concentration in mg/Nm ³
Persistent organic pollutants (POPs)	0	Kg
Volatile organic compounds (VOCs)	0	Kg
Hazardous air pollutants (HAPs)	0	Kg
Particulate matter (PM)	Iloilo Feedmill – 62.47 Davao Feedmill – 5.8 (Boiler No. 1) 4.5 (Boiler No. 2)	concentration in mg/Nm ³

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 2020, except for NO_x emitted by Broiler No. 2 in Davao feedmill and Particulate Matter in Iloilo feedmill, Vitarich's feedmill operations' NO_x, Sox and Particulate Matter emissions were lower versus that in 2019.</p> <p>The impact to the environment is very low considering that over-all, Vitarich was able to further reduce its air pollutant emissions in 2020, this topic is still material because the company's contribution to air pollution is highly significant for the stakeholders, especially the government and the communities where Vitarich operates.</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.</p> <p>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> <p>In addition to these, biosecurity measures were further strengthened considering the current pandemic.</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</p>	<p>The stakeholders who may be affected are the communities where the</p>	

and Davao are: (a) increase in feed mills are located, the contribution air pollution; (b) government, the health risks on the part of the company's directors, employees and the communities officers or employees. 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.		
What are the Opportunity/ies Identified?		Management Approach
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.		In addition to the foregoing, Vitarich is continuously researching and finding means to further reduce its contribution to air pollution, including the possibility of replacing its Gen. Set. in 2021 to improve operational efficiencies and minimize further air pollutants generated.

Solid and Hazardous Wastes

Solid Waste

Disclosure (include office)	Quantity	Units
Total solid waste generated	Iloilo -1,700/month Davao - 2,500/month	Kg
Reusable	Iloilo – 200/month Davao – 500/month	kg
Recyclable	Iloilo – 250/month Davao – 300/month	kg
Composted	Iloilo – 100/month Davao – 700/month	kg
Incinerated	0	kg
Residuals/Landfilled	Iloilo – 1150/month Davao – 1000/month	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
For the year 2020, total solid,	The stakeholders affected	Vitarich's permanent Materials Recovery

<p>reusable and recyclable wastes generated in Iloilo were lower versus 2019. On the other hand, composted waste and residual waste generated in Iloilo for the year 2020 were higher than that in 2019. Over-all, solid waste generated in its Iloilo operations can be considered low.</p> <p>On the other hand, solid, reusable, recyclable, composted and residual waste generated in Davao in 2020 were the same as in 2019 although production volume in 2020 decreased.</p>	<p>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>Facility ("MRF") in Iloilo contributed to the reduction of solid wastes generated in 2020. Lower volume of production in Iloilo in 2020 contributed to the reduction of reusable and recyclable wastes. Increase in awareness of waste segregation contributed to higher composted and residual wastes generated in Iloilo in 2020.</p> <p>Vitarich collects sweepings (assorted wastes collected through the process of sweeping) to be reprocessed/included in 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> <p>In addition, Vitarich continuously reiterated and strengthened its campaign for proper waste segregation to its employees. The company further commits to continuously strengthen its awareness campaign and implementation of waste segregation policy as well as the use of reusable and/or recyclable materials, particularly, utensils and food containers.</p> <p>Moreover, the company also reuses packaging materials (sacks) in its operations.</p>
<p>What are the Risk/s Identified?</p>		<p>Management Approach</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>Collection of sweepings could result in health risks to employees, such as infections.</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>
<p>What are the Opportunity/ies Identified?</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 landfills. It may also reduce exposure of the company, its directors, officers and employees to legal action and legal liability.</p> <p>Increase in volume of sweepings to be reprocessed to reduce use of raw materials.</p>		
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Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	<p>Iloilo Feedmill:</p> <p>Used oil – 275/year</p> <p>Busted lamps – 51/year</p> <p>Davao Feedmill:</p> <p>Used oil – 900/year</p> <p>Busted lamps - none</p>	<p>liters</p> <p>kg</p> <p>liters</p> <p>kg</p>
Total weight of hazardous waste transported	<p>Iloilo Feedmill – 0</p> <p>Davao Feedmill – 0</p>	<p>kg</p> <p>kg</p>

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 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	The stakeholders who may be affected are the people living nearby, the employees of the organization, and the government.	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. Vitarich continuously improves its

<p>beings.</p> <p>Used oil generated for 2020 was higher than those generated in 2019. On the other hand, busted lamps generated decreased in 2020 versus 2019.</p> <p>While there was an increase in used oil generated, the volume of hazardous waste may still be considered 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>preventive maintenance program/schedule in order to minimize used oil. To minimize busted lamps, the company is converting all lights into led lamps/bulbs, which have a higher life span.</p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>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.</p>	<p>The stakeholders who may be affected are the people living nearby, the government, and the company's directors, officers, and employees.</p>	<p>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.</p>
What are the Opportunity/ies Identified?		
<p>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.</p>		

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	<p>Iloilo Feedmill – 80/month</p> <p>Davao Feedmill - 0/month</p>	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
<p>In 2020, while there was a significant decrease in the water discharge in Davao, there was an increase in the water discharge in Iloilo, although the waste water discharge was still very minimal. 95% of the water consumption is used for its feeds production while 5% goes to domestic use – handwashing, cleaning, and even flushing the toilets. This 5% waste water goes directly to the septic tanks.</p>	<p>The communities where feedmills operate as well as the government are the stakeholders affected by the company's effluents.</p>	<p>The discontinuance of the use of SFO in Davao Feed mill's broilers contributed to eliminating waste water discharge and the use of recycled water in its Davao operations as recycled water was used only in the broiler's water scrubber.</p> <p>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.</p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>Increase in effluents may result in scarcity of water resources in the 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>The stakeholders who may be affected are the communities where feedmills operate, the government, as well as the company's directors, officers, and employees.</p>	<p>In addition to the foregoing, Vitarich commits to look for solutions to further reduce waste water.</p>
What are the Opportunity/ies Identified?		
<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>		

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.		
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Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0.00	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	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Full and complete compliance with environmental laws and regulations not only helped the environment and the communities where Vitarich operates but also ensured its business continuity.	The stakeholders affected are Vitarich's business partners, the government and the communities where Vitarich operates.	Vitarich strengthened its regulatory requirements' compliance and monitoring. It likewise continuously upgrades and regularly maintains its facilities to ensure efficiencies and maintain pollution contribution to a minimum.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
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	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.	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.

animals fed with the company's feeds; and (f) taint in the reputation/goodwill of the company.		
What are the Opportunity/ies Identified?		
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 environmental laws and regulations also prevent liabilities on the part of the company, its directors, officers, or employees.		

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees ⁵	963	
a. Number of female employees	293 (national)	#
b. Number of male employees	670 (national)	#
Attrition rate ⁶	16.54%	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	47	82
PhilHealth	Y	8	28
Pag-ibig	Y	37	57
Parental leaves	Y	5	5
Vacation leaves	Y	182	307
Sick leaves	Y	146	262

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

⁶ 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)

Medical benefits (aside from PhilHealth)	Y	53	70
Housing assistance (aside from Pag-ibig)	N	0	0
Retirement fund (aside from SSS)	Y	1	2
Further education support	N	0	0
Company stock options	N	0	0
Telecommuting	Y	26	7
Flexible-working hours	Y	41	85
(Others)	N		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>With operations in Luzon, Visayas, and Mindanao, Vitarich contributes to labor and employment both on localized and nationwide scopes, especially during this time of the pandemic. It helps promote local hiring in Bulacan, Iloilo, and Davao. Since it has 528 employees as of 2020, 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>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 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 continues to take care and empower its employees through its Employee Lifetime Profitable Partnership ("employee LPP") program, which was launched in 2020.</p>
What are the Risk/s Identified?	Management Approach
<p>In 2020, the COVID-19 pandemic posed not only economic risks but also health risks on the employees. It also resulted in the lay-off of some employees, thereby contributing to unemployment and possible hunger.</p> <p>In addition, higher turn-over rate may result from resignation of demoralized employees. The ageing workforce due to the unattractive-ness of the agriculture industry to young professionals is also seen as a risk.</p>	<p>In addition to the foregoing measures, Vitarich conducted a massive information awareness campaign to its employees regarding COVID-19 prevention and management. In order to protect the health of the employees, it resorted to a combination of telecommuting and flexible working hours even though it may operate at 100% capacity amidst the pandemic. It provided COVID-19 health care essentials to its employees and made its offices safe and sanitized to ensure that employees are safe from the virus. All laid-off employees were properly compensated according to what the law prescribes. The company also implemented cost saving measures</p>
What are the Opportunity/ies Identified?	

High retention rate due to competitive salary and benefits package and the culture of taking care of employees' well-being. In addition, there is an opportunity to attract and encourage young professionals to join Vitarich.	in order to ensure the continued employment of the employees. 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.
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Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	1,250	Hours
b. Male employees	2,295.50	Hours
Average training hours provided to employees		
a. Female employees	6.0	hours/employee
b. Male employees	6.3	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
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.	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. Since the Employee Training & 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.
What are the Risk/s Identified?	Management Approach
In 2020, Vitarich had lesser trainings and seminars versus 2019 because of the pandemic. Lesser trainings may mean lesser opportunities for growth and development, which may result in stagnancy and non-attainment of targets. Non-achievement of the targeted result of the seminar due to the unavailability of third-party provider to do onsite training due to the pandemic.	Given the limited number of persons that may be accommodated in face-to-face trainings, management ensured that key persons were able to attend these trainings. Proper coordination and alignment of personnel availability was taken into account when scheduling training sessions. Trainings were also recorded and presentation materials were made available for the attendees to access/review in their own time.

<p>There are more distractions in online trainings versus on-site trainings at the office.</p> <p>The unreliability of internet connection affected the delivery and quality of training.</p> <p>Training effectiveness and/or comprehension cannot be measured as trainings are done in lecture format.</p>	<p>Management was supportive in the work from home arrangement and encouraged employees to gain knowledge and personal improvement by participating in online webinars and training sessions. The use of the Zoom platform was maximized as the move during this time was for online learning.</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.</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 employee retention and better productivity results.</p> <p>For 2020, Vitarich was able to maximize external training opportunity at a lower cost. Likewise, trainings may be done at any given time due to the availability of different online platforms.</p>	

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	77 (national)	%
Number of consultations conducted with employees concerning employee-related policies	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
<p>With 77% of its employees covered by Collective Bargaining Agreements ("CBA"), Vitarich contributes 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. However, for the year 2020, the company deemed it best to forego with consultations with employees as there was a need to think and act fast to survive and weather the pandemic.</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>
What are the Risk/s Identified?	
<p>In 2020, the COVID-19 pandemic posed the risks of unemployment, labor unrest, and/or strike should economic provisions under the CBA will have to be deferred or let go in order to ensure business continuity, especially since no consultations were made with the employees regarding policies that may</p>	

affect them.	
What are the Opportunity/ies Identified?	
<p>Strengthened relationship with the union and union cooperation may result from the company's full transparency on its financial performance and condition.</p> <p>In 2020, the union helped the company in disposing the company's products when market consumption went down as a result of the lockdown in Luzon from mid-March up to mid-May. The union continued to work diligently despite the pandemic, thereby, helping the company keep the jobs of the employees.</p>	

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	293	30.43%
% of male workers in the workforce	670	69.57%
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
Vitarich contributes to the empowerment and employment of women. It provides equal opportunity for all persons, regardless of sex and gender.	While the number of male employees are higher than the female employees, it does not mean that there is gender preference in the selection 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.
What are the Risk/s Identified?	Management Approach
Work interruptions due to availing of maternity leave for women employees and solo parent leave for solo parents.	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

Increase in costs due to the requirement in the Expanded Maternity Leave Law for shoulder part of the benefits and hiring of relievers.	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.
Work interruptions and increase in costs due to gynecological-related diseases for women.	
What are the Opportunity/ies Identified?	Management Approach
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.	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.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours		Man-hours
No. of work-related injuries		#
No. of work-related fatalities		#
No. of work-related ill-health		#
No. of safety drills		#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
What are the Risk/s Identified?	Management Approach
What are the Opportunity/ies Identified?	Management Approach

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
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.	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, does not 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. Employees are also free to leave the company should they wish to do so, subject only to the notice and clearance requirements under the company's policies and under the laws.
What are the Risk/s Identified?	
The absence of prohibition on forced labor may be misconstrued by the public and other employees that the company allows the same.	
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.	In addition, Vitarich also strictly adheres to the provisions of the labor laws and CBA. 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.
What are the Opportunity/ies Identified?	
Higher retention rate of employees due to explicit protection of human rights on the company's rules and regulations.	
Justice for victims of violations for labor laws and human rights in the workplace due to established policies and procedures.	

Supply Chain Management

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

Yes. However, Vitarich cannot attach the policy in the report as there are confidential matters (relating to trade secrets and strategies) in the policy.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	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
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.	In 2020, Vitarich has institutionalized its supplier accreditation policy. Likewise, the company 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.
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 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, the company commits to complete its supplier accreditation policy.</p> <p>In 2020, the company made adjustments on its schedules to comply with the needs of the supply chain management. It maximized the use of technology in order to manage the company's supply chain and ensure business continuity and health and safety of its employees.</p>
Business disruptions, unhealthy competition among the suppliers, or even unethical and/or illegal acts may happen due to deviations from supplier accreditation policy may happen out of convenience.	
Supply constraints, logistics lockdowns, increased demand and lack of manpower due to COVID-19 management and prevention.	
What are the Opportunity/ies Identified?	
Having an established and separate procurement policy is seen to 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.	

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities	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)

(exclude CSR projects; this has to be business operations)					
For the year 2020, Vitarich continued to conduct a 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. However, due to the COVID-19 related protocols, the same was done from house-to-house. Thus, there were only few missions conducted.		Farmers more than 65 years old.	N	Aside from its contributions, there is no collective or individual right that has been identified as a concern in the community.	To increase its contributions to employees, business partners, and the community, Vitarich commits to maintain and improve its communications with the community.
As part of its poultry operations, the company also conducts pocket seminars on Animal Raising & 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.		Farmers more than 65 years old.	N		
The company's poultry operations - Broiler Contract Growing, Broiler Breeder Contract to Buy (Hatching Eggs & Day Old Chicks), and	It conducts these operations nationwide, particularly in Central Luzon, Bicol, Iloilo/Western Visayas, Cagayan De Oro / Iligan, Davao Del Sur/ Del Norte / City /	Farmers from the country side	N	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	To mitigate the concerns and at the same ensure the continued positive contributions to the community, Vitarich practices a Comprehensive & Holistic Pest Control & Pollution Management, employs Farm

Broiler Contract To Buy (Live Chicken) contribute positively and negatively to the communities where they operate.	Compostella Valley, Caraga / Surigao Del Sur, General Santos /South Cotabato			raise concerns on pest / fly infestation and foul odor / air pollution within the community.	Best Practices / Management, as well as Chemical and Biological Approaches in the conduct of these operations.
Vitarich's feedmill operations both have positive and negative impacts on the environment.	Iloilo Davao		N	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.	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.

**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		#

What are the Risk/s Identified?	Management Approach
What are the Opportunity/ies Identified?	Management Approach

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	<p>First Quarter of 2020 (Feeds only) :</p> <p>Product (physical appearance, bulk and price at the market) – 3.5/5.0 (average – nationwide)</p> <p>Performance of feeds – 3.52/5 (average – nationwide)</p> <p>Sales and technical services provided to customers – 3.86/5 (average – nationwide)</p> <p>Marketing Support – 3.13/5 (average – nationwide)</p>	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 and to the continuous improvement of the company's products and processes but also to the morale and productivity	For 2020, Vitarich's nutrition team was able to conduct a customer satisfaction survey with the company's feeds customers only on the 1 st quarter of the year. The same was discontinued

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.	<p>because of the limited movement due to the pandemic.</p> <p>The company commits to continuously conduct an assessment on customers' satisfaction with its products in order to further improve its products and its customer services.</p> <p>Further, Vitarich continues to strengthen and improve the implementation of its LPP program for its customers and business partners.</p>
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.	In addition to the foregoing and in order to mitigate the adverse effects of the pandemic, Vitarich brought its products closer to its customers by tapping other sales channels. It also created the Cook's Playbook for its products to address the changing customer and consumer needs.
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 2020, there was no substantiated complaint against the health and safety of Vitarich's products. Since there was no substantiated complaint, the company was not exposed to any legal and/or unnecessary financial risks in 2020.	The company applies its best practices and continuously evaluates, researches ways to improve, and actually improves its products and 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.
What are the Risk/s Identified?	
Failure to timely address a customer complaint may lead to the shift of customers to the competitors and	

<p>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>	
What are the Opportunity/ies Identified?	
<p>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.</p>	

Marketing and labelling

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

**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
What are the Risk/s Identified?	Management Approach
What are the Opportunity/ies Identified?	Management Approach

Customer privacy

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

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
What are the Risk/s Identified?	Management Approach
What are the Opportunity/ies Identified?	Management Approach

Data Security

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
What are the Risk/s Identified?	Management Approach
What are the Opportunity/ies Identified?	Management Approach

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs


Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Animal Feeds	Vitarich's products contribute to the UN Sustainable Development Goals ("SDGs") through: 1. Job creation and equal opportunity for all persons not only in terms of hiring but also with respect to promotions (SDGs 1, 2, 5, 8 and 10). 2. Compensation and benefits package higher than what the law provides (SDGs 1, 2, 5, 8 and 10).	The potential negative impacts of the contributions to the SDGs are: 1. Shortage of natural resources. 2. Pollution. 3. Increase in water waste, solid and hazardous wastes.	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 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.
Animal Health Care			
Live and Dressed Chicken			

	<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. Implementation of employee LPP in 2020 (SDGs 1, 3 and 8).</p> <p>7. Operations are within the parameters and thresholds of the company's ECC (SDGs 12 and 13).</p> <p>8. Lifetime profitable partnerships with the company's business partners, suppliers, and customers (SDGs 1 and 8).</p> <p>9. Taxes paid to the government.</p>		
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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

							
Brand Purpose: FORGING LIVELIHOOD, NOURISHING LIVES.							
VISION VITARICH will continue being the pioneer, agribusiness partner, and innovator in the feeds industry and will be the backbone of every Filipino farmer's success by providing the best solutions through its products and services.							
MISSION <ul style="list-style-type: none">• To Continuously adopt new business development programs and technological advancement that will enhance quality of products and services.• To empower employees and customers by imparting knowledge and innovations in agribusiness• To Provide comprehensive solutions through products and services in raising the standard of the Philippine Agribusiness Industry• To build partnerships with our suppliers and customers to achieve long term profitability and sustainability and increase shareholders' value							
VALUES <table><tr><td>LEADERSHIP WITH INTEGRITY</td><td>EXCELLENCE</td><td>CARE FOR OTHERS</td></tr></table>					LEADERSHIP WITH INTEGRITY	EXCELLENCE	CARE FOR OTHERS
LEADERSHIP WITH INTEGRITY	EXCELLENCE	CARE FOR OTHERS					