

Group Responsible Procurement Policy

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Owner:	Group Procurement
Approved by:	ESG Committee
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1. Overview

Vitasoy's two-pronged Sustainability Framework – “Making the Right Products” and “Making Products the Right Way” – summarises our commitment to delivering sustainable products that support a healthy lifestyle. Procurement plays an important role in ensuring we deliver this promise. While related efforts have been made in our selection of suppliers to support this commitment, a formal Responsible Procurement Policy will further enhance the effectiveness of our purchasing actions by providing clear directions and guidelines for all our purchasing decisions. The implementation of responsible and sustainable practices contribute to the United Nations Sustainable Development Goals (UN SDGs) regarding Goal 8 Decent Work and Economic Growth and Goal 12 Responsible Consumption and Production.

Our Responsible Procurement Policy seeks to give preference to suppliers who can demonstrate efforts on environmental and social performance as listed under our Suppliers Responsibility Principles.

- Conserve natural resources
- Minimise impact on the environment
- Maximise recyclability
- Observe labour rights

2. Scope

The Responsible Procurement Policy applies to all companies in our value chain but prioritisation of attention is given to Category 1 Suppliers with criteria defined below:

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

3. Principles and Commitments

- Only do business with suppliers who comply with applicable legislations and regulations in their respective local regions/countries
- Give preference to suppliers who have better ESG performance in our supplier selection criteria
- Give preference to suppliers who have acknowledged acceptance of our Supplier Responsibility Principles
- Give preference to materials/products where recognised sustainability related certification or acknowledgment by recognised authorities is obtained such as the Forest Stewardship Council
- Integrate social and environmental factors into the sourcing decisions where applicable
- Engage with suppliers to innovate and develop responsibly sourced or eco-friendly products
- Conduct environmental and social assessments on key suppliers with prioritisation criteria as conveyed in Vitasoy's Sustainability Reports
- Provide training to our key suppliers and internal stakeholders on their roles in supply chain sustainability

4. Implementation

- Group Procurement provides briefings/trainings to all heads of departments/functions with the support of the Group Sustainability team to ensure clear understanding of this Policy
- The Procurement Department works closely with the Group Sustainability to assess key suppliers' social and environmental performance, and engages with suppliers on corrective actions if deemed required

5. Review of the Policy

The ESG Committee will conduct a periodic review of this Policy every three years and whenever deemed necessary.

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