



2015 Uni-President Corporate Social Responsibility Report



Editorial Principles

About this report

The structure of this report was based on the framework set out in the “Corporate Social Responsibility Report Authoring and Reporting Guidelines for TWSE -listed Companies” and Global Reporting Initiative (GRI)’ s GRI Version 4.0, as well as supplementary indicators from the food processing industry. The five main aspects of this report are “An Enterprise Built on Integrity” , “New Era for Food Safety” , “Maintaining a Sustainable Green Environment” , “Creating a Healthy and Happy Workplace” and “Creating a Healthy and Happy Tomorrow” . This report discloses Uni-President’ s views and responsive actions on material issues during the process of sustainable development.

Reporting period, Boundary and Scope

The information contained within this report mainly covers the period of January 1, 2015 to December 31, 2015. Some information covers past periods.

This report mainly focuses on Uni-President’ s efforts in the Taiwan area, which includes the six general factories located in Yongkang, Xinshi, Taichung, Yangmei, Zhongli, and Hukou. There were no significant changes in the size, structure, or ownership of the company during the report period. There were also no incident with significant impact affecting this report.

We plan to gradually include our overseas operations into the CSR report in the future, so that we are able to provide a complete picture of Uni-President Group’ s CSR management. The organization of Uni-President Group is described in detail between pages 327 to 334 of the 2015 Annual Report. Some of the Group’ s publicly listed subsidiaries now regularly publish their own CSR report. For more information, please visit their corporate websites.

The financial information provided in this report, expressed in NTD, has been audited by accountants, and are published in the annual report for the general shareholders’ meeting. All non-financial data are provided by relevant internal departments. The data were then compiled in accordance with requirements of GRI guidelines and indicators to reflect Uni-President’ s performance. The greenhouse gas emission figures have been independently verified by third party. The data for each indicator was collected, measured, and calculated according to local regulations. International standards (such as ISO) are used where no local regulations apply. If there are no international standards available then industry or applicable standards are used.

External Assurance

Uni-President has engaged PwC Taiwan to conduct independent limited assurance on some information of this report in accordance with the Assurance Standard No. 1 “Assurance Engagement of Examinations or Audits of Non-historical Financial Information” issued by the Accounting Research and Development Foundation. The assurance report can be found in the appendix of the report.

Publication

Uni-President will publish the CSR report annually on our corporate website at <http://www.uni-president.com.mtw/CSR/index.html>

2015 CSR report issuance date: August 8, 2016

2014 CSR report issuance date: August 14, 2015

Contact

Marketing Strategy Planning Office, Uni-President Enterprises Corp.

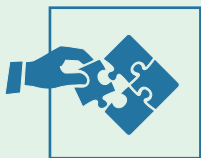
Telephone: +886-253-2121

E-mail: pubic@mail.pec.com.tw



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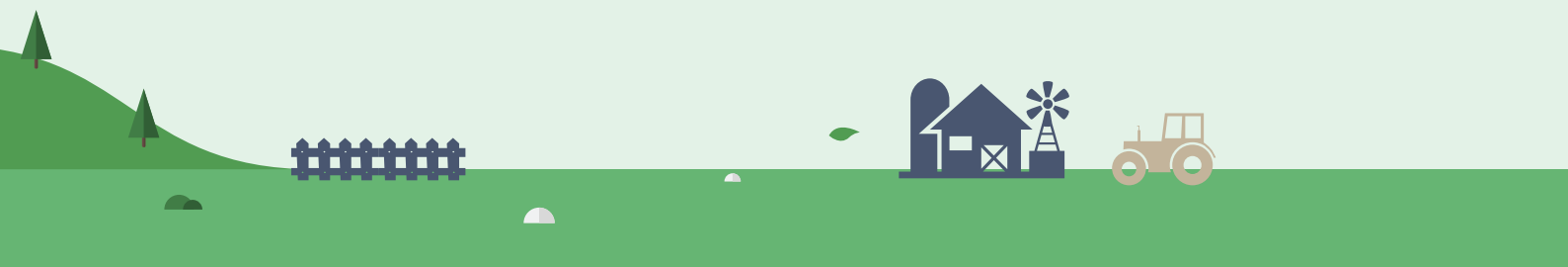


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“ Protect Food Safety by Upholding Professional Ethics

Sustainability and Innovation - Marching with the Times Courageously ”

After experiencing numerous food safety incidents, our food safety protection network has gradually taken shape with the tremendous efforts of the entire workforce at Uni-President Enterprises Corp. However, as we know that there's always room for improvement in food safety, in 2015, we launched a series of new food safety initiatives including the auditing of overseas suppliers as well as unannounced audits carried out by the Food Safety Audit Team. In order to further strengthen the food safety awareness of all UPEC employees, we have implemented food safety policies at the Group level with the foundation already laid down by the Food Safety Committee. We hope that food safety awareness will be firmly rooted inside each employee's DNA. The Food Safety Building, which represents an investment of NT\$1 billion, is the largest and best equipped food safety inspection center in Taiwan; it is expected to be finished and begin operation in 2016. Although we have completed a large number of food safety-related tasks, food safety incidents that are still occurring in our society serve as a constant reminder for us to improve our professional capabilities in order to ensure food safety. We also need to uphold our commitment to professional ethics and remind ourselves to always be ready and alert. Only by doing this can we keep our promise to ensure food safety, which is the single most important issue to all citizens, and to faithfully carry out our sacred responsibilities.

Apart from food safety, equally important issues also include workplace safety and labor-management relations. Our employees and work partners often spend more time at work than at their own homes due to the nature of their professional responsibilities; therefore, we want to make our office a secure, friendly, and happy place for not only our workers and work partners but their family members as well. This is our promise, and keeping this promise requires constant care, mindfulness, and attentiveness. Climate change is now a reality. Following the Paris Climate Change Summit held at the end of 2015, the reduction of greenhouse gases has become a major topic of concern around the world. We have always been actively involved in greenhouse gas reduction. In 2014, we reviewed our carbon reduction practices and established new objectives. Going forward, we promise to reduce carbon emissions by at least 2% each year, which means that in the year 2020, the level of carbon emissions will be back at 80% of the level in 2005. In 2015, we have successfully achieved our emission objective for the entire year.

The world is changing not only increasingly rapidly but also in a more unpredictable manner. In the past, we always believed that food and everyday products were parts of a relatively stable industry, but judging from the changes that have taken place over the last few years, we now live in an entirely different world. Society as well as consumers now have higher expectations of us. Faced with these changes and uncertainties, the first question we need to ask ourselves is whether we are capable of progressing with the times. In other words, whether it is within our power to adjust our thinking to adapt to the changing market; only this will allow us to survive and thrive in the real value of the society.





Over the past year, Uni-President has organized a number of innovative events; examples include The First Love - · Sharing, a major group-centered event held in Taiwan where we expressed our love, concerns, good wishes, and appreciation to the society. To accommodate the advent of the digital age, the Millennium Health Foundation has introduced the "Millennium iHealth" program to promote health management practices unrestricted by space and time. A number of major incidents have occurred in Taiwan during the past year. Apart from making timely donations, UPEC also worked with the Uni-President Social Welfare and Charity Foundation to extend our love and assistance to every corner of our society.

Foods which are expired are no longer safe to consume. Likewise, outdated concepts and modes of thinking can no longer be accepted by the market. UPEC will always remember that our experience and expertise will only be showcased when we focus on the society's dynamic development, and when we bravely break away from our comfort zone to face the unknown. What we are facing today will become even more uncertain in the future. On the other hand, there are also unlimited possibilities. UPEC has an excellent history and solid foundation. We believe that with our continued efforts and dedication, we will write an even more spectacular page in our corporate history!



Chairman

Chih-Hsien Lo

“ Every step has its purpose on the path to corporate sustainability ”

Over the past few years, corporate social responsibility has become an important topic in society. Consumers have also recently begun to contemplate and even practice “responsible consumption” - that is, the philosophy of choosing to support environmental protection and avoiding or providing solutions to products that create problems for society through sustainable consumer behavior. Prices are no longer the only criterion when consumers choose products. To Uni-President, one of our corporate sustainability objectives is to apply our core competency to create value for our products, and to become the first choice for consumers who have adopted responsible consumption practices.

The first step of our quest in promoting responsible consumption is to ensure food safety, so as to raise the standards of the food industry. In order to effectively manage various food safety risk factors resulting from rapid changes in the food industry, we have invested significantly in terms of both quantity and quality, from physical equipment and facilities to overall awareness in food safety. The purpose of such investment is to improve our food safety capability on an ongoing basis. Apart from carrying out Uni-President's food safety practices at every “point” of production, these individual points also combine to form a comprehensive line, where we also aggressively pursue the management of suppliers and facilitate upstream/downstream food safety management in the entire supply chain. Finally, Uni-President's major affiliates in the food industry are also playing an active role in exerting their influence on the value chain, which has allowed these “lines” in the industry's considerable improvement to form an overall multi-dimensional surface, or “plain” . The key to solving food safety problems is widespread collaboration between the entire food industry and consumers.

The second step for promoting responsible consumption is to facilitate customers’ protection of the environment via their consumption. We have launched several initiatives in recent years to reduce the amount of materials used in food packaging, which has helped to reduce our impact on the environment while consumers continue to enjoy our delicious products. In addition, we have adopted the use of paper certified by the Forest Stewardship Council (FSC) in our packaging materials, making FSC-certified products 48.4% of our total expenditure on paper-based packaging materials in the past year. We are delighted to have contributed to ecological balance as well as the preservation of the value of forests. In the meantime we continue to maintain the Carbon Footprint Label Certification on ten of our products, which allows consumers to be informed of the carbon emission profiles of these products so that they can help protect the environment by making the best food choices.

The third step in advancing responsible consumption is to care for employees and minimize the impact on business operations. Over the past few years, low wages have been a major issue that has plagued society. At Uni-President we value talent and we offer fair remuneration. The average monthly recurring wage of our employees is 2.62 times the statutory minimum wage, and is also 46% higher than that of workers in the overall manufacturing sector for the same period. Uni-President has also been included among the constituent stocks of the TWSE "Taiwan High





Compensation 100 Index¹¹ for the second consecutive year. Industrial safety is another commitment we have made, for the benefit of our employees as well as to the stable development of our society. Only when we have healthy and safe workers are we able to make products that society would truly trust. With respect to reducing the impact on business operations, we have established relevant objectives and we assess their progress on a regular basis. In 2015 we initiated a number of energy conservation projects, which have led to a reduction of CO₂e emissions by 5,403 metric tons. We have also been making strides in conserving water resources: a total of 58,420 metric tons of water has been saved. At the same time we have also been actively managing our waste in order to minimize the impact on our operations.

Uni-President is on the verge of entering the sixth decade of its existence. Our history began with a single product—flour—and now we have grown into an entity that is inextricably linked to Taiwan's consumers and society at large. Each step we take toward corporate sustainability is done in a cautious and respectful manner. We are of the strongest conviction that responding to all our stakeholders' expectations and requirements in a precise manner is the only way to constantly create value with universal appeal and to bring positive influence to society as a whole. This is one of our most important corporate missions. Looking back, each step taken by Uni-President on our road to corporate sustainability has been strong and meaningful. We vow to work with everyone in society to create a healthier and happier future!



President

Jung-Lung Hou

Summary of Key 2015 CSR Performances

Economy



- Net income (non-consolidated) reached NT\$14,108 million, a 27% growth compared with the previous year
- Consolidated net sales reached NT\$416,151 million.
- EPS was 2.48. Increased 26.53% than the previous year
- Won the award of top 5% of all TWSE/GTSM-listed companies from 1st and 2nd Corporate Governance Evaluation.
- Awarded the highest rating of A++ in the Information Disclosure Evaluation for the second consecutive year

Environment



- Awarded the "Energy Conservation Model Enterprise" by the Bureau of Energy, Ministry of Economic Affairs
- Reduced 5,403 tons of CO₂e emissions, 4% less than 2014
- Conserved water was 58,420 tons, equivalent to the volume of 31 Olympic-size swimming pools.
- Reduced 101 tons of air pollution, a reduction of 47.9% compared with the previous year

Product



- Implemented 3 types of supplier audits in a total of 1,443 times.
- Six general factories 100% received the ISO 22000 certification
- 35,321 hours of food safety-related trainings and 12,629 participants
- The use of sugar was reduced by 24% from 2011 to 2015.

Society



- Received the Social Inclusion Award at the 8th Taiwan Corporate Sustainability Awards (TCSA)
- The number of Millennium Health Stations grew to 677 with 44,001 participants.
- 900 students have been benefited from Social Welfare Foundation



Employee

- Averaged starting salary of entry-level employees increased by 10.5%, higher than minimum wage adjustment ratio.
- The UPEC Trade Union reached 5,224 members, representing 98.98% of the entire workforce
- Signed second collective agreement and was recognized by the Ministry of Labor
- Average training hours were 32.8. Consecutively awarded the gold medal for the Taiwan Training Quality System (TTQS)

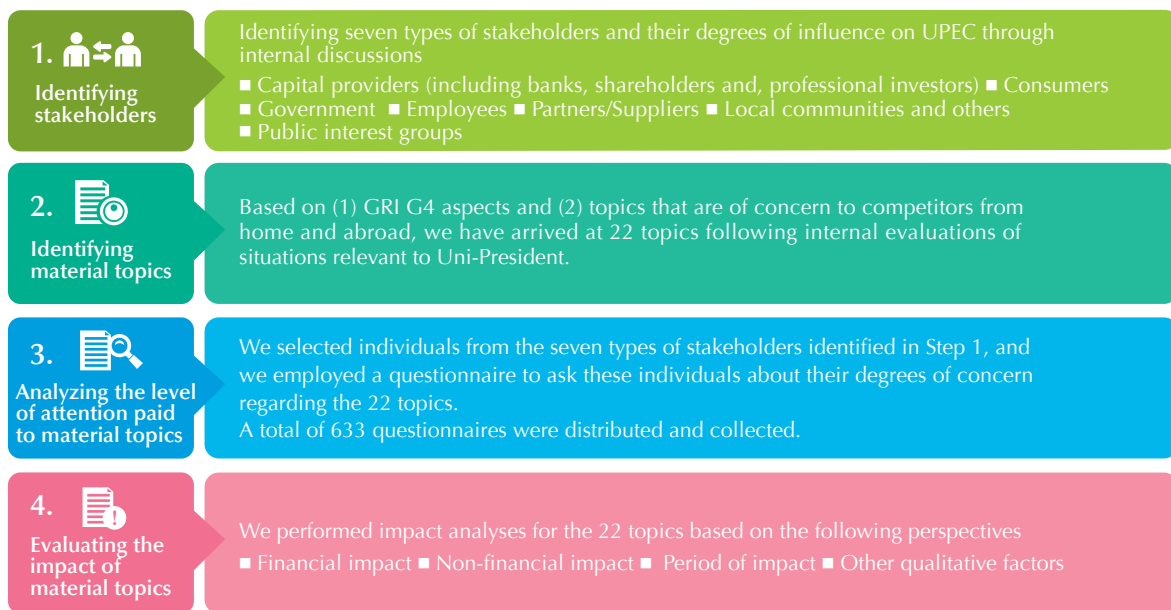


Communicating Material Topics with Stakeholders

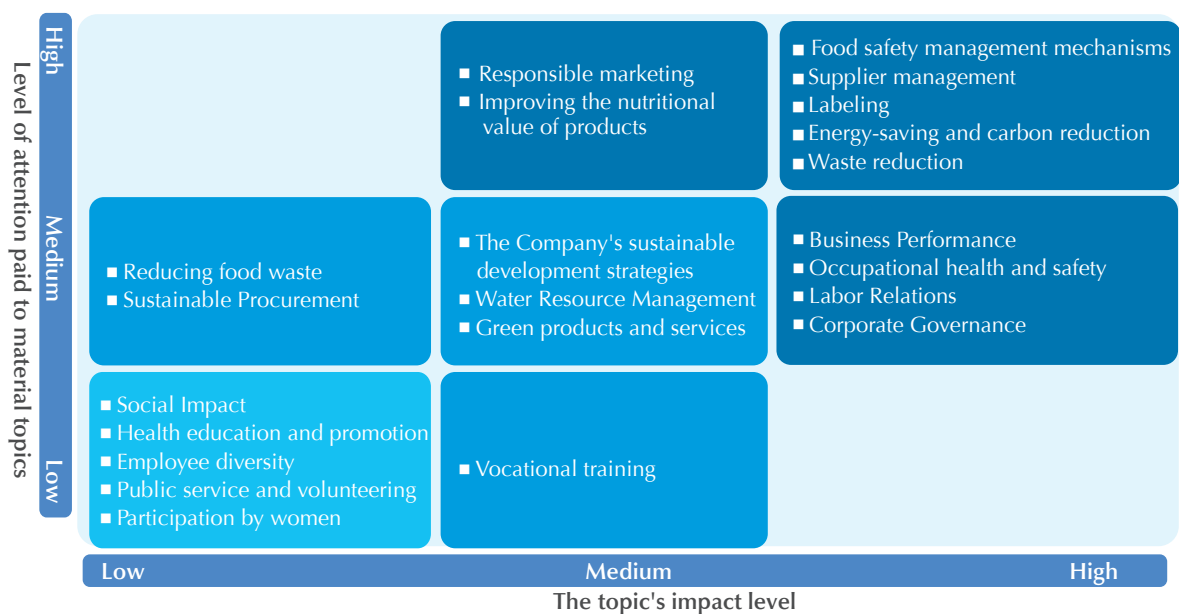
Material Topics in 2015

Stakeholder support and response is one of the critical factors to sustainable corporate development. Uni-President employs three steps to identify topics which are of concern to stakeholders, and we provide specific responses in this report and continue to facilitate the implementation of our improvement plans.

1. Identification and Prioritization



Material topics for 2015 identified by Uni-President by using the procedures described above are as follows



2. Validation

After the materiality analysis of CSR topics, each department will verify their completeness, and then further analyze the scope, boundary and reporting period for each material topic to ensure that the information and performance conforms to stakeholder concern. Each department also applied the principles of completeness, responsiveness, and inclusivity in the authoring of this report, to ensure that important information of interest to stakeholders is disclosed within.

| Material Issues | Internal | External | | | | | G4 aspects to consider | Corresponding chapters/sections |
|---|---------------------------------|----------------|-----------|--------------------|------------|-----------------|--|---------------------------------|
| | Uni-President Enterprises Corp. | Fund providers | Consumers | Partners/Suppliers | Government | Local community | | |
| Food safety management mechanisms | ■ | ■ | ■ | ■ | ■ | | ▲ Ensuring food safety ▲ Innovative and Superior Quality Products 2.0 | |
| Supplier management | ■ | ■ | ■ | ■ | | | ▲ Procurement practice ▲ Supplier environment/labor practices/human rights/social impact assessment Ensuring food safety | |
| Labeling | ■ | | ■ | ■ | | | Labeling of product and services Ensuring food safety | |
| Energy-saving and carbon reduction | ■ | | | ■ | | ■ | ▲ Discharges ▲ Energy Climate change and energy management | |
| Waste reduction | ■ | | | | | ■ | Waste water and waste Pollution Prevention | |
| Business Performance | ■ | ■ | | | | | Economic performance Business Performance | |
| Occupational health and safety | ■ | | | | | | Occupational health and safety Occupational health and safety | |
| Labor Relations | ■ | | | | | | Labor employment relations Optimizing human assets | |
| Corporate Governance | ■ | ■ | | | | | – Corporate Governance | |
| Responsible marketing | ■ | | ■ | | | | Marketing communications Ensuring food safety | |
| Improving the nutritional value of products | ■ | | ■ | | | | Healthy and affordable food Promoting a Healthy Society | |

3. Review

Upon the completion of the report, the CSR Committee and all departments examined and reviewed the report once again, to make sure that CSR information and performance are not inappropriately or improperly presented. The review results also serve as an important reference for next year's report.

Stakeholder communication

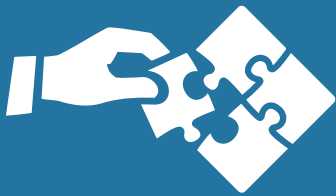
From the questionnaire results, statistics were compiled to obtain stakeholders' top three topics. The frequency and method with which Uni-President communicates with various stakeholders are listed below:

| Stakeholders | Topics of Concern | Frequency and method of communication |
|---|--|--|
| Fund providers  | <ul style="list-style-type: none"> ■ Business Performance ■ Food safety management mechanisms ■ Responsible marketing | <ul style="list-style-type: none"> ■ Annual Shareholders Meeting ■ Non-periodic Legal Person Conferences ■ Important information disclosures as required by competent authorities ■ Regular publication of financial statements/annual reports/CSR reports ■ Disclosure through corporate website |
| Consumers  | <ul style="list-style-type: none"> ■ Food safety management mechanisms ■ Labeling ■ Improving the nutritional value of products | <ul style="list-style-type: none"> ■ Corporate website and brand marketing network ■ Loyal Customer Service Center/0800 customer service hotline ■ Regular publication of CSR reports ■ Consumer satisfaction survey |
| Government  | <ul style="list-style-type: none"> ■ Food safety management mechanisms ■ Energy-saving and carbon reduction ■ Waste reduction | <ul style="list-style-type: none"> ■ Periodic compliance inspections ■ Supporting charity events/initiatives ■ Assisting with the formulation of related laws and regulations ■ Regular publication of CSR reports |
| Employees  | <ul style="list-style-type: none"> ■ Food safety management mechanisms ■ Supplier management ■ Labeling | <ul style="list-style-type: none"> ■ Public announcements on management policies, rewards, punishments, and changes ■ Periodic labor-management communication meetings/labor unions ■ Training center/internal talent recruitment/personnel rotations ■ Periodic meetings of the Welfare Committee and publishing of financial statements ■ Regular publication of Uni-President Monthly/CSR reports ■ President's Mailbox |
| Partners/Suppliers  | <ul style="list-style-type: none"> ■ Food safety management mechanisms ■ Business Performance ■ Improving the nutritional value of products | <ul style="list-style-type: none"> ■ Periodic communication meetings ■ Counseling mechanism/audit management ■ e-Procurement system/open tender ■ Regular publication of CSR reports |
| Local communities and others (such as academic institutions and ratings organizations)  | <ul style="list-style-type: none"> ■ Food safety management mechanisms ■ Labor Relations ■ Labeling | <ul style="list-style-type: none"> ■ Participation in external assessments ■ Participation in research projects/seminars ■ Communication through the corporate website/brand marketing network ■ Regular publication of CSR reports |
| Public interest groups  | <ul style="list-style-type: none"> ■ Responsible marketing ■ Reducing food waste ■ Food safety management mechanisms | <ul style="list-style-type: none"> ■ Participation in charity events |



1

About Uni-President Enterprises Corp.



- Overview of Company Operations
- Business Performance



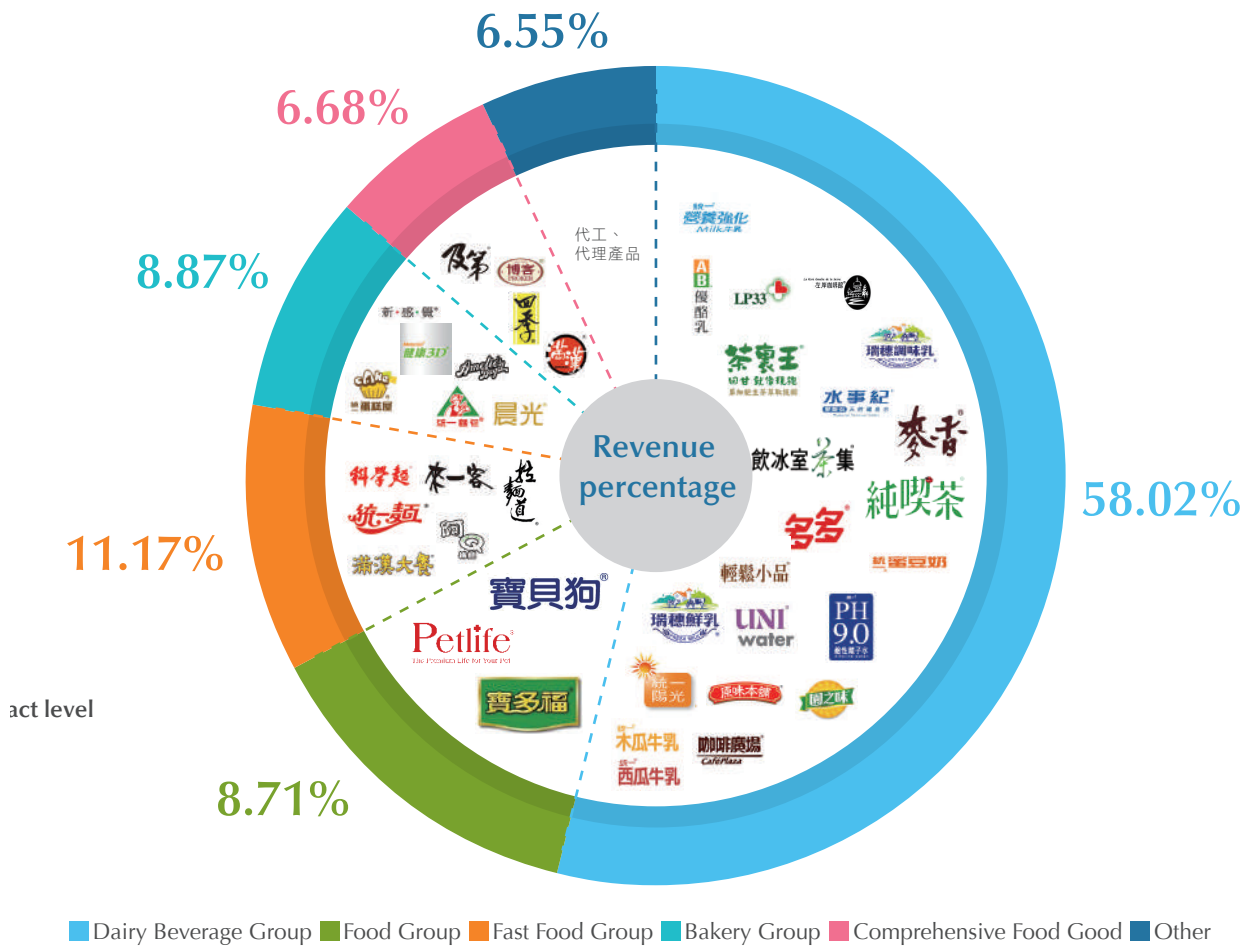
Overview of Company Operations



| | |
|--------------------------|--|
| Name of the organization | Uni-President Enterprises Corp. |
| Date Established | August 25, 1967 |
| Location of headquarters | No. 301, Zhongzheng Rd., Yongkang Dist., Tainan City |
| Total assets | NT\$152,683,377 (thousand) |
| Capital | NT\$56,820,154 (thousand) |
| Regions of operation | Asia and the Americas |
| Number of shareholders | 125,709 (as of the end of 2015) |



Principal products and their revenue percentages:





Advocacy to Participate in External Organization Initiatives

We actively participate in related business associations as well as national and international agencies/organizations to exchange ideas and learn from industrial peers to develop mutual cooperation. Uni-President Enterprises Corporation is a member of and holds an important role in the following external organizations: the Chinese National Association of Industry and Commerce (Taiwan), Cross-Strait Commerce and Culture Exchange Association, Taiwan Institute of Directors, Cross-Strait CEO Summit, and the Straits Exchange Foundation. In 2015, we also joined the Chinese Human Resource Management Association (Taiwan) and Taiwan Quality Food Association.

Participation in External Organizations

Director Supervisor

23 seats 3 seats



Core Business Philosophy

"Three Goods, One Fairness" means good quality, good credibility, good services, and fair prices. We have incorporated these values into our day-to-day business operations. From entry level employees to top management, and from inside of our organization to every stage of operation, we aim to educate each person associated with UPEC with this philosophy.

- Good quality**: One Fairness" means good quality, good credibility, good services, and fair prices.
- Good credibility**: refers to our efforts in creating high quality products that emphasize "consumer interests". We strive to make each UPEC product conform to international standards. We also aim to become the industry benchmark by surpassing the government's quality standards, receive recognition from the society, and to be the most trusted choice for consumers.
- Good services**: is our philosophy of building relationships with competitors and partners in a sincere, honest, and trustworthy manner. We do not manufacture goods that are harmful to health or produced by using inferior materials. We refrain from using false advertisements to mislead customers. We conduct business with integrity, abide by the gentleman's agreement and fulfill all promises made. Our goal is to build absolute trust in the UPEC brand for anyone that comes into contact with our organization.
- Fair prices**: underscores our views of earning a reasonable profit by offering products at fair prices, in order to help the society to become one that emphasizes social justice. We adhere to our belief that "what is taken from the community should be given back to the community", and we conduct business based on this ideal. In other words, we dedicate a part of our profit to the community's development.

Business Performance

UPEC continues to promote the Company's growth at a steady pace and to ensure our risk control measures are properly implemented. We aim to manage systemic risks caused by market changes. For detailed information on the Company's operating and financial performance in 2015, please refer to our consolidated and individual financial statements available on the Market Observation Post System (MOPS) website.



Individual Financial Performance

Unit : thousand

| | |
|---|------------|
| Operating revenue* | 38,286,883 |
| Operating expenses* | 9,356,843 |
| Payroll and personnel expenses* | 6,947,734 |
| Cash dividend and stock dividend* | 9,834,258 |
| Income tax paid* | 235,355 |
| Charitable contributions and social investments | 11,504 |

* Audited by PwC Taiwan.

2



- Corporate Governance
- Management of Corporate Social Responsibilities

An Enterprise Built on Integrity





Key achievements:

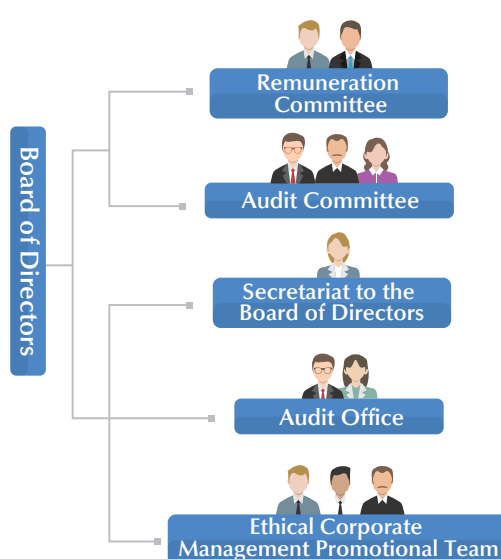
- Named one of the **top 5%** TWSE/GTSM-listed companies during the Second Corporate Governance Evaluation; it is the second consecutive year for receiving this honor
- Awarded the highest rating of **A++** in the Information Disclosure Evaluation for the second consecutive year
- Established the procedure for director election as well as the procedure/guidelines for ethical corporate management

Corporate Governance

In the annual CEO survey released by PwC in 2016, 55% of all CEOs surveyed believed that "lack of trust in companies" was a key threat they were already facing. A number of major incidents have occurred in Taiwan over the past few years. How to create or rebuild the public's trust in corporations is among the most important topics every enterprise should address explicitly and adequately. "Good credibility" is the key to practicing business with integrity under UPEC's core concepts. Beginning with corporate governance, we continue to uphold the spirit of ethical corporate management, actively promote operation transparency and managing the Company based on the principle of stakeholders' rights and interests. In order to strengthen our corporate governance, during 2015, UPEC adopted the Procedure for Director Election and amended Governing Procedure for Board of Directors Meetings, Articles of Incorporation, Procedures Governing the Acquisition or Disposition of Assets, and Guidelines of Corporate Governance Practices.

Board of Directors

Pursuant to the provisions of the Company's Articles of Incorporation, there are a total of 13 directors (including 3 independent directors). The directors are experienced in many fields including finance, economics, accounting, food manufacturing, electrical engineering, chemical engineering, and industrial engineering. To promote diversity, three members of the Board of Directors are female. To effectively carry out its supervisory role, the Board of Directors has adopted the "Regulations Governing Procedure for Board of Directors Meetings" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies". The conflict of interest principle is also defined and enforced in accordance with the law. All effort has been made to ensure sound governance. As for other business functions, complete operating procedures and control mechanisms have also been established. The Board of Directors held a total of 7 board meetings between 2015 and March of 2016, with an 82% actual rate of attendance. Please refer to the 2015 UPEC Annual Report for detailed background information on our board members. The report can be downloaded from the following website: <http://www.uni-president.com.tw/invest/index.html> ◦



Remuneration Committee

The Remuneration Committee was established to carry out in good faith its responsibilities to "determine and regularly review the policies, mechanisms, standards, and elements with respect to the performance and remuneration of company directors and managers", and to "regularly assess and determine the remuneration of directors and managers". The Committee's recommendations are submitted to the Board of Directors for discussion and the final decision. The Remuneration Committee uses its expertise to assess the remuneration of the top governance body and executives based on the company's business performance, as well as how organizational management influences society and the environment. The goal is to achieve sustainable management through the cultivation of Uni-President corporate ethics and culture. From 2015 to March of 2016, the Remuneration Committee has conducted 3 meetings with 100% attendance from the convener and committee members.

Audit Committee

The Audit Committee aims to assist the Board of Directors in performing its supervisory responsibilities, to ensure quality and integrity in the accounting, auditing, and financial reporting processes, as well as financial control. Apart from abiding by the Articles of Incorporation, the main function and power of the Audit Committee is to exercise its duty according to Article 14, Paragraph 5 of the Securities Exchange Law, to assist the Board of Directors with monitoring the quality of company accounting, financial reporting, and internal control procedures. From 2015 to March of 2016, the Company's Audit Committee has held 8 meetings with 95.8% attendance from the convener and committee members.



Audit Office

Each year, we prepare an audit plan based on the results of risk assessments. With the plan, we proceed with items that are required to be audited each month and evaluate the Company's internal control systems accordingly. In addition, we compile working papers and other relevant information for the preparation of the audit report. The direction and focus of auditing work are consistent with our corporate vision and strategy development. From the perspective of the Company's long-term viability, we help the Company raise its level of corporate governance.

Ethical Corporate Management Promotional Team

In 2015, the Ethical Corporate Management Promotional Team was established under the oversight of the Board of Directors. The team is responsible for implementing and supervising the Company's ethical corporate management policies and ethical violation prevention programs, as well as reporting its progress to the Board on an annual basis. In 2015, we amended the Ethical Corporate Management Principles and also adopted the Procedures and Guidelines for Ethical Corporate Management (along with corresponding internal regulations such as the "Approval and Management Guidelines for Social Sponsorships/Charitable Contributions"). As a result, we have now established a comprehensive set of policies on operational procedures, codes of conduct, disciplinary rules, and employee grievance processes with respect to ethical corporate management, and we endeavor to carry out these policies properly. In terms of external activities, it is required that before carrying out any business activities, the Company should evaluate the integrity of all counterparties with whom it has business relationships with. Clauses concerning integrity-related practices are also incorporated into agreements signed with business partners.

Management of Corporate Social Responsibilities

We shall therefore progressively fulfill our social responsibilities within the Company in accordance with the direction and objectives specified within the "Uni-President CSR Code of Practice". CSR topics including risk assessment and performance tracking shall be conducted by the Marketing Planning Office, which reports directly to the President's Office. Each department is responsible for the evaluation, planning, and execution of CSR initiatives within the respective fields, as well as engaging in internal/external communications and management. The related topics are also reported to the President through business coordination meetings, expanded monthly meetings and project meetings. During the meetings, material topics as determined by the group manager (with authority above assistant manager) or the President shall be reported to the Board of Directors by the managers or the President to seek advice or a decision. The performance evaluation in terms of significant CSR topics on the environment and society are the responsibilities of the senior executives, and are included as key performance targets tracked by the Board of Directors.



3






- Ensuring Food Safety
- Innovative and Superior Quality Products 2.0

A New Era for Food Safety



Key achievements:

-  Named as one of Taiwan's top 20 international brands (Industrial Development Bureau's "2015 Branding Taiwan Top 20")
-  Yangmei Dairy Factory No. 2 received the "Golden Tower Award", and the Shinshih Beverage Factory No. 1 received the "Silver Tower Award" of the 28th National Solidarity Circles Competition.
-  Yangmei Dairy Factory No. 2 received the Gold Medal at the 38th National Quality Control Circles Announcement.
-  Implemented the Food Safety Center Rapid Alarm System
-  Established the regulation identification system
-  Conducted 230 onsite evaluations for various suppliers
-  The Food Safety Audit Team began unannounced inspections and completed 1,077 such inspections
-  Audited overseas suppliers 50 times
-  35,321 hours of food safety-related trainings and 12,629 participants
-  NT\$352 million in food safety laboratory control expenses

Ensuring Food Safety

Judging from the changes that have taken place over the last few years, we now live in a totally different environment. The food industry is faced not multiple risk factors that interact with one another, which has a significant impact on our society. At the United Nations Sustainable Development Summit held in 2015, the UN passed "Transforming Our World: the 2030 Agenda for Sustainable Development", which proposed 17 sustainable development goals (SDGs); this has prompted enterprises to contemplate the issue of sustainable development for the future. To address the risks brought on by environmental changes as well as SDGs, we are always paying close attention to possible risks and proposing appropriate management solutions. We have analyzed risks faced by each stage of our production process, and our corresponding management approach is described below:

|  Risks | Corresponding chapters/sections of management approach |
|---|--|
| Risks associated with low food safety awareness | Establish a food safety culture & notification mechanisms |
| Raw material risks | Source management |
| Insufficient food safety control | Improve professional food safety capabilities |
| Food safety risks associated with manufacturing processes | Execute production management and acquire food safety management system certifications |
| Risks associated with losing consumer confidence | Communicate with consumers |
| Risks associated with consumer behavior changes | Safeguarding healthy living and environment |

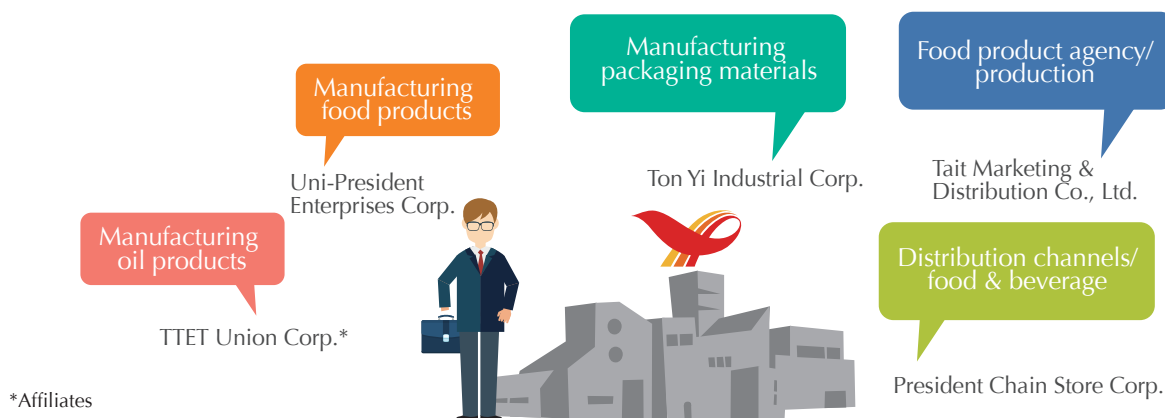




Establish food safety culture & notification mechanisms

With a presence of over four decades in Taiwan, Uni-President Enterprises Corp. (UPEC) has many subsidiaries across multiple industries from upstream food production such as cooking oils, midstream food and packaging manufacturing, to downstream sales and distribution channels. Therefore, as a leader in the food industry, UPEC has the responsibility to ensure food safety and safeguard consumer health. For this reason, we have adopted a food safety management system at the group level so that we can exert our influence and bring positive development to the entire food industry.

» TWSE/GTSM-listed companies affiliated with UPEC



Food Safety Organizations

UPEC's Food Safety Committee (the "Committee") was established in 2013. Since 2015 the Committee has been chaired by the president, who convenes weekly joint report sessions and semiannual group-wide meetings. The Committee consists of the heads from the Food Safety Center, Procurement Department, Logistics Group, Central Research Institute, Technical Teams, Loyal Customer Service Center, as well as other business groups. The Committee meets to review and make decisions on food safety and quality issues regarding all products manufactured by UPEC's subsidiaries and affiliates as well as concerns raised by the Group's departments. Units and functions of the Food Safety Committee are described below.



Supply Chain Management Team

Logistics/Product Management Team

Process Management Team

R&D/Labeling Management Team

Food Safety Audit Team

Responsible for reviewing food safety practices and product quality with respect to the raw materials supply chain, including raw material suppliers (including OEMs and ODMs).

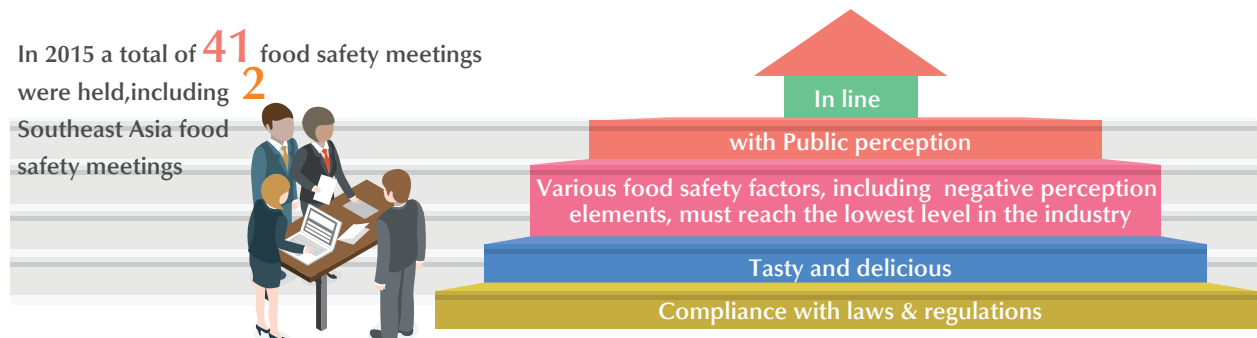
Responsible for reviewing food safety practices and product quality with respect to product distribution (transportation and warehouse management), as well as products sold through sales agencies and distributors.

Responsible for R&D, OEM, ODM, product packaging and labeling, as well as the review of food safety and quality issues regarding raw materials, packaging materials, and food additives.

Responsible for matters concerning the manufacturing processes at production factories and contract manufacturers, as well as reviewing food safety and quality issues concerning processing aids.

Responsible for conducting food safety audits of suppliers, production factories, contract manufacturers, and affiliated companies.

In 2015 a total of 41 food safety meetings were held, including 2 Southeast Asia food safety meetings; major decisions made during these meetings include the mandatory compliance of the following requirements by UPEC products (ordered by their priority/importance):



In 2015 a total of **41** food safety meetings were held, including **2** Southeast Asia food safety meetings

During the Southeast Asia food safety meeting and Group food safety meeting held in 2015, food safety supervisors at from affiliated enterprises in Taiwan, as well as local officials from the Group's Southeast Asia affiliates and their supervisors were all summoned in order to promote the latest food safety concerns and strategies. At the meetings, discussions on raw material source management, design and development, as well as procurement and regulatory compliance were also conducted.

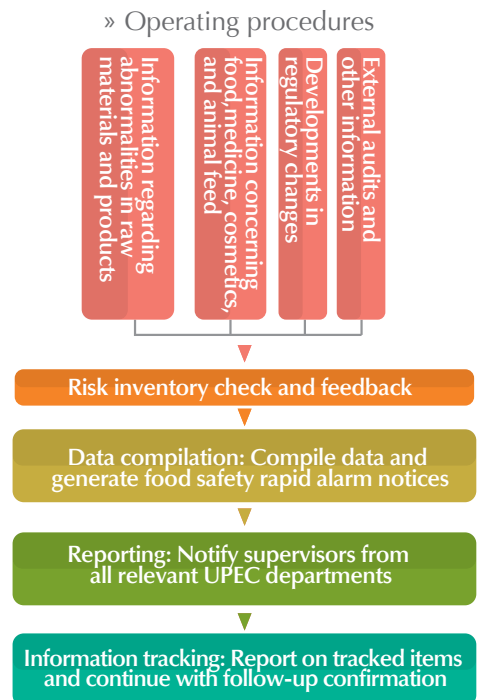
Communicate food safety information thoroughly

In order to effectively collect various types of food safety-related information and to implement food safety management mechanisms, UPEC has established several mechanisms to ensure the effective execution of food safety-related tasks which are described below:

a. Food Safety Center Rapid Alarm (FSCRA) System

Since August of 2015, UPEC has adopted the Food Safety Center Rapid Alarm (FSCRA) System, which collects the following data associated with UPEC products on a daily basis. In addition, data is reported to all responsible units in a timely manner. With the FSCRA system, relevant departments will be able to take actions ahead of time and execute necessary management tasks regarding the safety of food, cosmetics, medicine, and animal feed.

- (1) Information regarding abnormalities in raw materials and products: Raw materials used or products manufactured by the Company which have been identified as not meeting the Company's standards for acceptance or regulatory requirements via internal inspection or testing by an external organization.
- (2) Safety-related news on food/cosmetics/medicine/animal feed: Safety-related news or information regarding food, beauty products, medicine, and animal feed as reported or announced by domestic and international media, governmental regulatory authorities, or non-profit organizations.
- (3) Information regarding regulatory changes: Information from home and abroad (Taiwan, China, EU, United States, etc.) regarding legislative changes such as new legislations, repeals, amendments, and advance announcements on food, medicine, cosmetics, and animal feed.
- (4) External audits and other: Information or other matters regarding food, drugs, cosmetics and feeds as communicated by organizations external to the company, including government agencies, system certification units, suppliers, distribution channels through company audits.



As of December 31, 2015, daily execution of the FSCRA System resulted in 128 notifications. All reported incidents were tracked and resolved by May, 2016.



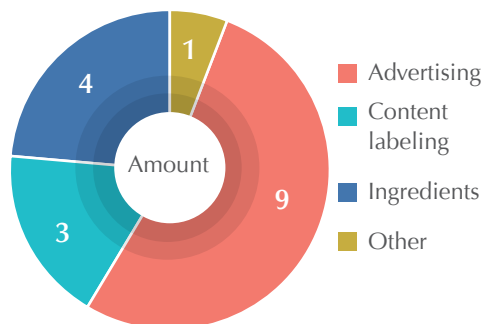


b. Food safety hotline:

At UPEC, we have implemented "Employee Participation of Product Safety Measures" to target product safety and content labeling. Employees are encouraged to call the hotline or use the mailbox to report any concerns they may have about the advertising, labeling, or ingredients used in current Uni-President products. The complaints are processed by the Audit Office, before the Food Safety Committee summons relevant units to conduct an investigation. Depending on the seriousness of the complaint, a review is conducted by the relevant managers as well as any required action to be taken. We offer protection and rewards for employees who report violations. The maximum reward is NT\$5 million. In 2015, there were 17 complaints regarding advertisements, unclear labeling, and ingredients used. Each complaint was investigated by the Food Safety Committee to confirm that no laws were violated. To avoid misunderstandings, we carried out awareness training internally and completed relevant optimization tasks during the year before concluding the investigation.

Optimization tasks are the improvements discussed and decided at food safety meetings with relevant sectors involved in the case.

» Compliant numbers



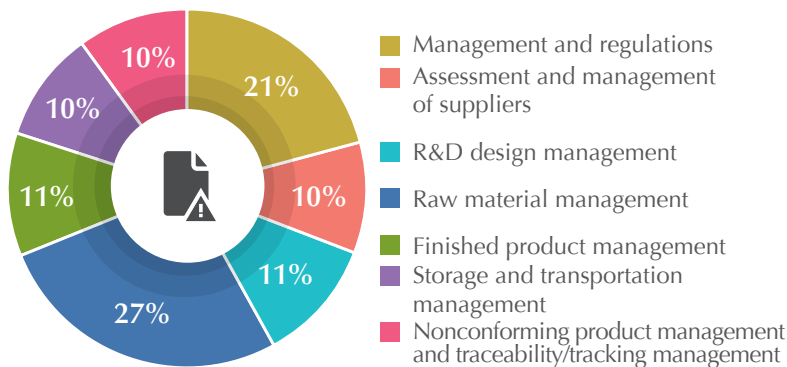
c. Evaluating and auditing affiliated enterprises:

Apart from our continued efforts to improve UPEC's food safety practices, we are also actively establishing measures to improve the Group's food safety management capabilities. In addition technological exchanges, we have also adopted the "Affiliated Enterprise Food Safety System Evaluation Audit Form" to conduct annual audits on food safety systems of subsidiaries and affiliated enterprises. During 2015, we completed the auditing of seven affiliated companies: President Pharmaceutical Corp., President Natural Industrial Corp., Uni-President Organics Corp., President Chain Store Corp., Weilih Food Corp., President Nisshin Corp., and Tait Marketing & Distribution Co., Ltd.

» Items being audited include:



» 2015 affiliated enterprises audit results deficiencies identified



An audit deficiency results from an audited item that failed to achieve 5 points (maximum). For a deficiency identified at an affiliated company, we continue to track its progress and status. All deficiencies were rectified before March, 2016.

Source management

UPEC manages the control of various risks at the source; the process is mainly divided into product design and supplier management. By learning from past food safety incidents, we have become fully aware that as the food industry starts to employ more raw materials and additives, chances of food safety risk factors are also increasing. Therefore, we start our management process at the source. While maintaining our products' flavors, we are also thinking of ways to minimize risk factors. By reducing the number of raw materials and additives, combined with the proper management of raw materials and suppliers, we are able to control food safety risks effectively and become the driving force in the industry for raising food safety standards.

Reducing the amount of raw materials and additives

To support the Company's business strategies, we have gradually reduced the number of products in recent years. Through different manufacturing processes or by employing alternative ingredients, we have decreased the number of raw materials and additives in our products in order to minimize potential food safety risk factors. We have reduced the types of raw materials (including additives) used in our products from over 1,700 to the current level of 1,047. In particular, the number of additives has decreased from more than 600 to about 360. With respect to the production methods, we favor simplified and alternative processes, as well as the use of single food additives if at all possible.

Raw material management

Suppliers must provide the raw material composition, the "Production Footprint" with a breakdown of ingredients, a "Certificate of Analysis" (COA), and a "Hazard Analysis of Raw Materials", in order for us to conduct necessary tests, evaluations, and verifications (when necessary). At the same time, we are using optical instruments to create unique "fingerprint" signatures for future product comparisons.

Supplier Management

The key supplier management policies include:

- ✔ Raw materials must be approved by the evaluation team (including representatives from Procurement, R&D, Production and Food Safety Center) before they are purchased from suppliers.
- ✔ All suppliers must be registered in the government's "Food Merchant Registration System".
- ✔ Our suppliers of raw materials as well as food packaging materials have all received the ISO 22000 or FSSC 22000 certification for food safety management systems.
- ✔ Our contracts with suppliers include CSR provisions, requiring all business practices to be conducted in an ethical and legal manner, as well as meet public expectations while also taking into account their impact on society and the natural environment. A contract may be terminated or cancelled at any time if any CSR policies were violated.
- ✔ Going forward, we will continue to strengthen the traceability management and onsite evaluations for suppliers of second and third-order raw materials.





Audit results:

A. Onsite evaluations

Since April, risk classifications (minor/major/critical) have been added to onsite evaluations. When combined with raw material risk classifications, these results provide a more concrete supplier evaluation. The supplier evaluation procedure covers the environment, human rights, and products. Suppliers are classified as low, medium, or high-risk suppliers based on the evaluation results. Those identified as high-risk suppliers are excluded from the approved list of qualified suppliers. For approved suppliers, we also conduct annual site evaluations based on their latest risk evaluation results. Medium-risk suppliers must be assessed annually, while low-risk suppliers in manufacturing or international trade categories are assessed every two and four years, respectively.

» Evaluation items

| Domestic food manufacturer | Overseas manufacturer | Trading Company |
|---|---|--|
| | | |
| <ul style="list-style-type: none"> ✓ Management and regulations ✓ Hazard analysis & critical control points (HACCP) food safety system ✓ Process and product control ✓ Non-conforming product control and tracing ✓ Environmental Sanitation ✓ Employee health and sanitation ✓ Facilities and equipment ✓ Vector control ✓ Food safety crisis management ✓ Testing and measurements ✓ Storage and transportation ✓ Social Responsibility | Raw materials, additives, manufacturing processes, products, and other food safety-related management | <ul style="list-style-type: none"> ✓ Control raw materials ✓ Supply capacity |

| Onsite evaluations | 2015 |
|---------------------------------------|-------|
| No. of domestic suppliers inspected* | 210 |
| Total no. of raw material suppliers** | 356 |
| Percentage | 58.9% |

* The number excludes suppliers of raw milk and importers of wheat/flour in the evaluation.

** Include manufacturers with whom transactions have taken place during the past year, trading firms with whom transactions have taken place during the past 2 years, and suppliers with whom the Company wishes to trade with although they do not fall into the previous two categories; suppliers of packaging materials which do not come in direct contact with food are excluded.

Those who received 60 points or higher in their evaluations and are classified as medium or low-risk are considered to have passed, as indicated in the table below:

| No. of "domestic" suppliers audited in 2015 and their risk levels | | | |
|---|------------------------------|--------------------------------|-----------------------------|
| Category | High risk (No. of companies) | Medium risk (No. of companies) | Low risk (No. of companies) |
| Existing suppliers | 6 | 85 | 93 |
| New suppliers | 0 | 15 | 11 |
| Total | 6 | 100 | 104 |

A total of 210 companies were audited 230 times; 6 companies did not pass. The passing rate was 97%

High-risk suppliers are those scoring less than 60 points or having 1 or more serious deficiencies. Suppliers scoring between 60 to 79 points or having 1 or more major deficiencies are identified as medium-risk suppliers. Low-risk suppliers are those scoring 80 points or above, and have no major or critical deficiencies. The determination of major or critical defects are based on whether the food safety and sanitation system has failed, whether the food poses an immediate danger, and whether corrective actions can be taken immediately. Three major defects are equivalent to one critical defect. °

Since 2015, onsite evaluations of 50 overseas suppliers and foreign upstream raw material vendors of existing trading firms were added. Those that have passed the evaluation procedure were classified as medium or low-risk, and everyone received a passing score.

| No. of "overseas" vendors audited in 2015 and their risk levels | | | |
|---|------------------------------|--------------------------------|-----------------------------|
| Category | High risk (No. of companies) | Medium risk (No. of companies) | Low risk (No. of companies) |
| Existing suppliers | 0 | 1 | 49 |
| New suppliers | 0 | 0 | 0 |
| Total | 0 | 1 | 49 |

A total of 50 companies were audited 50 times with zero failure; The passing rate was 100%

High-risk suppliers are those with 1 or more critical deficiencies, or 3 or more accumulated major deficiencies. Medium-risk suppliers are those with 1 major deficiency, or 10 or more accumulated minor deficiencies. Low-risk suppliers are those with no major or critical deficiencies. The determination of major or critical defects are based on whether the food safety and sanitation system has failed, whether the food poses an immediate danger, and whether corrective actions can be taken immediately. Three major defects are equivalent to one critical defect.

Suppliers must complete the "Raw Material Supplier Site Counseling and Improvement Follow-Up Form" after the evaluation, and provide a plan for making improvements within one week. A supplier not on the approved list must wait for at least one year and pass another site evaluation in order to become a new supplier. If a supplier has violated relevant criminal laws (including monetary fines), then they may not apply for re-evaluation. Since July of 2011, 79 unqualified suppliers have been eliminated.

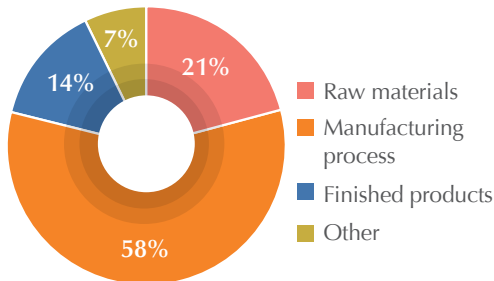
B. Quality Management Division inspections

In order to maintain the quality of raw materials, the Quality Management Division performs nonscheduled inspections for raw material suppliers in accordance with the provisions of "Raw Material Supplier Counseling Guidelines" regarding their management approaches for unusual quality abnormalities in recently delivered/accepted goods. Inspection items include the following:





133 total inspections on 78 suppliers were conducted in 2015. A deficiency is recorded whenever the standards of an inspected item were not met. The distribution of deficiencies is as follows:



After the Quality Management Division has completed an inspection, the "Raw Material Supplier Unscheduled Audit Management Check List" must be filled out and provided to the raw material supplier. The supplier is required to respond within one week with a deficiency improvement plan.

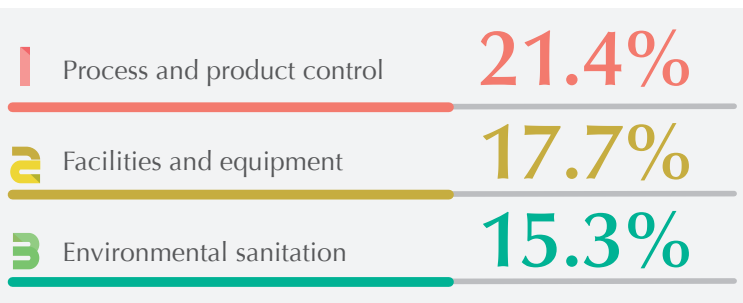
All suppliers all managed to complete their improvements by May of 2016.

C. Audits performed by the Food Safety Audit Team

Since July, the Food Safety Audit Team has started to perform unannounced inspections in accordance with the "Inspection Guidelines for Supplier Production and Traceability Inspections of Second Order Raw Materials". The inspections contained specific goals and themes. In the current year, the focus is on the traceability inspection of second order raw materials. In 2015, 1,077 total audits on 346 suppliers were conducted. A deficiency is identified whenever the applicable standards of an audited item was not met. The top three deficiencies identified were:

In 2015, **1,077** total audits on **346** suppliers were conducted.

Top three deficiencies



Suppliers must complete the "Counseling and Improvement Follow-Up Form" after each evaluation, and submit their plans for making improvements within one week. Except one failed to make the necessary improvements and has been eliminated from our supplier list, all deficiencies identified above were all completely rectified before the end of May, 2016.

Note: The rectification requires the adjustments for deficiencies, passing UPEC's review, and completion of the final report.

Improve professional food safety capabilities

Apart from managing suppliers at the source and leading the development of the food industry, when facing the rapidly changing and unpredictable external environment, we must continue to strengthen our professional food safety capabilities in order to be able to control even more potential food safety risk factors.

Food Safety Building

To ensure high technological standards in food safety inspection, UPEC has invested NT\$1 billion in the construction of the Food Safety Building at the Yung Kang General Plant. The building occupies a total area of about 2,000 square meters, and it is responsible for coordinating the management of suppliers, raw materials, as well as product safety. The facility is scheduled to be completed in 2016.

Dual-accreditation food safety laboratory

Our Food Safety Center as well as QC laboratories are ISO17025 certified. We have also achieved both Taiwan Food and Drug Administration (TFDA) and Taiwan Accreditation Foundation (TAF) laboratory accreditations. We can therefore not only carry out effective testing on our own products, but also provide testing services for external clients. 193 major categories for which tests were conducted by the Quality Management Division and Food Safety Center laboratories in 2015; they include general physical properties, chemical properties, and food safety factor-related test items. The testing procedures not only conform to TFDA/TAF accreditation requirements, but also referenced the methods defined by the Ministry of Health and Welfare, the Bureau of Standards, Metrology & Inspection of the MOEA, and other internationally accepted testing methods (e.g. AOAC).

| Laboratories | Taiwan Food and Drug Administration (TFDA) accredited items | Taiwan Accreditation Foundation (TAF) accredited items | |
|-------------------------------|---|--|--|
| Food Safety Center Laboratory | <ul style="list-style-type: none"> Chloramphenicol (4 items) Nitrofurantoin metabolites (4 items) Antioxidants (5 items) | <ul style="list-style-type: none"> Beta-agonists (20 items) Chloramphenicol (4 items) Aflatoxin (5 items) Nitrofurantoin metabolites (4 items) Antibiotics and their metabolites (16 items) | <ul style="list-style-type: none"> Tetracyclines (7 items) Plasticizers (9 items) Heavy metals (8 items) Farm chemicals (314 items) |
| | Quality Control Laboratory | <ul style="list-style-type: none"> Microorganisms (9 items) | <ul style="list-style-type: none"> Microorganisms (29 items) Biochips (2 items)* General ingredients (7 items) Preservatives (8 items) |

* The accreditation was not renewed after its mid-August, 2015 expiration date. Related examinations have been conducted by a third-party notarization unit.

2015 Rate of abnormality

Finished product abnormality rate



Raw material abnormality rate

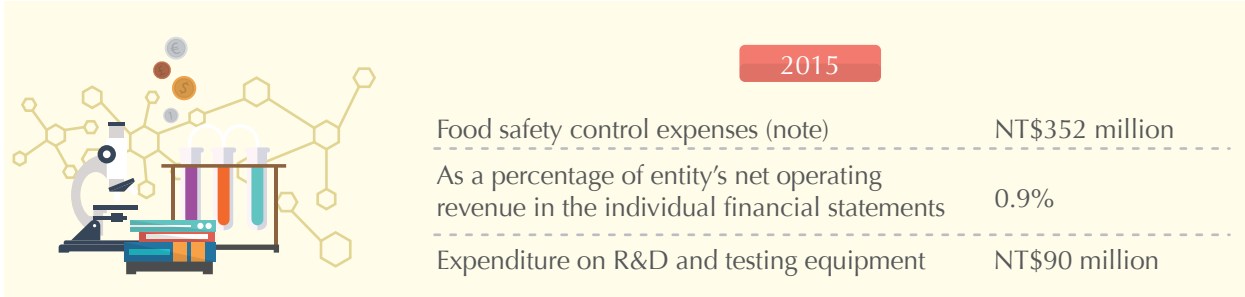


When an incoming material is tested and confirmed to have failed the acceptance specifications, the QC section or responsible unit must suspend its use immediately. The procurement unit then urges the supplier to propose corrective and preventive strategies in order to improve the quality and reliability of supplied material. For those that failed the food safety factor test, the QC division initiates a stricter management mechanism. If two defects are detected during the stricter management period, then the exit mechanism must be activated.





Laboratory expenses



(Note) This includes examination fees (medicine, consumables, and utilities), manpower investments, and machine depreciation expenses

Professional skills

We encourage our employees to enhance their food safety expertise, and the Company has established guidelines applicable to all employees for this purpose (covering all product categories). An employee who has acquired a relevant certificate or license will receive an allowance. The distribution of employees who have earned professional certificates or licenses as of the end of 2015 is as follows:



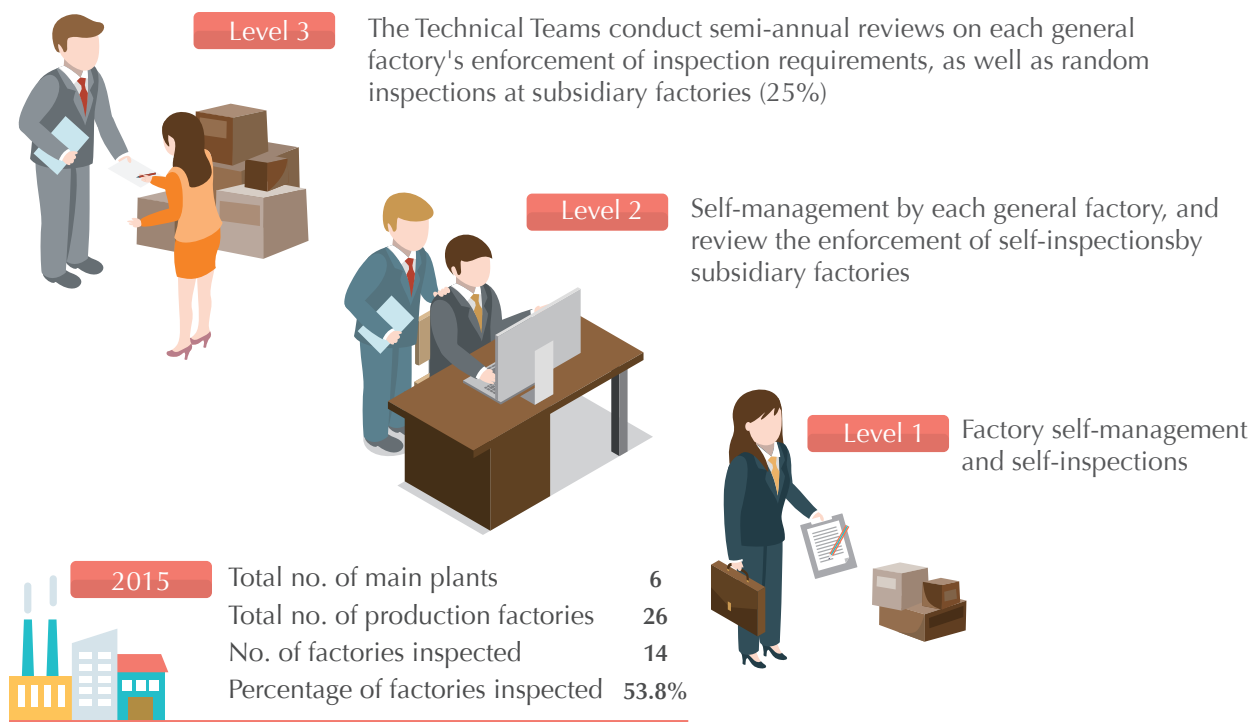
Food safety education and training:

In order to raise food safety awareness among all employees, and to promote food safety expertise and skills, we planned a series of training courses in 2015 ranging from general health and safety training for new hires to the status of food safety legislations and regulations around the world, as well as improvement programs for manufacturing processes, HACCP practices for food production factories, and regulations on food safety which are required knowledge for managers. In 2015, the total number of training hours that met the requirement for our corporate internal food safety training guidelines was 35,321, and the total number of trainees was 12,629.

Reinforcing manufacturing management

Autonomous management

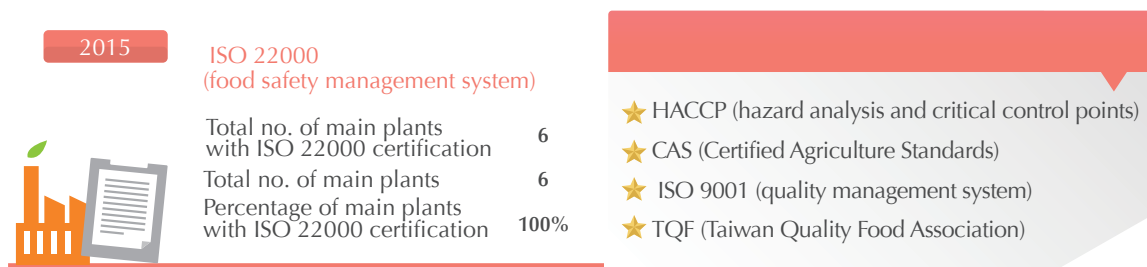
The "Process Sanitation Management and Associated Standards Inspection" led by the Technical Teams is a 3-level management inspection mechanism implemented to monitor the management of sanitation in food processing throughout the factory, as well as enforce self-management based harmonization of internal/external standards and work instructions. The program is aimed to minimize potential risk factors. Material inspection items in 2015 included: Ensuring standards such as consistency in product description and labeling, hazard analysis, operational prerequisite program, main critical control plan, and triple-dedicated management (refers to dedicated personnel, dedicated register, and dedicated counter).



Note: All deficiencies identified in the inspections have been rectified and passed internal reviews, and the final reports were completed by 2015.

Food safety management system certification acquired

We have already acquired HACCP (hazard analysis and critical control points), CAS (Certified Agriculture Standards), ISO 9001 (quality management system), and TQF (Taiwan Quality Food Association) certifications. Certification data for ISO 22000 (food safety management system) are listed below:



Note: The Hukou Plant only produces ice cubes; certification was completed in May, 2015.





Certifications received in 2015 include:

Zhongli General Factory

- Factory site: No.1 Factory
- Design,development,and production of items certified: Frozen dough,bread,cakes
- Items to improve based on certifications: 3
- Improvement status (note): 100%

Yangmei General Factory

- Factory site:Yangmei Factory, Ruifang Mineral Water Factory
- Design,development,and production of items certified: Beverages,mineral water,dairy products,chilled beverages,desserts (pudding),instant noodles, soy milk,ice cubes
- Items to improve based on certifications: 5
- Improvement status (note): 100%

Hukou General Factory

- Factory site: Hukou Plant,Hsinchu
- Design,development, and production of items certified: Ice cubes
- Items to improve based on certifications: 5
- Improvement status (note): 100%

Taichung General Factory

- Factory site:No.1 Factory
- Design,development,and production of items certified: Farm animal feed formulas, cooked corn as feed and whole soy flour
- Items to improve based on certifications:4
- Improvement status (note):100%

Xinshi General Factory

- Factory site: Xinshi Factory, Madou Bread Factory,Xinying Frozen Food Factory, Yongkang Ice Factory
- Design,development,and production of items certified: Assorted beverages,soy milk beverages,soy (rice) beverages,dairy products,frozen products,meat products, bread,frozen (chilled) packaged foods, aquatic processed products,pudding
- Items to improve based on certifications: 11
- Improvement status (note): 100%

Yongkang General Factory

- Factory site: No.1 Factory (including Yongkang No.1 and Yongkang No.2 general factories)
- Design,development,and production of items certified:cooking oil,flour,instant noodles,noodles,sterilized bags (spice packs), rice flour,recreational food products
- Items to improve based on certifications: 10
- Improvement status (note): 100%

- Factory site: No.1 Factory (including Yongkang No.1 and the biotech plant at Liou-Ying Industrial Park)
- Design,development,and production of items certified: oatmeal (animal feed),aquatic products feed,pet food,TMR ruminant feed
- Items to improve based on certifications: 7
- Improvement status (note): 100%



Note: Improvement items based on ISO 22000 certification were all completed by the end of January, 2016.

Communicate with consumers

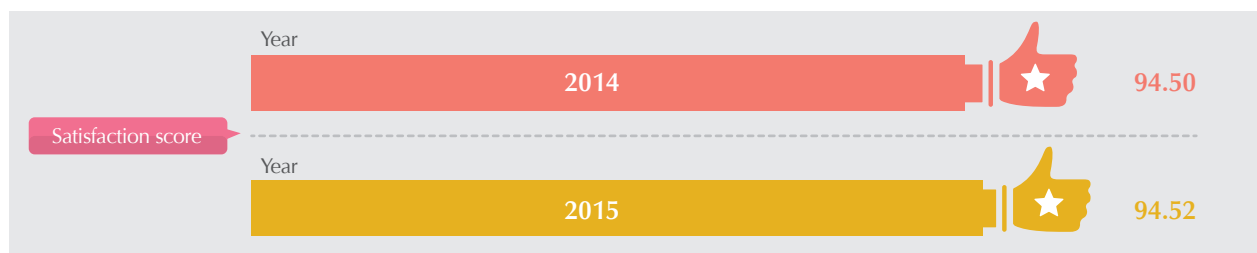
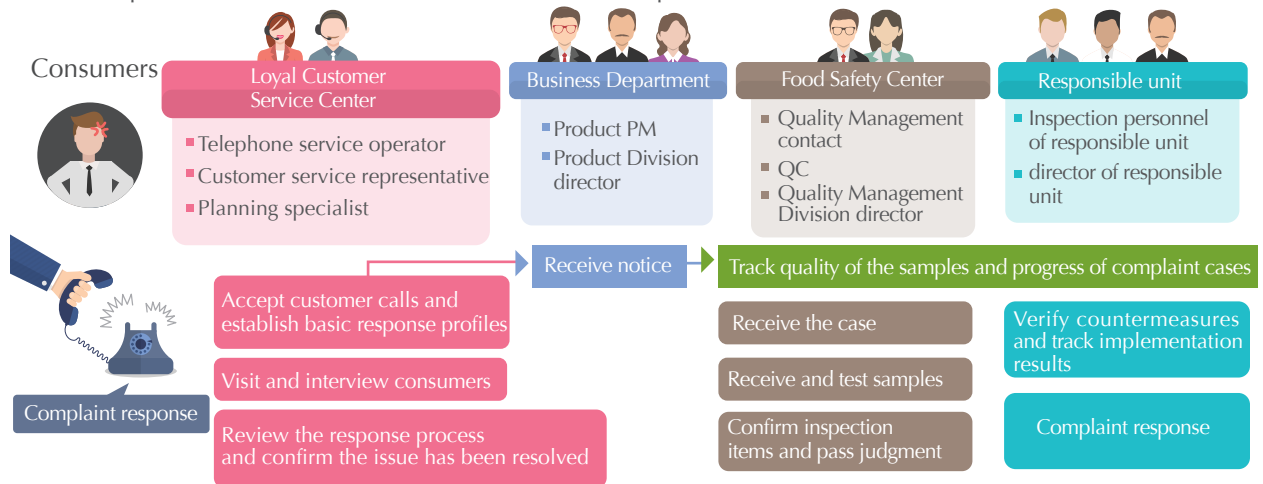
One of the "goods" in Uni-President's "Three Goods, One Fairness" business philosophy is having "good credibility", which refers to the practice of refraining from manufacturing products that are harmful to health, using inferior materials, or misleading customers with false advertisements; it means conducting business operations with integrity. We truly understand that building a brand takes a very long time, but damaging one's brand can occur in an instant; therefore we have always maintained an honest and ethical attitude when communicating with consumers. We have established strict rules from product labeling to after-sales services. We hope to fulfill our customers' needs and expectations and put our philosophy of "good credibility" into practice.

Labeling and responsible marketing

Product labeling is the means with which consumers gain knowledge and information about our products, such as ingredients used and nutritional information. Any misleading product information will harm the trust that consumers have for Uni-President. With respect to product labeling, we adhere to the principle of information transparency and avoid excessive embellishment. We have established internal "advertising and publicity guidelines" as the standards for reviewing product labeling and advertising materials. All products manufactured by UPEC must refrain from using terms of exaggeration and absoluteness such as "premium", "exclusive" or "No. 1". With respect to product labeling, the packaging of all UPEC products must be jointly reviewed by the Central Research Institute (CRI), Food Safety Center, and Marketing Strategy Planning Office prior to printing and market release. In the event that the labeling of a product does not meet the requirements, the problem must be corrected and re-submitted for review. In 2015, a total of 1,958 cases of product labeling underwent the review process, with a total of 1,512 approvals and 446 rejected submissions.

Loyal Customer Service Center

The Loyal Customer Service Center represents another means for consumers to learn about our products, and it also provides customers with prompt product consultation services. The Center aims to "establish direct communication with a customer within 1 hour of receiving his/her call, and to resolve all general customer complaints within 24 hours" in order to help troubleshoot customer issues in the shortest time possible.



Note: There are no complaints regarding breaches of customer privacy and losses of customer data





Regulatory compliance

Compliance with food safety and health regulations is one of the most basic requirements for Uni-President. In 2015, a number of key food safety legislations went into force. Examples include regulations that govern the manufacture of everyday goods (including soybeans, corn, wheat, starch, flour, sugar, salt, soy sauce, and tea), mandatory inspections and tests for food importers, the establishment of food traceability and tracking standards, and the certification of food safety management systems for the dairy industry. In order to be able to adequately control the risks associated with regulatory changes, apart from conducting training sessions for employees to educate them on the latest legislative requirements, as a means of responding to regulatory changes, Uni-President has also adopted the practice of managing from the source by establishing the "product regulations change management procedure". With collaboration from all departments, the goal is to ensure that our products are safe, sanitary, and of high quality, as well as compliant with applicable laws and regulations so as to safeguard the health of consumers and Uni-President's business reputation.

Regulation identification system

Regulation identification generally refers to the determination of whether to take appropriate measures to respond to official changes in rules and regulations that affect company products, including safety, sanitation, and quality as well as testing methods. The Food Safety Center is responsible for collecting, registering, and communicating domestic regulatory changes; the International Business Team or other units responsible for exports are charged with the collection and communication of regulatory changes in other countries. Each department (including Technology, R&D, Business, Distribution, Procurement, and the Food Safety Center) shall then conduct reviews of the Company's products for regulatory compliance in accordance with its own rights and responsibilities. In the event of noncompliance, the departments shall propose a solution to ensure that it is implemented properly and completed on schedule. In 2015, the Food Safety Center initiated a total of 92 regulation identification cases, all of which were resolved within the same year.

Separation of factories/licenses

Several food safety incidents in Taiwan during recent years were mostly associated with the adulteration of human-grade foods with non-food grade ingredients. Therefore, several provisions in the Act Governing Food Safety and Sanitation were amended and approved in November, 2014. The amended law requires that the "food or food additive factory shall be independently established and shall not engage in non-food manufacturing, processing, or preparation at the same address as the same factory". To comply with these new regulatory requirements, after inspecting the entire company's products and the production conditions of all factory sites, only the Yungkang General Plant was identified as having both food production and animal feed production facilities at the same factory address. Although the Yungkang Plant already had separate entrances and exits for the two factories, and the two factories are also divided by a central avenue, we proceeded to partition the two locations completely into "separate factories" in order to comply with the new regulatory requirements. We also made changes to the current factory registration by applying for the license for a new animal feed factory, thus complying with the requirement of having "separate licenses". The application for separate factories and licenses were approved by the Tainan City Government on May 25, 2016.

Food traceability

Food traceability refers to the appropriate recording of data in a vendor's quality management system. This record must include procurement, processing flow, and shipment information, and it must also comply with regulations and customer requirements. Identification information regarding the product will be based on its final lot number. In accordance with Ministry of Health and Welfare's announcements Shi-No. 1031302873 in 2014 and Shi-No. 1041302792 in 2015, for the 19 major categories of foods for which traceability systems are required, the implementation schedule for UPEC is cooking oils by 2014; meat products, dairy products, food additives (imported), retail packaged milk powder (imported), soybeans (imported), wheat (imported), flour, packaged tea beverages, soybean products (manufacture) by 2015. As part of the traceability system, we require suppliers to submit their inspection reports and related documents to the "Supplier Stock Footprint System" each time a delivery is made. We will only accept and inspect the delivery after the source has been confirmed. This allows us to control the source of raw materials and complete the traceability mechanism.

Traceability that complies with regulatory requirements:

As of the end of 2015, we have completed the traceability implementation of 235 products in compliance with regulatory requirements, which represent 49.7% of our entire product offerings (excluding animal and aquatic feed). Complete data from our traceability system for cooking oils has been uploaded to the Ministry of Health and Welfare's "Food Traceability Management System" (<http://ftracebook.fda.gov.tw>).

Voluntary implementation of food traceability:

For other products (excluding animal and aquatic feed), we have already established written or digital format traceability data from raw material suppliers to outgoing shipments of finished products.

Violation of the Act Governing Food Safety and Sanitation and follow-up measures

Uni-President Enterprises Corp. operates in the food production industry. Please refer to the following website for food safety and sanitation regulations with which all enterprises (of various categories) in the food manufacturing industry are required to follow: <https://consumer.fda.gov.tw/Pages/List.aspx?nodeID=517>. There were 2 food safety violations of sanitation management regulations in 2015. The main causes and corresponding disciplinary actions are described below:

| Main cause | Penalty | Provision(s) violated | Corrective measures |
|---|--|---|--|
| <p>The chocolate-vanilla flavor of the "Polar Delight Frozen Dessert" line was identified to contain coliform bacteria from a random inspection conducted by the Public Health Center of Qianzhen District, Kaohsiung City, which was in violation of applicable sanitation standards</p> | <p>Corrective measures to be taken by specific deadlines</p> | <p>Article 17 of the Act Governing Food Safety and Sanitation</p> | <p>Improvement on equipment:</p> <ul style="list-style-type: none"> ■ Disassemble and clean the inner cap by flushing with water on each production day. ■ In addition to flushing with water, also spray a 200 ppm peracetic acid solution to disinfect. <p>Improvement on operation:</p> <ul style="list-style-type: none"> ■ Soak yellow rain boots in the peracetic acid solution before climbing up the platform for assembly ■ When assembly is completed, sterilize the platform with hot water at 85° C. ■ Setting up a workbench |
| <p>"Uni-President High Dietary Fiber Oat Milk (3-pack)" was identified by TFDA of the Ministry of Health and Welfare to contain nutritional information on the exterior label that violated regulations</p> | <p>Administrative guidance</p> | <p>Article 22 of the Act Governing Food Safety and Sanitation</p> | <p>We review and revise our nutritional information labeling on an annual basis in order to ensure full compliance with the latest regulations and changes with respect to raw materials. In order to prevent the cardboard of the 3-pack packaging from obscuring the nutritional information printed on the label of the single-pack product, cardboards used for the 3-pack product have also been printed with nutritional information. The nature of this violation is that after the nutritional information on the single-pack product was revised, the Company failed to make corresponding changes to the 3-pack product, resulting in inconsistent labeling. To prevent the same problem from happening again, design changes to the 3-pack product were made to ensure that the cardboard does not obscure the single product's nutritional information label. We have also removed the nutritional label on the cardboards of the 3-pack product to prevent inconsistency.</p> |





Innovative and Superior Quality Products 2.0

Safeguarding healthy living

Modern lifestyles tend to be associated with the consumption of highly processed foods which are over seasoned. Many people's diet contain too much fat, sugar, and salt intake. According to data released by the Ministry of Health and Welfare, of the top ten causes of death in Taiwan in 2015, the majority of the diseases include heart diseases, cerebrovascular diseases, diabetes, and high blood pressure-induced disorders, which were all related with improper eating habits. "Good health and well-being" and "Ending hunger" are two of the 17 Sustainable Development Goals (SDGs) to include the promotion of nutrition and the reduction of various health risks. UPEC continues to adjust our products' formulations to reduce additives such as fat and sodium. We have launched sugar-free food products and are aggressively developing wholesome foods so that more healthy choices will be available to our consumers to help them better manage health risks.

Reducing salt

The goal is to reduce salt content in instant noodles from the current level of 3,000 mg per bowl. Currently, 35 of our instant noodle products have sodium content under 2,000 mg, which complies with WHO and TFDA's recommended daily allowance of sodium intake for adults, which is 2,000 mg; another 13 products contain less than 2,400 mg of sodium, which is in line with the recommended intake for adults by the Health Promotion Administration, Ministry of Health and Welfare.

Reducing sugar

The goal is to continue reducing sugar content. For specific products, (such as drinkable yogurt), the goal is to reduce sugar by 28% to 37% per bottle. Currently, a total of 13 products do not contain added sugar; these include ready-to-drink tea, drinkable yogurt, soy milk, fresh milk, and several variety of coffee drinks. We have already decreased the sugar content of drinkable yogurt to the recommended daily allowance proposed by the Ministry of Health and Wealth. Between 2011 and 2015, the use of sugar in food production by UPEC was reduced by 24%.



2011 2012 2013 2014 2015



The use of sugar in food production by UPEC was reduced by **24%**.



Healthy food

Currently, there are 21 products that have received the "Health Food" mark. Health benefits of these products include improving gastrointestinal functions, regulating blood lipid levels, reducing the formation of body fat, making bodily adjustments for reduce allergic reactions, boosting the immune system, and regulating blood sugar levels.

Safeguarding healthy living and environment

FSC

According to the "2015 Global Forest Resources Assessment" released by the Food and Agriculture Organization (FAO) of the United Nations, between 1990 and 2015, the total reduction of forest area in the world was 129 million hectares, which is equivalent to 35 times the area of Taiwan. Whether viewed from an ecological perspective or a greenhouse gas management perspective, the importance of forests to the environment is self-evident. The 17 SDGs include objectives for terrestrial ecosystems - advocating the sustainable management of forests by 2020. Although SDGs represent national goals, it is necessary for enterprises to look at them positively so that these goals can be incorporated into corporate development strategies. UPEC's specific response to the sustainable use of terrestrial ecosystems (as described in the 17 SDGs) is to adopt wood fiber certified by the Forest Stewardship Council (FSC) in the production of aluminum foil paper for the Barley Fragrance and the Try it! series of products, as well as several products in the 7-SELECT series. Through FSC's™ strict forest certification process, it is possible to achieve sustainability in management and a balance in the use of natural wood.

Ration of FSC purchase amount to the total purchase amount of paper packing materials



Green products

The packaging of food products utilizes a tremendous amount of materials. By select packaging materials that are light and small in volume, the amount procured can be reduced, which translates to lower costs. It is also possible to achieve a lower impact on the environment when the products are ultimately discarded by going back to the source and reduce the quantity required. We strive to minimize the weight of packaging materials used in our products and develop environmentally friendly materials. We have established a "Packaging Materials Team" to carry out the following tasks:

- Develop packaging materials that are low in cost and high in added values, durable, pleasing to the eye, and also environmentally friendly
- Introduce and apply new types of packaging materials
- Simplify and improve packaging materials as well as packaging operations and procedures
- Develop green packaging practices featuring recyclable, reusable, resource-friendly, low-pollution, and low wear-and-tear packaging materials





About Uni-President Enterprises Corp.



An Enterprise Built on Integrity



A New Era for Food Safety



Maintaining a Green and Sustainable Environment

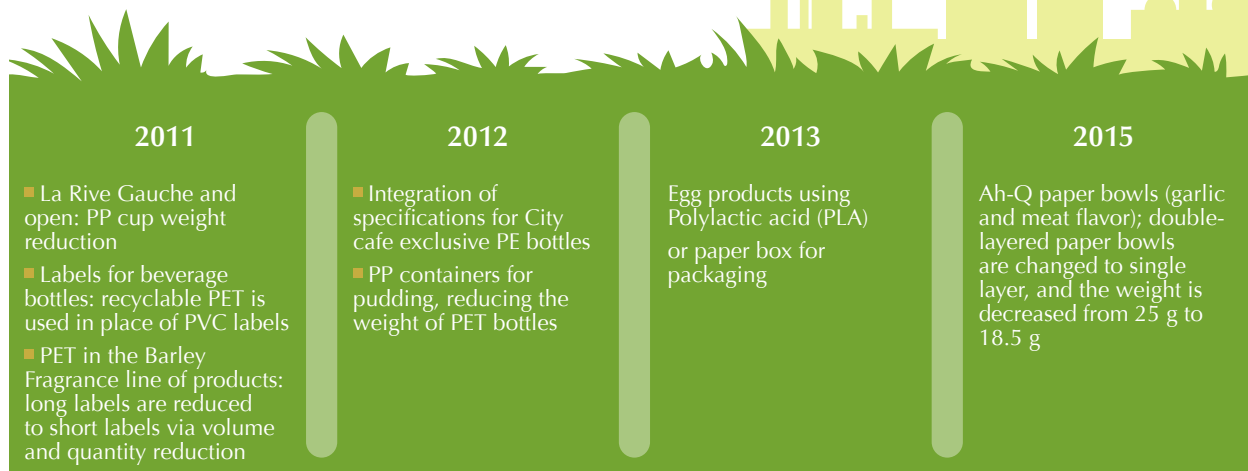


Creating a Healthy and Happy Workplace



Creating a Healthy and Happy Tomorrow

Sustainable solutions for packaging materials during recent years



Ah-Q paper bowls

It is estimated that paper usage are reduced by **3.6 metric tons annually**, which is equivalent to **12,000 twenty-year-old trees**.

Note: Based on carbon reduction statistics compiled by the Forestry Bureau <http://lifetree.forest.gov.tw/cp05.asp>



Carbon Footprint

The carbon footprint of a product represents the amount of greenhouse gases released throughout its life cycle, calculated from our raw material supply chain, production and manufacturing, distribution, and disposal processes. Since 2010, we have been using the PAS 2050 standard developed by British Carbon Trust to track emissions, which is then confirmed by an external accreditation organization to verify the reliability and completeness of our data. We will use these data as the basis to continue reducing our GHG emissions throughout all phases of the product cycle, and to provide consumers with products that are more environmentally friendly. As of now, ten of our products have passed external carbon footprint verifications, and they have all received the carbon label certification.

| | Wheat Fragrance tetra pak series | Uni-President Minced Pork Flavor Noodles | Sunshine Golden Bean Soy Milk (paper package 450 mL) |
|-------------------------|----------------------------------|--|--|
| Number of Carbon Labels | 8 | 1 | 1 |

4

Maintaining a Green and Sustainable Environment



- Environmental management
- Climate change and energy management
- Water Resource Management
- Pollution Prevention





Key achievements:

- ☛ Awarded the "Energy Conservation Model Enterprise" by the Bureau of Energy, Ministry of Economic Affairs in 2015
- ☛ Reduced 5,403 tons of CO₂e emissions in 2015

Environmental management

Uni-President fully understands that the "sustainable development" of an enterprise must co-exist in harmony with the environment, maintain stable economic growth, and care about industry as well as social trends. We have always taken environmental protection topics very seriously, and all of the general factories in Taiwan have now achieved environmental management system (ISO14001) certification. We also actively participate in external symposiums and collaborate with related organizations to make continuous improvements and conduct honest reviews. Environmental protection is now a key element in our operational performance. With our continued implementation of "Plan-Do-Check-Act" through the environmental management system, the principal targets, goals, and implemented management solutions of factories across the Company in 2015 were as follows:

» ISO14001 targets, goals, and implemented management solutions at various factories in 2015

● : completed; ○ : in progress

| Goal | Subject | Management solutions | Goal achievement status |
|---|---|---|-------------------------|
| Compliance with regulation requirements | Adding sampling platforms | Added a sampling platform to Yongkang Plant's PM23 discharge pipelines | ● |
| | Reducing source of noise at the water treatment plant | A blast blower was installed at the Yangmei Plant | ● |
| | Wastewater collection and processing | Wastewater trough was added at Zhongli Plant's recycling zone | ● |
| Odor reduction | Comply with odor discharging standards | Rectified the dust and material leakage problem resulting from the incorporation of powdery additives at the Yongkang plant | ○ |
| | | Added prevention and control equipment for the dust collector's discharging pipelines PX01 at Yongkang plant | ● |
| Reducing the amount of wastewater pollution | Reducing wastewater used for washing | Collected leaked coating oil for trawls at Yongkang plant | ● |
| | | Improved filters at Yongkang Plant | ● |
| | Reducing wastewater produced during manufacturing processes | Recycled melted ice used during manufacturing processes at Yangmei plant | ● |
| Energy conservation | Reducing energy consumption of water chillers | Reduced power consumption of water chiller systems allocated for manufacturing processes on the first floor of Xinshi plant | ● |
| | | Replaced old water chillers at Xinshi plant to conserve power | ● |
| | Reducing energy consumption of production equipment | Introduced bacteria-free barrels at Xinshi Plant | ● |

| Goal | Subject | Management solutions | Goal achievement status |
|------|--|---|-------------------------|
| | Reducing energy consumption of boiler systems | Raised the temperature of water supply for boilers at Taichung Plant | ● |
| | Improve steam utilization efficiency | Reallocated steam utilization at Xinshi Plant | ● |
| | | Improved steam sterilizer utilization at Xinshi plant | ● |
| | Reducing energy consumption of freezer equipment | Improved and updated main freezer CD7 at Xinshi plant | ● |
| | | Changed oil cooling of freezer compressor to water cooling at Xinshi plant | ○ |
| | | Reduced the area of 1st floor freezer to reduce power consumption at Xinshi plant | ● |

In 2015, Uni-President has achieved the following environmental accomplishments, with our spending on environmental protection totaling NT\$478,011,000.

» 2015 environmental performance in terms of energy conservation and waste reduction

| Item | Actual Performance in 2015 |
|----------------------|--|
| Greenhouse gas | Electricity, fuel Reduced CO ₂ e by 5,403 tons Saved NT\$42,213,000 |
| | Electricity savings Reduction of 5,894 MWh Saved NT\$21,680,000 |
| Energy savings | Heavy oil and diesel fuel savings Reduction of 210 kL Saved NT\$4,000,000 |
| | Savings of natural gas Reduction of 442,000 m ³ Saved NT\$6,772,000 |
| Water conservation | Reduced water usage by 58,420 metric tons Saved NT\$1,089,000 |
| Raw material savings | Reduced packaging weight Weight reduction of 3.6 metric tons |
| Waste reduction | Wastewater chemical oxygen demand (COD) Reduction equivalent to 7,410 metric tons (reduction rate of 98.3%) |
| | Waste recycling Reached 95.94% |



» 2015 Total Environmental Protection Spending and Equipment Investments

| Environmental protection spending and investments | Expenditure (NT\$1,000) | Percentage (%) |
|---|-------------------------|----------------|
| Costs of operational maintenance, waste removal, and air pollution prevention | 101,971 | 21.33% |
| Costs on storage vessels, recycling, and transportation | 239,373 | 50.07% |
| Investment in environment protection equipment | 136,667 | 28.60% |
| Total environmental protection expenditures | 478,011 | 100% |





Climate change and energy management

Climate change is closely related to the sustainable development of every nation and the very existence of the human race; every country in the world recognizes the materiality and urgency of this topic. At the United Nations Sustainable Development Summit held in 2015, the UN adopted the "Transforming Our World: the 2030 Agenda for Sustainable Development", which proposed 17 sustainable development goals (SDGs). One of them is Climate Action, i.e., taking immediate action to combat climate change and its impacts. For the food industry chain, climate change is a life-and-death issue. Climate variations can cause shortage of raw materials and water resources, thereby impacting the supply chain and raising grain prices all over the world. Climate change poses a great threat to food safety.

In this regard, we have already carried out countermeasures against climate change, including the internal promotion of energy saving measures, external promotion of energy saving services, reduction of greenhouse gases and carbon footprint, development of renewable energy, etc. We are also gradually seeking further opportunities to reduce energy consumption for the company as well as our products in order to reduce the risks of climate change.

» Climate Change Risk Analysis and Adaptations at Uni-President

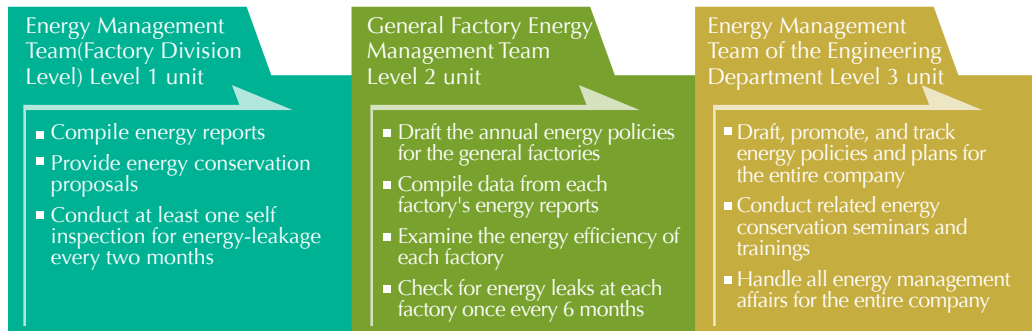
| Type of risk | Risk identification | Adaptation strategy/action |
|-------------------|---|--|
| Legal aspect | <ul style="list-style-type: none"> Compliance with the Greenhouse Gas Reduction and Management Act Renewable Energy Development Act | <ul style="list-style-type: none"> Energy reporting and voluntary GHG inventory Plans are in place to implement the ISO50001 management system (2016 for Hukou Park) Established energy and water management task forces to closely monitor energy use Introduce renewable energy sources such as solar and wind power |
| Costs | <ul style="list-style-type: none"> Raw materials shortage and rising purchasing costs Possible fossil fuel import taxes | <ul style="list-style-type: none"> Increase the ratio of locally purchased raw materials Minimize the weight of packaging materials to reduce carbon footprint of products Formulate energy conservation strategies and objectives to reduce GHG emissions |
| Natural disasters | <ul style="list-style-type: none"> Extreme climate conditions such as drought or floods | <ul style="list-style-type: none"> Install rainwater recycling equipment for new factories Establish a water restriction response plan Develop natural disaster contingency protocols and conduct emergency drills on a regular basis |

Energy management policies

To effectively manage energy use and maintain the effective performance of machinery, we established a cross-department energy project team in 2007 based on the categorized management model. Each team member is responsible for regularly tracking and improving energy use. After several years of operation, a comprehensive energy management system has been established internally. In order to facilitate the implementation of energy management in a more systematic manner, plans are in place to designate Hukou Park as a demonstration site. In 2016, advance preparations will be made to implement the ISO50001 management system with a scheduled certification in 2017. Depending on the status of each location, other factories will gradually follow suit. We have adopted the following principal strategies for our energy management initiatives:

- Upgrade/maintain facilities and equipment to improve energy efficiency
- Adopt annual energy conservation objectives and review implementation results and performance on a monthly basis
- Develop clean energy to replace conventional fossil fuels, with solar energy and photonics being the main focus

» Energy Management Project Team



In 2015, we began to implement process improvement plans and enhanced the efficiencies of boilers and main water chillers. We adopted highly efficient lamps and motors to further achieve energy savings. The total number of measures taken was 116, and monetary savings were estimated to be NT\$42,213,000 per year, with a corresponding reduction in CO2e emissions of 5,403 metric tons per year. In particular, some of the most symbolic energy-saving projects include the improvements of the air compressor system at the dairy factory and the replacement of the main water chiller at the ice cream factory, both at the Yangmei plant, as well as the efficiency improvement plan for water chillers at the Taichung office building; these projects have received recognition from the Industrial Technology Research Institute in 2015 in the category "high-efficiency motors power system energy conservation demonstration". In addition, we were also awarded with the honor of "Energy Conservation Model Enterprise" by the Bureau of Energy, Ministry of Economic Affairs in 2015.



Figure. Awarded the "Energy Conservation Model Enterprise" by the Bureau of Energy, Ministry of Economic Affairs in 2015

» Representative energy-saving projects

| Project name | Corrective measures | Expected benefits | | |
|--|--|-------------------------|------------------------|-----------------------------|
| | | Energy conservation (%) | Costs saved (NT\$1000) | CO2 reduction (metric tons) |
| Air compressor system improvement at Yangmei dairy factory | 1. Inefficient compressor units replaced by high-efficiency Atlas Copco 300HP screw compressors 2. Installed ventilation ducts to reduce the temperature inside the air compressor room, as well as improved system efficiency and reduced energy consumption per unit. | 24.4 | 1,472 | 232.1 |
| Efficiency improvement of the air conditioning water chiller system at the ice cream factory | The inefficient main chiller was replaced with high-efficiency 100RT new flooded chiller units (0.72kW/RT power consumption per unit) to enhance operational performance and reduce production cost | 25.1 | 465 | 73.3 |
| Replacement of the main water chiller at Taichung office building | 1. Inefficient main chiller was replaced by a high-efficiency 55RT flooded chiller unit 2. Reviewed the water chilling systems and reduced the power of the chilled water pump from 10HP (η : 83.5%) to 7.5HP (IE3 super-efficient motor η : 91.5%) to improve system efficiency and reduce energy consumption | 17.8 | 267 | 46.1 |



Figure. Air compressor unit at Yangmei General Factory



Figure. Super Air 55RT water chiller at the Taichung office building



Figure. Main water chiller at the ice cream factory





Energy Consumption Status

Regarding energy consumption, our main source of power is electricity, followed by natural gas and fuel oil. In 2015, the total internal energy consumption was 514,597,226 Mcal, and over the past three years, the average savings in electricity was 5.2%. To reduce the amount of indirect greenhouse gas emission from the consumption of electricity, we have been actively exploring the feasibility of using alternative forms of energy, with solar cell-based solar energy being the main focus and supplemented by wind-powered street lights. Since we began to develop renewable energy in 2010, as of 2015, we have produced 75,527 kWh of green electricity and reduced CO₂e emissions by 40 tons.

» Energy Consumption Status

| Type of energy | Unit | 2013 | 2014 | 2015 |
|-------------------------|----------------------|---------|---------|---------|
| Electricity | 1,000 kWh | 185,719 | 169,043 | 162,943 |
| Fuel oil | kL | 17,649 | 11,054 | 5,936 |
| Diesel fuel | kL | 938 | 590 | 650 |
| Bio-diesel | kL | 6.55 | 1.32 | 1.36 |
| Gasoline | kL | 184 | 305 | 150 |
| Natural Gas (NG) | 1,000 m ³ | 9,152 | 5,066 | 14,206 |
| Liquefied petroleum gas | kL | 5,200 | 11 | 7 |

Note: 1) The scope included: Yongkang General Factory, Xinshi General Factory (including the ice cream factory, Madou factory, and Xinying factory), Taichung General Factory, Yangmei General Factory (including Ruifang factory) and Zhongli General Factory, TMR, logistics warehouses, and the Taipei branch office.

2) In 2015, the percentages of natural gas utilization for the boilers at Xinshi and Yangmei were increased, resulting in higher consumption of natural gas and decreased consumption for fuel oil.

» Electricity generation with renewable energy

| Type of renewable energy | | 2013 | 2014 | 2015 |
|-----------------------------|---|--------|--------|--------|
| Solar-cell based generation | Power generated (kWh) | 12,467 | 12,428 | 12,189 |
| | Reduction in CO ₂ e emissions (tons) | 6.51 | 6.47 | 6.35 |
| Wind-powered street lights | Power generated (kWh) | 117 | 438 | 169 |
| | Reduction in CO ₂ e emissions (tons) | 0.061 | 0.23 | 0.088 |

Note: The annual electricity emission coefficient used for each year is based on the coefficient announced by the Bureau of Energy in 2015. However, for the year 2015, the 2014 coefficient (0.521 kg CO₂e/kWh) was used in the calculation of carbon emissions.

Slow Down Global Warming

To determine total GHG emissions of our company, we set up the "Greenhouse Gas Promotion Management Committee" with special promotion teams at each general factory. ISO14064-1 standards were used as the reference for defining the SOP for GHG management and conducting internal audits. We also performed company-wide inventory each year and complete the entire process by March. Pursuant to the provisions of the "Regulations on Reporting of Greenhouse Gas Emissions", currently, only our Xinshi General Factory is required to submit mandatory filing based on its carbon emission level. In compliance with regulations, we implemented external verifications and registered with the National Greenhouse Gas (GHG) Registry.

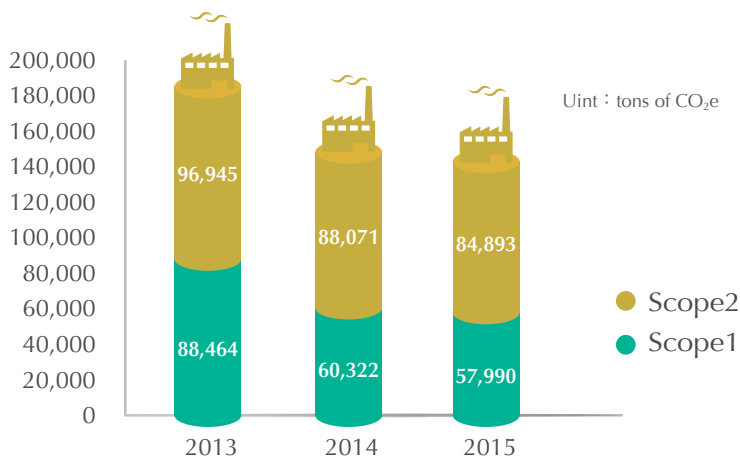
In addition, as the Greenhouse Gases Reduction and Management Act went into effect in 2015, and Taiwan has also declared that the national reduction goal is to achieve a GHG emission level equal to at most 50% that of the 2005 level by the year 2050. To support our national policy, in 2015, UPEC has also adopted the following carbon reduction goals:

- Annual reduction goal: Reduce carbon emissions by at least 2% over the previous year (approximately 3,780 tons of CO₂e)
- Mid and long-term goals: Achieve a carbon emission level equal to 80% of the 2005 level by 2020 (approximately 189,200 metric tons of CO₂e)

Through inventory management at all UPEC plants, our 2015 emission level was determined to be 142,883 metric tons of CO₂e. Scope 1 direct emissions amounted to 57,990 metric tons of CO₂e, while Scope 2 indirect emissions amounted to 84,893 metric tons of CO₂e, a reduction of 4.0% compare to 2014. We were therefore successful in reaching the yearly goal. In order to achieve our mid and long-term goals, we are gradually replacing fuel oil with low-pollution natural gas. The objective to produce 85% of the steam with boilers powered with natural gas; we hope to achieve our goal by combining this with our annual energy conservation project.

» Direct and Indirect Greenhouse Gas Emission Chart

Note: The annual electricity emission coefficient used for each year is based on the coefficient announced by the Bureau of Energy in 2015. However, for the year 2015, the 2014 coefficient (0.521 kg CO₂e/kWh) was used in the calculation of carbon emissions.



Water Resource Management

According to the Global Risks Report released by the World Economic Forum in 2015, water resource shortage has become one of the highly likely scenarios with high impact potential. Both developing and developed countries are now subject to the impact of the water crisis. Faced with Taiwan's unfavorable conditions in water resources, the risk of water crisis is one of the business risks that UPEC must deal with. Sources of water risks include regulations, natural disasters, and other risks. The following explains how we control these risks:

UPEC water resource risks and adaptation

| Type of risk | Risk identification | Adaptation strategy/action |
|--------------------------|--|--|
| Legal aspect | <ul style="list-style-type: none"> Impact from new legislation/regulations on water resources (e.g. new water usage taxes) | <ul style="list-style-type: none"> Continue to monitor legislative changes and trends Devise plans to introduce clean production and green building certifications (Hukou Park is scheduled to complete the certification process in October, 2016) |
| Natural disasters | <ul style="list-style-type: none"> Increase the risk of torrential rains and floods Increase the probability of water shortage | <ul style="list-style-type: none"> Develop natural disaster contingency protocols and conduct emergency drills on a regular basis Establish an effective water conservation strategy and improve water recycling Install rainwater recycling equipment for new factories Establish a water restriction response plan |



Figure. Hukou Food Factory



Figure. Hukou dormitories

(Green Building certification is expected in October, 2016)

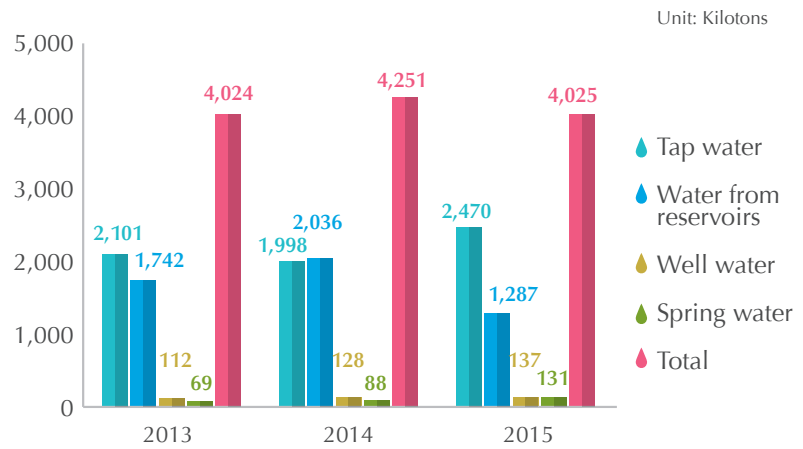




Water Consumption Status

For those in the food industry, the biggest challenge is that huge amounts of water must be directly or indirectly used in our manufacturing process. As a result, we rely heavily on water. In 2015, water utilization of all Uni-President plants in Taiwan reached 4,025,000 metric tons.

» Water Consumption Status



Policies for water resource management

To manage water resources effectively, we have adopted the "Energy Management Team" framework and jointly developed a water conservation strategy and implementation plan. We track monthly water resource management performance and the status of water supplies in Taiwan. At the same time, we use posters, slogans, and classes to incorporate water conservation into all aspects of planning, design, production, and office life.

The following are the measures we have adopted for water conservation purposes:

Water resource development

Rainwater: Rainwater recycling equipment is installed at new factories. The collected rainwater is used for cooling and flushing toilets.

AC condensation: Recycled into the clean water system or for replenishing water used for cooling.

Source improvement for water used during manufacturing process

Select machinery with low water consumption and establishing a "Water Consumption Balance Chart" to control reasonable water consumption by each machine. The data is then used to calculate the factory's water recovery and conservation rates.

Recycling of water used during manufacturing process

Water recovery expanded to the recovery and reuse of condensed water for each machine, and reduce the amount of wastewater at the same time. For example: Recovery of steam condensation, recovery of discharged RO wastewater, and recovery of chilled water from product vat sleeves, etc.

Terminal wastewater recovery

Random inspections of discharged water quality are conducted during operation based on the characteristics of wastewater produced by each machine, which is effectively treated and recycled through the wastewater treatment plant. For example: The recovery system for acidic/alkaline wastewater produced by the manufacturing process goes through proper treatment and monitoring, before being fed into the clean water system or cooling towers as lower-grade water.

In 2015, projects involving the conservation of water included the reuse of activated carbon-filtered water at Xinshi Dairy Factory 2 and water recycling at Xinying Frozen Foods Factory. The total amount of water conserved was 58,420 tons, which is equivalent to the volume of 31 Olympic-size swimming pools. Regarding recycled water, in 2015, all factories recovered a total of 149.78 kilotons of water from condensed steam, RO wastewater, and water used during manufacturing processes; total water recovery rate reached 3.72%.

Water Shortage Response Plan

To avoid production loss due to water shortages, as a preventive measure, Uni-President has established a "Water Resource Response Team" led by the head of the Technical Group as the convener. The team is responsible for the overall coordination, delegation, and creation of a response plan to strengthen cooperation between emergency response team members. The response mechanism can be immediately activated whenever water restrictions are in place as announced by the government to minimize production loss caused by water shortages. Uni-President's water shortage response measures are as follows:

Phase 1: Enhanced control and water storage

- While tracking the water condition signal from the Water Resources Agency, a "water supply information report" is compiled and provided to all main factories for taking appropriate actions. In addition, based on the degree of mandatory water rationing, reporting frequency can be increased to provide more up-to-date information.
- Water storage facilities are activated and the total amount of water reserve is expanded. Each main factory will be responsible for updating the daily water usage and water reserve figures via the intranet, so that management can remain well informed of the latest information.
- Adjust the relative priority of production processes and products; increase the inventory capacity of room-temperature storages

Phase 2: Water resource allocation

- Sign contracts with water suppliers to guarantee the supply of water. Agree on reasonable transportation costs with water transporters and effectively track their transportation process
- "Water collection point" is used as the water quality control point for water purchased from external sources. The QC Department is responsible for inspecting the water quality to ensure safety
- For allocation of water resources between factory sites, the Hukou Park will serve as the dispatch center for northern Taiwan; emergency water can be supplied to Yangmei and Zhongli General Factories. In the southern region, Xinshi General Factory will be the dispatch center to deliver emergency water to Yongkang and Taichung General Factories.

» Uni-President Water Resource Response Team Organization and Responsibilities



Figure. Performing drills during water shortage - water truck at a weighing station



Figure. Performing drills during water shortage - filling up a water truck

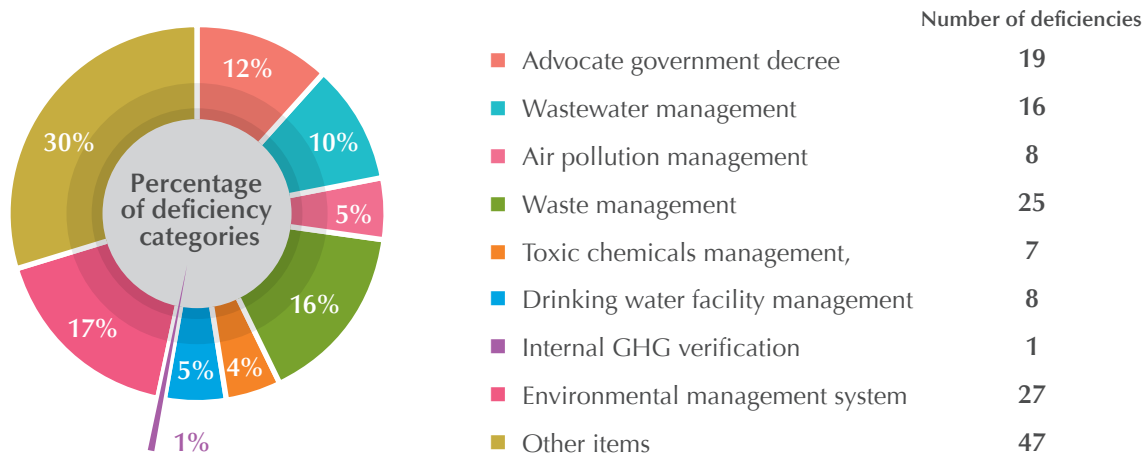
| Unit | Responsibility |
|--|---|
| Heads of technical teams (Convener of the Water Resource Response Team) | <ul style="list-style-type: none"> ■ Summon the Water Resource Response Team ■ Decide, publish, and implement response measures ■ Coordination and monitoring of all tasks |
| Engineering Department | <ul style="list-style-type: none"> ■ Assist the convener with managing the overall response to water shortage ■ Control water demand and water resource development ■ Introduction of water resource recovery and reuse technologies |
| Transportation Services Department | <ul style="list-style-type: none"> ■ Dispatching of water trucks ■ Signing of transportation contracts |
| Procurement Department | <ul style="list-style-type: none"> ■ Setting the unit price for water supply contracts |
| Food Safety Center | <ul style="list-style-type: none"> ■ Ensuring the safety of water quality and water trucks |
| Administrative Services Department | <ul style="list-style-type: none"> ■ Increase public awareness and promote water saving measures in office buildings and dormitories |
| The 6 general factories | <ul style="list-style-type: none"> ■ Establish appropriate water shortage response plan for the general factories and coordinate the order of water usage during production processes ■ Promote and implement water-saving, recovery and reuse technologies during production processes |





Pollution Prevention

Our environmental protection planning and execution begins at factory construction. In addition to an effective environmental management system, setting annual targets, and making continuous improvements. We also perform internal audits every six months to inspect our pollution prevention efforts so that corrective actions can be taken in a timely manner. In 2015, our environmental audits identified a total of 158 deficiencies, the largest category of which was "Other", with a total of 47 deficiencies. The nature of these deficiencies had to do with versions of ISO documents that were not updated. The distribution of other deficiencies is as follows. All deficiencies were corrected within the same year.



However, two environmental regulation violations were committed in 2015, and the total fine amounted to NT\$146,000. We followed up on the rectification of these infractions by improving our waste disposal and monitoring processes, or by amending relevant procedures to prevent similar incidents from occurring in the future.

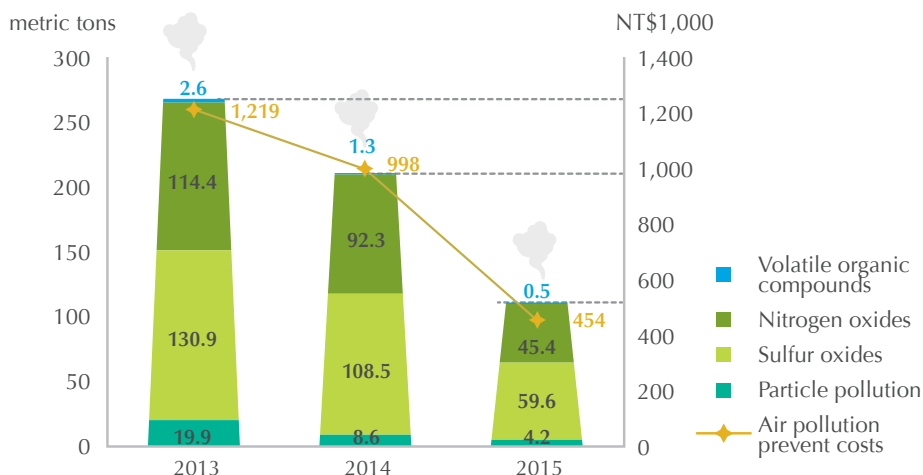
» Violations of environmental regulations in 2015

| Factory site | Regulation(s) violated | Cause | Fine (NTD) | Corrections and improvements |
|--------------|-----------------------------|---|------------|---|
| Xinshi | Water Pollution Control Act | In September of 2015, the Tainan City Environmental Protection Bureau visited the Xinshi plant and obtained samples from the wastewater discharge outlet. It was determined that the COD did not conform to discharge standards and the plant was issued a citation by the Bureau. | 140,000 | The Xinshi plant conducted diagnostics and assessments of the wastewater processing system and was able to correct the problem so that going forward, wastewater discharge will conform to established standards. |
| Hukou Park | Waste Disposal Act | In October of 2015, the amount of waste disposed by the Hukou Park exceeded the maximum quantity declared in the "waste disposal and management plan" by 10%. As the plan was not updated, the Company was issued a citation by the Hsinchu County Environmental Protection Bureau. | 6,000 | The standards in the "Environmental protection inspection and management procedure" were amended so that all environment-related permits (concerning air and water pollution, as well as waste disposal) must be checked at least once per month for correct operational parameters in accordance with the checklist approved by the environmental protection management unit at the general plant. |

Air Pollution Prevention and Treatment

Air pollutant discharges by the food industry consist mainly of particulates, sulfur oxides, nitrogen oxides, and volatile organic chemicals (VOCs). The likely sources of pollution include material processing, boiler heating, and waste water treatment. In order to effectively lower the discharge of air pollutants, we have enhanced the level of equipment maintenance in order to keep the machinery in excellent condition. We have also replaced random inspections with real time monitoring of the flue pipe concentration levels to ensure full compliance. We plan to gradually replace fuel oil-based boilers with natural gas-based ones over the next few years in order to reduce the discharge level of sulfur and nitrogen oxides. A total of 109.7 metric tons of air pollutants were discharged by our factories in 2015, a reduction of 47.9% compared with the previous year. Spending on air pollution prevention and control amounted to NT\$454,000 in 2015, a decrease of NT\$544,000 compared with that of 2014, which was NT\$998,000. The main reason for this significant reduction in expenditure is that natural gas boilers have mostly replaced fuel oil boilers at Xinshi and Yangmei plants.

» Status of air pollution emissions

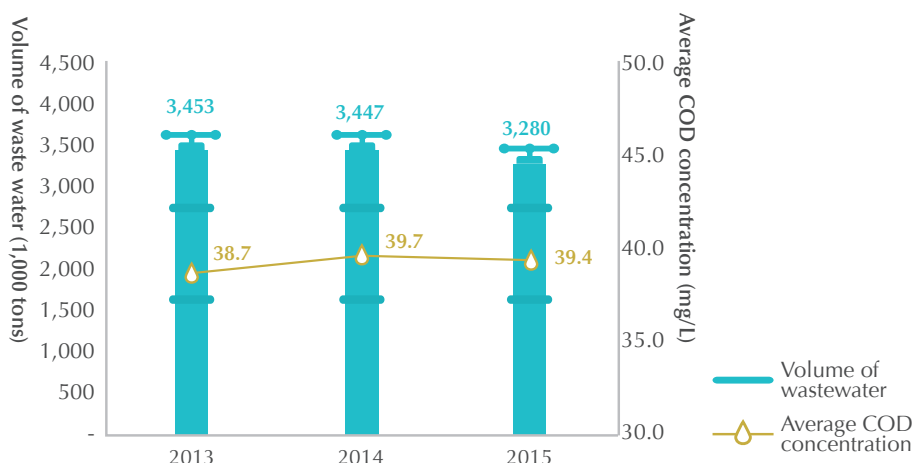


Wastewater Management

Wastewater produced by Uni-President consists mainly of organic sugary wastewater, grease, and suspended solids. The wastewater treatment plant's main treatment processes include chemical and biological treatments. In order to meet national waste discharge standards, we have established strict standards and checks on the operation and discharging concentration levels from each wastewater treatment plant. In 2015, we also invested in the new wastewater treatment plant at Hukou Park, upgraded wastewater treatment equipment at Yongkang and Xinshi, and set up new dehydrator equipment at Yangmei.

In 2015, the total wastewater discharge from all factories amounted to 3,280 kilotons, with an average chemical oxygen demand (COD) of 39.4 mg/L, which was far below the national standard of 100 mg/L. The reduction in wastewater discharge totaled 7.41 metric tons, with an average reduction in COD of 98.3%.

» Volume of waste water and COD concentration





Waste Management

Waste generated by us is not only properly sorted and managed, we also established waste recycling programs for effective waste reduction, as well as lessen its impact on the environment. Waste is now managed through the environmental management system (ISO14001) in accordance with environmental regulations. This ensures that ordinary waste is removed and disposed of properly in order to maintain environmental sanitation at our offices and production facilities.

Waste produced by each Uni-President factory is currently sorted into three categories including general waste, organic experimental liquid waste, and recyclable waste. General waste is usually incinerated while organic experimental liquid waste is usually distilled and recovered. Recyclable waste is recycled by licensed contractors or reused. Recyclable wastes such as sludge and tea grounds are turned into organic compost; soybean residue is recycled into animal feed, and scraps from pudding foil covers are recycled into other plastic items. In 2015, we produced 34,860 metric tons of waste, of which organic experimental liquid waste accounted for 0.006%, while recyclable waste accounted for 95.94%.

» Waste management statistics

| Item | Unit | 2013 | 2014 | 2015 |
|-------------------------|-------------|--------|--------|--------|
| General waste | metric tons | 1,429 | 1,444 | 1,415 |
| Recyclable waste | metric tons | 37,073 | 35,862 | 33,445 |
| Resource recycling rate | % | 96.29 | 96.13 | 95.94 |

Tracking wastes and recyclables

The "Waste Management Measures" standards were established to ensure the effective removal and disposal of waste produced by the factories in accordance with the Waste Disposal Act and other relevant laws. In addition to complying with the EPA by filing our waste disposal plans using its waste reporting system, we also enhanced our efforts in inspection projects that tracked the flow of waste and recyclable materials produced by us. Uni-President uses the GPS system to keep track of the whereabouts of waste and recyclable materials produced by the Company, which is then followed up with necessary audits. Statistics show that we performed 92 instances of GPS tracking on 43 waste disposal and recyclable material contractors in 2015. Tracking results indicated that no violations were committed.

» Tracking of wastes and recyclables from each factory in 2015

| Item | Vendors inspected | Monitored count | Key points of audit | Results |
|--------------|-------------------|-----------------|--|--------------|
| Waste | 27 | 72 | Removal procedure and disposal methods | No anomalies |
| Recyclables | 16 | 20 | Removal procedure and manner of reuse | No anomalies |
| Total | 43 | 92 | - | - |

5



- Continuous Optimization of Human Assets
- Occupational health and safety

Creating a Healthy and Happy Workplace





Key Achievements

- Awarded the gold medal in 2015 for the Taiwan Training Quality System (TTQS)
- On December 26, 2014, Uni-President and the UPEC Trade Union signed a collective bargaining agreement based on mutually beneficial objectives and harmonious employee and employer relations. On April 30, 2015, our achievements were recognized by the Ministry of Labor at the Grand Hotel in Taipei.

Continuous Optimization of Human Assets

Employees are not only a company's most important partners, but also the cornerstone for enterprise transformation and growth. The 8th item of the sustainable development goals (SDGs) proposed at the United Nations Sustainable Development Summit is "Decent Work and Economic Growth", which highlights the international community's expectations for the business community. Economic growth must also be balanced by respecting employees as well as maintain safety and stability in the workplace, so that each person can have a fulfilling career and pursue his/her dreams. With these objectives in mind, UPEC has adopted a talent strategy based on three different perspectives: Attracting, nurturing, and retaining top talent.

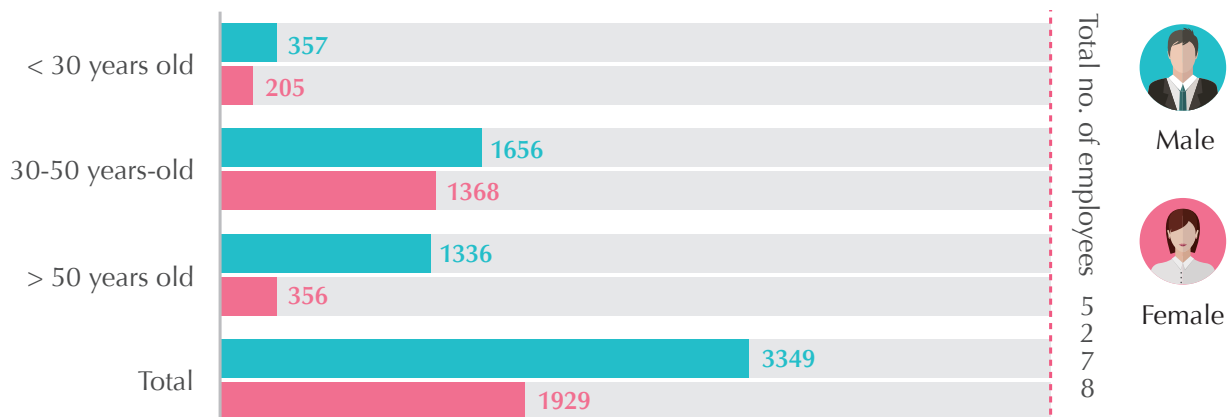


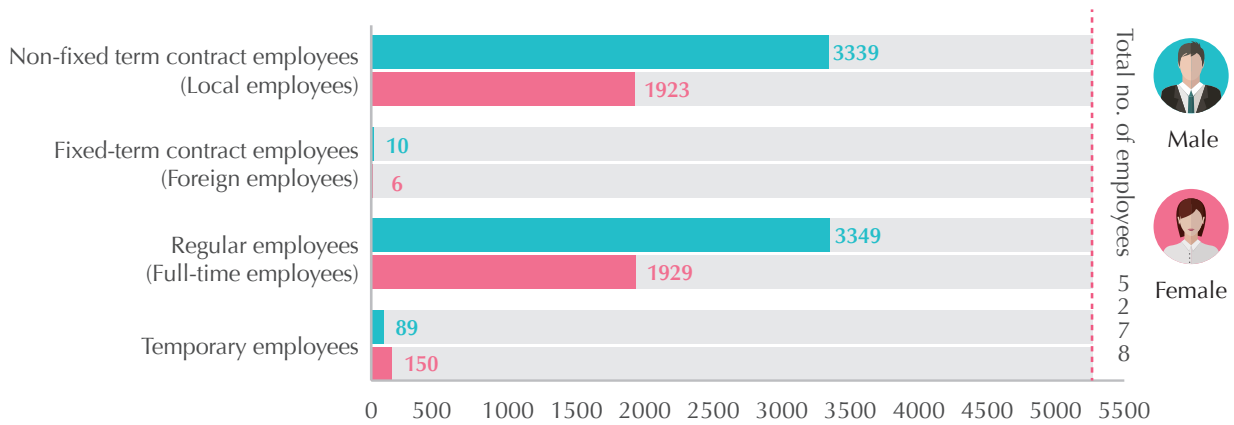
Figure. Gold medal award ceremony, Taiwan Training Quality System (TTQS)

UPEC Human Resources Profile

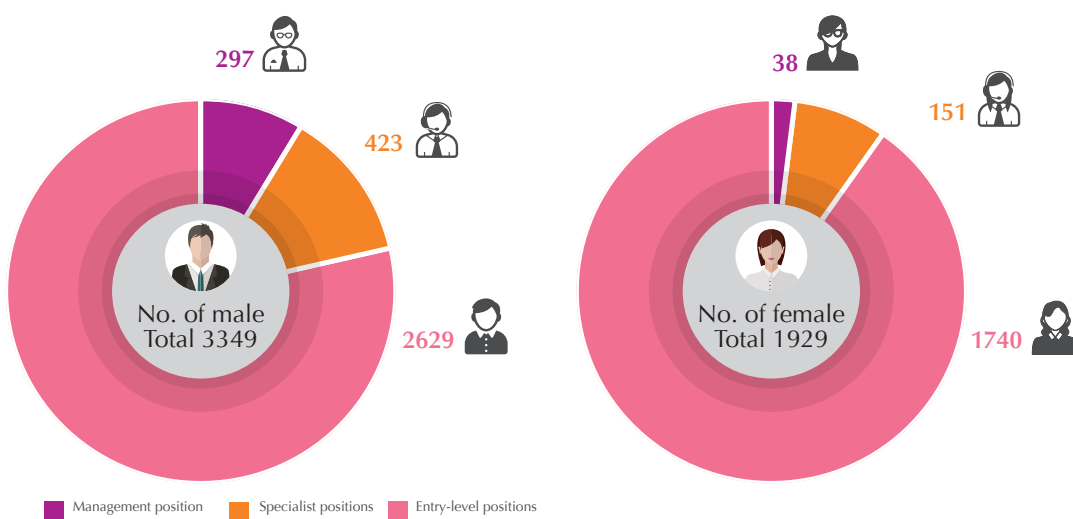
UPEC's workforce consists of 5,278 regular employees supplemented by 239 temporary workers outsourced from staffing firms. All of our regular employees work full-time, and depending on the type of employment contract, there are two types of regular employees: fixed-term and non-fixed-term contract employees. Non-fixed-term contract employees make up 99.7% of our entire workforce. Fixed-term contract employees are all foreign nationals. To promote local employment, our foreign employees' contracts will not be extended when they expire in 2016.

In 2015, the number of employees who left the Company accounted for 2.82% of the total workforce, and the turnover rate remained very low. This indicates that UPEC is a stable business that provides a work environment trusted by our employees. UPEC also strives to create a diverse and friendly work atmosphere. In 2015, we employed 95 individuals with disabilities, which is 180% of the minimum number required by law. We offer our disadvantaged citizens an opportunity for stable employment and a chance to lead independent lives.





| Year | 2015 | | | | | | | | | |
|-----------------|-------------------------------|-----------------------------|-------------------------------------|-----------------------------------|----------------------------|-------------------------------|-----------------------------|-------------------------------------|-----------------------------------|----------------------------|
| | Male | | | Percentage of departing employees | Percentage of new recruits | Female | | | Percentage of departing employees | Percentage of new recruits |
| Age Range | Number of departing employees | 2015 Number of new recruits | 2015 Number of employees in service | | | Number of departing employees | 2015 Number of new recruits | 2015 Number of employees in service | | |
| 30 years old | 45 | 132 | 357 | | | 17 | 58 | 205 | | |
| 30-50 years old | 56 | 73 | 1,656 | | | 23 | 55 | 1,368 | | |
| 50 years old | 6 | 5 | 1,336 | | | 2 | 13 | 356 | | |
| Total | 107 | 210 | 3,349 | 3.19% | 6.27% | 42 | 126 | 1,929 | 2.18% | 6.53% |



Note 1:
 Management positions: Production line supervisors (excluding heads of various teams)
 Specialist positions: Outgoing supervisors, advisors, specialists
 Entry-level positions: Other non-managerial positions and non-specialists





Attracting Talent

Career Coaching Program

UPEC has been actively investing in the nurturing of college students. For the fourth consecutive year, we have participated in National Cheng Kung University's Career Coaching Program (CPP) to encourage students to pay special attention to their career planning and how they define themselves. Through this program, UPEC has been able to identify talent and attract the best graduates by getting in touch with students on a personal basis and introduce them to our business philosophy. In 2015, 11 students were selected via the CCP initiative to be included in the "UPEC Enterprise Team"; where they attended a series of courses prepared by us, including "how to write a marketing proposal", "career experience sharing", "UPEC profile and tours", "management associate selection process", "the importance of food safety issues placed by UPEC" and "brand marketing practices". Students also participated in the Company's baseball game barbecue activities as part of their sports marketing training via professional baseball. Having being through three months of training in the coaching courses, the students demonstrated significant results. Going forward, UPEC will offer participating students in the future even better and more exciting training programs.



Figure. Members of UPEC Enterprise Team, Fifth Annual Career Coaching Program

A New Era of Talent Recruitment

Valuing talent has been the key to UPEC's sustainable development, and our dedication to cultivating talent is a great advantage for the UPEC brand. Each year, we organize recruitment and training programs for management associates (MAs). We started an independent MA recruitment program in 2005, and later expanded it to be included in our group-wide recruitment effort. In 2015, a total of 40 UPEC affiliates and 60 supervisors were involved in the selection process, and 18 finalists with solid skills and great potential entered the MA program. This was the first time centralized resources at the group level were employed. The Education and Training Center organized a six-month training program with the themes "teamwork", "core competence", "brand power", and "broad vision", covering both general and specialist subjects.

The associates also participated in internships at seven UPEC affiliates and overseas locations as part of their training, designed based on the unique learning platform provided by the Company's diverse industrial profile and each associate's career development objectives. In addition to making the MA program a seamless and integral part of our talent cultivation efforts, we also encourage our new generation of associates to rise to the challenge and explore innovative ideas in order to achieve rapid growth in their professional careers with breadth, depth, and proper bearing.



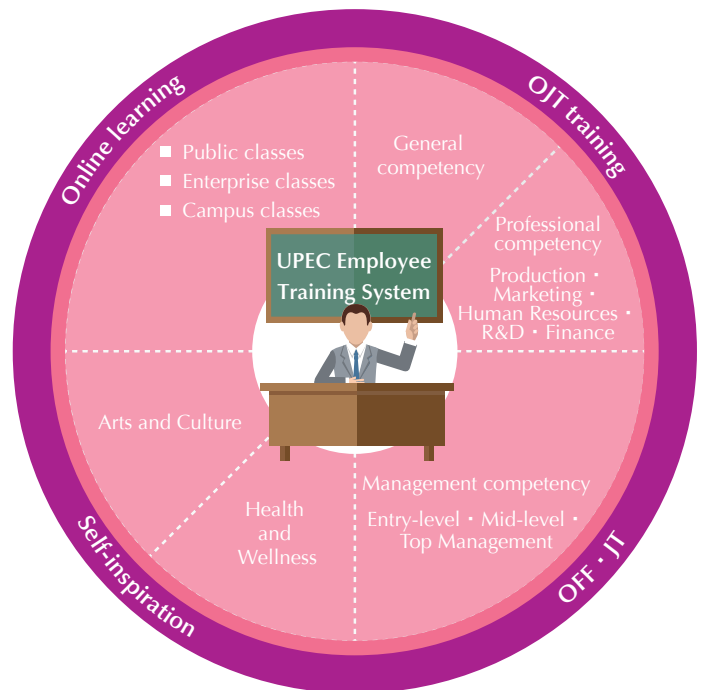
Figure. Management associates of the tenth annual UPEC group MA program

Nurturing Talent

Employee Training System

Faced with internal and external risk factors such as insufficient labor, low birth rates, and an aging population, the management of human resources now occupies a central position in enterprise administration. With a potential manpower shortage, enhancing employee skills to cope with the changing labor landscape is now an inescapable challenge faced by UPEC. UPEC's Education and Training Center plays a crucial role as a leader in upgrading our employees' skills. In 2015, we were once again awarded the Taiwan Training Quality System (TTQS) gold medal. By upholding the spirit of making continuous optimizations, the Center strives to pay close attention to the needs of our internal customers. By bringing together the Company's operational goals and competitive requirements, we aim to create a personnel training system unique to UPEC culture with three major focuses: on-the-job training, off-the-job

- a. On-the-job training: This includes training in production management, sales and marketing, human resources, research and development training, as well as finance and accounting.
- b. Off-the-job collective training: Training aspects in 2015 included marketing, management, and business operations. Marketing has always been one of the main focuses of talent development. We continue to enhance our brand's allure through international boutique marketing practices, marketing 4C camps, as well as color and flavor camps. "Challenge old conventions" and "innovative values" are the principal focus of our management courses, which cover basics such as "becoming influential through storytelling" and "presentation skills", as well as more advanced topics such as "how to nurture and inspire your subordinates", "crisis management case studies", and "high-efficiency meeting management". For business management training, apart from food safety and legal topics, "passing on your experience, practical management, and enterprise think tank" are the three main themes of our experience-sharing courses.



- c. Inspiring mind and body: Our arts and culture courses are intended to inspire the creativity and aesthetics of our employees, and to enhance our internal aesthetic qualities. The areas covered include history, music, ink painting, media, and folk songs, and the courses offered are "Taiwanese folklore", "The Beauty of Taiwanese glove puppetry", and "Alternate Colors in Films". Health and wellness lectures focus on eating healthy, and they cover topics such as "Tai Chi for Health", "Taking Care of Your Eyes", and "In-depth Tours", which are designed to relief stress and create a pleasant work atmosphere.

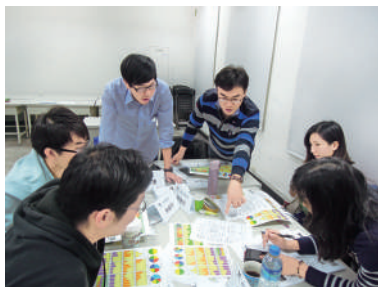


Figure. Business Operations and Management courses - internal case studies and scenario simulations



Figure. Marketing and Sales training - group contests and practice drills

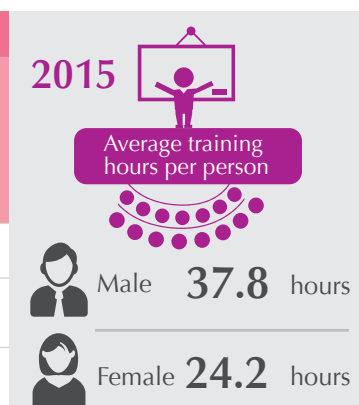


Figure. Business management workshop "UPEC Social Responsibility: Current Status and Outlook"





| 2015 Year | | | | | | |
|--------------|-------------------|---------------|------------------|---------------|--------------------|---------------------------|
| Post | Male | | Female | | Total No. of hours | Total No. of participants |
| | Hours | Individuals | Hours | Individuals | | |
| General | 45,933.50 | 18,835 | 28,582.50 | 14,696 | 74,516.00 | 33,531 |
| Mid-level | 27,771.00 | 8,039 | 9,797.00 | 3,088 | 37,568.00 | 11,127 |
| Senior level | 10,354.00 | 3,417 | 1,254.75 | 440 | 11,608.75 | 3,857 |
| Entry level | 42,620.00 | 12,512 | 6,997.50 | 1,700 | 49,617.50 | 14,212 |
| Total | 126,678.50 | 42,803 | 46,631.75 | 19,924 | 173,310.25 | 62,727 |



Combine technology with mobile learning

As technology continues to evolve, e-learning has become an increasingly popular venue for the dissemination of knowledge. As a result, the Education and Training Center has established the E-Learning Network, which was officially launched in December of 2014. The system aims to maximize and diversify training and educational resources with a friendly and aesthetically pleasing online learning platform that offers users a great multimedia experience. The Education and Training Center maintains a strict policy to comply with regulations. Only legally obtained training videos or courses organized by the Center are developed into online learning materials. Currently, our course offerings include the following categories: legal knowledge, business management, product marketing, new hires (basics), and new hires (advanced). In 2015, we added the "very short introduction" category. Through short videos that are just a few minutes in length, employees can grasp the essence of the latest developments, capture the wisdom of management, and learn about rules and regulations. In the future, we will continue to develop even more educational videos to provide a more diverse and forward-looking learning environment.

A Collaborative Learning Platform for Engineers

As the Chinese saying goes, "improvement does not end with perfection". UPEC has created an arena for our engineers, the semiannual "Engineers Project Improvement Result Presentation", where the best and brightest can show off their thoroughly researched improvement techniques; they can also take advantage of this forum to meet and exchange ideas with other engineers from the Company's six general plants. Senior managers from the Engineering Department also offer their critiques and share their project experience with participants, making this presentation forum an important platform for the technical teams to pass on their expertise and share ideas. During the 12th and 13th presentations in 2015, we witnessed contributions from brand new management associates; an indication of the unlimited potential of the new generation as well as the progress for the passing of the torch.



Figure. Award ceremony of the 12th Engineers Project Improvement Result Presentation



Figure. Project sharing and exchanging ideas



Figure. Project engineers conducting a site visit for the test run of the mass production of a beverage product

Retain Top Talent

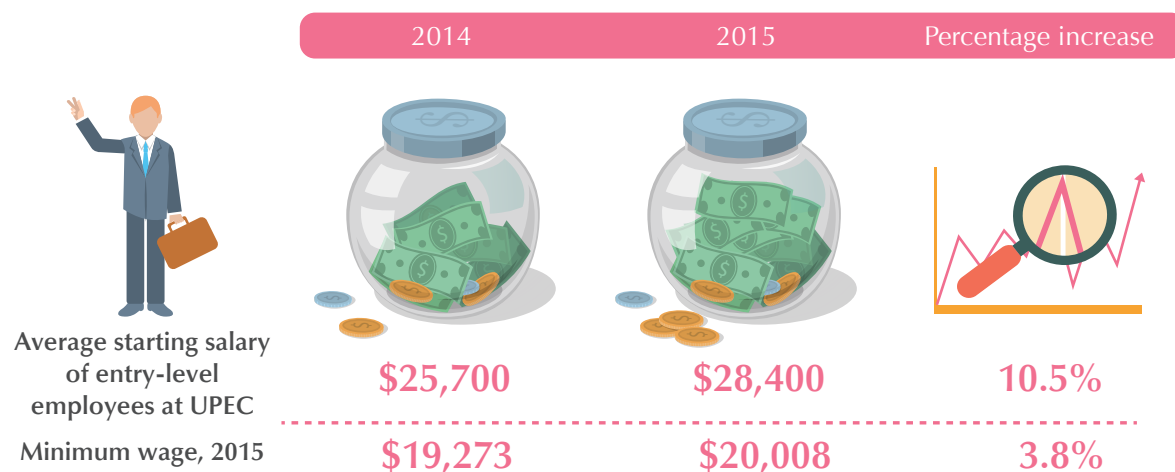
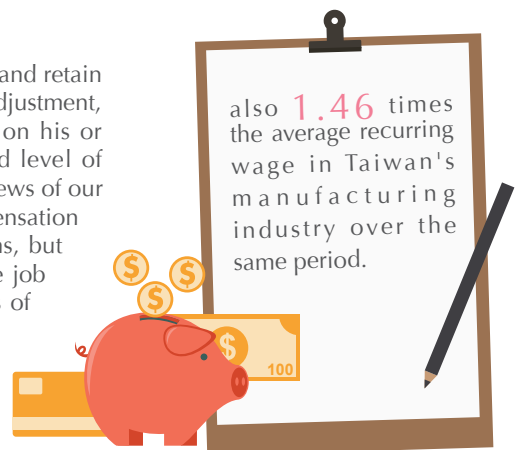
A Happy Workplace

Confronted with dramatic changes in the industrial landscape, retaining top talent has become the single most important challenge of any food production enterprise that values quality, safety, and stability. At UPEC, apart from safeguarding our employees' basic rights and providing a workplace that is equal and free of discrimination in compliance with the law, we have also created a unique and pleasant work environment that offers fair and reasonable remuneration, comprehensive benefits, excellent facilities, as well as an open two-way communication channel between employees and management.

"Workers' dignity" is something we believe in, and we comply with relevant laws and regulations to the best of our ability and will never allow anything that will compromise our employees' dignity or violate their rights. Nor do we permit any form of discrimination to be present in the workplace. The determination of an individual's salary or benefits is not based on gender, nationality, race, color, or political affiliations. In terms of gender equality, each factory site has adopted a sexual harassment prevention policy to ensure that sexual harassment or discrimination does not occur in the workplace. In 2015, there were no incidents of discrimination, no employment of child labor, no violations of employees' human rights (including violations of employees' human rights by company security personnel), no forced labor, no restrictions on employees' rights to form associations or engage in collective bargaining, and no violation of employees' interests.

UPEC's remuneration policy is designed to attract, motivate, nurture, and retain the Company's top talent. Each employee's salary level, percentage adjustment, and performance bonus are determined and differentiated based on his or her job description and requirements, as well as performance and level of contribution. We also conduct regular market salary surveys and reviews of our existing salary and bonus structure in order to ensure that the compensation we offer our employees is not only on par with market expectations, but competitive as well. All UPEC entry-level employees with the same job responsibilities receive the same level of compensation, regardless of gender.

The average starting salary is 1.419 times the minimum wage in Taiwan. As of the end of December, 2015, the average monthly recurring wage of Uni-President's regular employees was NT\$52,481; this was 2.623 times the basic wage in Taiwan, and also 1.46 times the average recurring wage in Taiwan's manufacturing industry over the same period.



The Company's average starting salary (with university graduates being the entry-level workforce) is based on the starting salaries of grade 5 new college graduates in the southern region.





Caring for everyone at Uni-President and providing employees with a healthy and pleasant workplace is one of our firm and long-standing beliefs. We listen carefully to what our employees are telling us about their needs and strive to enhance various services and facilities that are available to them, whether it is food, clothing, accommodations, travel, training, and recreation. We also offer employee dormitories, nutritious but affordable meals, and medical check-ups. Through this comprehensive welfare system, our employees can be totally focused on their work.

- a. Benefits and Subsidies: Labor insurance, national health insurance, group insurance, employee travel subsidies, marriage subsidies, maternity subsidies, children's education subsidies, funeral subsidies, birthday cash gifts, retirement bonuses, holiday festival bonuses, regular benefits, and medical examinations.
- b. Welfare Facilities: We provide staff dormitory, parking lot, shuttle buses, cafeteria, library, staff lounge, recreation center, table tennis room, billiards room, basketball courts, and breastfeeding room.
- c. Retirement Plan: Our employee retirement fund policies fully comply with the Labor Standards Act and the Labor Pension Act. We have also established a Labor Retirement Reserve Supervision Committee to oversee the accrual and distribution of pensions.
- d. Other Benefits: Special company bonuses, employee discounts, and special offers from UPEC affiliates; in addition to regular maternity leaves, paternity leaves, and parental leaves as required by law. Female employees who work on-site can also apply for paid maternity leaves after 32 weeks of being pregnant.

| Item | No. of male | No. of female | Total |
|---|-------------|---------------|-------|
| Employees who applied for unpaid parental leave in 2015 (A) | 4 | 21 | 25 |
| Expected reinstatements after unpaid parental leave in 2015 (B) | 3 | 13 | 16 |
| Actual reinstatements after unpaid parental leave in 2015 (C) | 3 | 11 | 14 |
| Actual reinstatements after unpaid parental leave in 2014 (D) | 1 | 13 | 14 |
| Employees still on the job 12 months after returning from unpaid parental leave in 2014 (E) | 1 | 13 | 14 |
| Reinstatement rate (C/B) | 100% | 85% | 88% |
| Retention rate (E/D) | 100% | 100% | 100% |



Marriage and funeral subsidies

342 applications for a total of NT\$1,206,500



Children's education subsidies

4,509 applications for a total of NT\$13,573,400



Cultural, entertainment, and travel subsidies

NT\$15,680,786



Holiday festival bonuses and regular benefits

NT\$72,701,284

Two-way Communication Channel

With 5,224 total members, the UPEC Trade Union has been in existence for 38 years. This membership represents 98.98% of UPEC's entire workforce. The main objectives of the union include safeguarding workers' rights, promoting members' welfare, and improving work conditions as well as members' lives. The union also assists the Company in achieving enhanced productivity and improved profitability; it's also charged with the responsibility of understanding the Company's operating status on behalf of its members. The organization also enjoys a very high degree of autonomy in terms of providing social services and charitable work. UPEC actively maintains effective communication and has developed a good rapport with the Trade Union to ensure harmonious labor-management relations, and there have been no labor disputes for the past 38 years. UPEC has been honored as an "organization with harmonious employee and employer relations" and its union has also been awarded the "outstanding" status based on Tainan City Government's evaluations every year over the same period.

Following the signing of the collective bargaining agreement between the Company and the Trade Union in 2011, UPEC was the very first corporation in the Tainan region to have done so, both parties again signed a three-year extension of the agreement at the end of 2014 after having conducted negotiations on specific clauses in the agreement in the spirit of resolving differences and seeking consensus. Both parties are pleased with the results of the negotiation, and going forward, we will continue to maintain a mutually beneficial atmosphere and conditions based on our tradition of harmonious employee and employer relations as well as effective communication. At the 13th Annual UPEC Trade Union General Assembly held in 2015, 90 representatives attended the meeting (an 88% attendance). At the election of representatives held in May, 44 representatives were newly elected; this is an indication that employees have a high degree of willingness to support the union.



Figure. Second signing of the collective bargaining agreement on December 26, 2014

In addition, to protect the rights and interests of our employees, as well as help those who have experienced unfair treatment or whose rights have been violated, the Company has made a grievance mechanism available. We have also adopted rigorous investigation procedures that emphasize confidentiality when handling complaints; this mechanism includes: Sexual Harassment Hotline, Performance Evaluation Grievance Committee, and Reward and Disciplinary Grievance Committee; we have also provided additional communication channels such as: Regularly scheduled labor-management meetings, business meetings with representatives from the Trade Union, and e-mail communications; these channels allow us to respond to complaints promptly and greatly improve the efficiency and effectiveness of two-way communication.

| Channel for filing complaints | No. of complaints | No. of cases closed |
|--|-------------------|---------------------|
| Sexual Harassment Hotline | 0 | 0 |
| Performance Evaluation Grievance Committee | 1 | 1 |
| Reward and disciplinary grievances | 0 | 0 |

Occupational health and safety

Occupational health and safety is the core belief and the most basic promise we can make to our employees as well as to the society. We help employees to become fully informed on industrial safety issues by implementing a comprehensive safety and health management system and arranging healthcare programs, supplemented with general training, case studies, and taking quizzes for prizes. We hope that larger plants will assume leadership roles in bringing smaller plants up to speed, and with visits to the Occupational Safety and Health Administration, we can achieve a satisfactory level of improvement in health and safety within our organization.





Occupational Health and Safety Management

Occupational Safety and Health Management System

Employees are the very foundation on which a company can grow and flourish. To fulfill the enterprise's promise of creating a healthy and happy tomorrow, UPEC conducts annual production management system diagnostic meetings, where personnel from industrial safety management units across the Company report on their progress, exchange ideas, review their deficiencies, and learn from the success of others, so that each unit can improve and continue to optimize their techniques. In 2015, apart from continuing to promote safety observations, occupational safety and health management plans, hazard identification and notification, industrial safety zone inspection management, and safety supervisions by executives to build a healthy work place and achieve self-certifications as a healthy workplace. Our five main plants at Yongkang, Zhongli, Yangmei, Xinshi, and Taichung have all acquired the health promotion badge, the OHSAS 18001 (Occupational Health & Safety Advisory Services), and CNS 15506 (Taiwan Occupational Safety & Health Management System, originally known as TOSHMS) certifications. The Hukou Park, on the other hand, is scheduled to be certified in 2017 due to the fact that the site only started its official mass production in 2016. Occupational safety and health management is conducted through the identification, assessment, and control of risk factors, and we aim to systematically reduce potential risks to our employees on a continuous basis and improve the corporate safety culture. With the existing mechanism in place, UPEC carried out the "employee self-improvement proposals" project in 2015 based on the diagnostic results obtained in 2014. Efforts equivalent to a focused audit were made to deepen the participation of the entire workforce in order to fulfill the goals of workplace safety.

| | Main factory site (Total work hours) | Frequency rate of injuries | Severity of injuries | Composite Disaster Index |
|------|---|-------------------------------|-------------------------|--------------------------------|
| 2015 | Yongkang General Factory(4035522) | 0.25 | 3 | 0.03 |
| | Xinshi General Factory(2778737) | 0.36 | 15 | 0.07 |
| | Taichung General Factory(429281) | 0 | 0 | 0 |
| | Yangmei General Factory(1739796) | 0 | 0 | 0 |
| | Zhongli General Factory(1628852) | 0 | 0 | 0 |
| | Hukou General Factory(257338) | 0 | 0 | 0 |
| | Company-wide(10869526) | 0.18 | 5 | 0.03 |
| | Food manufacturing industry | 2.6 | 117 | 0.55 |
| | Nationwide | 1.47 | 112 | 0.41 |

Injury Frequency Rate(FR):

$$= \text{No. of people injured} / \text{Total work hours} * 10^6$$

Injury Severity Rate(SR):

$$= \text{No. of days absent from work due to injuries} / \text{Total work hours} * 10^6$$

Frequency-Severity Indicator(FSI):

$$= \sqrt{\text{Injury Frequency Rate(FR)} \times \text{Injury Severity Rate(SR)} \div 1000}$$

| | Total work hours (men) | Total work hours (women) | Work absence among male employees (Unit: 200,000 work hours) | Work absence among female employees (Unit: 200,000 work hours) |
|------|---------------------------|--------------------------------|---|--|
| 2015 | 6,671,208 | 3,842,568 | 615 | 677 |

Note:

No. of men/No. of women = Full-time employees

Total work hours (men)/Total work hours (women) = 365 - No. of non-workdays in 2015 (116 days) * 8

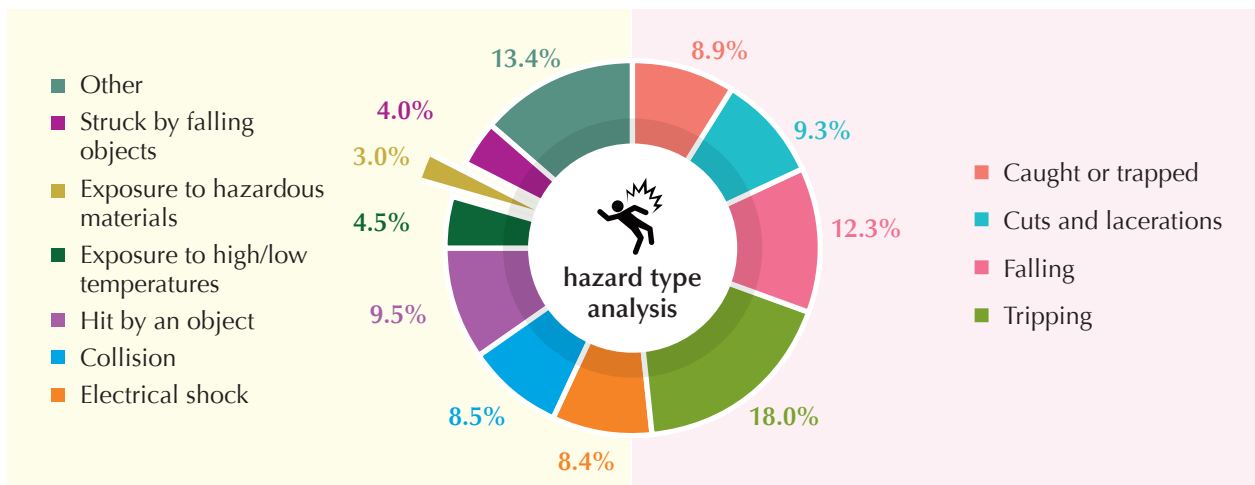
No. of leave hours among male/female employees = total number of sick, personal, paid injury leave hours in 2015

【 [Voluntary-improvement proposals] 】



Industrial safety management is a very detail-oriented process. To raise industrial safety awareness among our employees and to encourage front-line workers to observe and discover potential new safety improvement techniques in daily operations, in 2015, we made extra efforts to encourage the participation of "voluntary employee industrial safety improvement program". Apart from physical facilities and environmental aspects, we also encourage employees to approach industrial safety problems from the behavioral perspective. In 2015, a total of 1,352 proposals came from the six general factories, with the top four hazard categories for which improvement proposals were submitted being: tripping, falling, cuts, and collisions. A team competition was held to stimulate employee participation in identifying potential hazards so as to safeguard their health as well as the entire workforce.

» Q1-Q4 hazard type analysis



Healthcare System

Regardless of each employee's age, we provide annual medical check-ups, which is held more frequently than the requirements specified in the Labor Health Protection Regulations. After each check-up, the physician will have a one-on-one health consultation session with the employee so that follow-up procedures may be taken. Statistics compiled over the years indicate that metabolic syndrome (hyperglycemia, hyperlipidemia, and hypertension) is the top culprit, and as a result, the Company is actively involved in organizing various health promotion activities such as: Health and wellness talks, weight-loss camps and aerobics classes taught by professional fitness instructors; these activities will improve our employees' general health and help them better manage their health risks. As for employees who work in special operations or hazardous conditions, special medical examination procedures will also be required. In the event of an occupational health-related illness, we will track and manage each case closely with resident physicians who are specialists in occupational health at each factory, who also help with the prevention of human factor hazards in operational processes as well as provide consultation to employees in a timely manner. All these measures will effectively help curb occupational diseases.

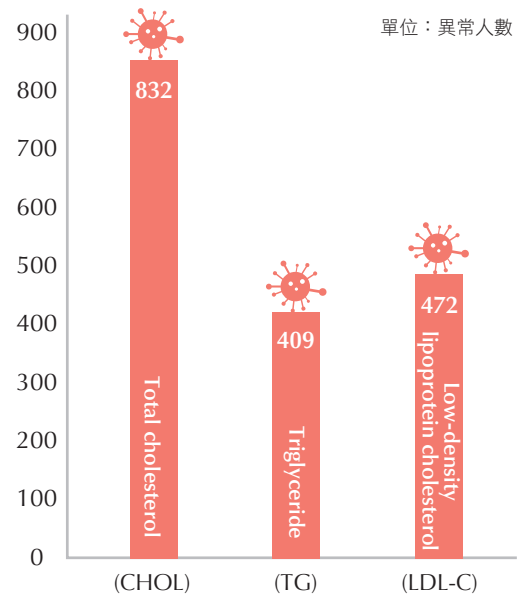




Figure. An aerobics class taught by a professional fitness instructor



Figure. "Draw on Our Inner Strengths and Light Up our Lives - How to Turn Stress into Strength"; an instructor leads the class in performing muscle relaxation exercises

Led by the Environmental Safety Office, employees at the Yongkang plant vows to achieve the goal of losing 80 kg collectively. We have also made arrangements with An-Nan Hospital for a dietitian to teach us healthy eating habits, hired coaches from the Yuan Chi sports club to lead exercise sessions and organized three weight loss seminars to help employees become healthier in an energetic workplace by shedding excess weight in a correct and healthy way.



Figure. Taking a vow to lose weight at the "Healthy Weight-loss Camp"

To protect the health of our employees, we have adopted the "Regulations for Major Infectious Disease Notification and Control by Different Levels"; this will reduce the chance of being infected for our employees during a serious epidemic and prevent the disease from impacting our operations. In the event of the outbreak of a notifiable infectious disease or the identification of such a disease during the annual medical check-up, it is necessary to report to management and the authorities based on the hierarchical notification protocol. Depending on the affected areas, trends, and risks, screening based on level will be instituted. The dengue fever outbreak in the summer of 2015 resulted in more than 30,000 infections in Taiwan, with Tainan being the most severely affected area. As soon as dengue fever was reported, UPEC began to monitor the situation closely and proceeded to activate our notification mechanisms. As dengue fever is a Category 2 notifiable communicable disease, at each plant, the epidemic prevention and control responsibilities fell on the section level. Statistics compiled during the epidemic indicated that 8 employees and 9 of their family members were infected. They were immediately quarantined on a voluntary basis. Efforts were made to monitor their infection status continuously until the crisis was averted. All employees who were infected eventually recovered and returned to their posts.



Occupational Safety and Health Awareness - Gaining New Insights and Striving for Perfection

Education and Training

The long-term viability and success of a company depends on each and every department's contribution in many different areas; industrial safety is one such important area. By providing specialized training, we will be able to not only acquire the necessary and relevant skills and competence, but also avoid occupational hazards. Employees who are well informed can better avoid accidents. In 2015, we offered the following health and safety training programs: ISO 14001 and OHSAS 18001 joint training for internal auditors, special operations safety and health training courses, and on-the-job occupational safety and health training.

In addition, based on the resolutions passed at the labor-management meetings, in 2015, the Environmental Safety Office organized a "safety and health regulations training for trade union officers". Officials from the Bureau of Labor Affairs, Tainan City Government were invited to conduct a series of seminars including "Introduction to the Rights and Work Conditions Concerning Occupational Accidents", "Introduction to the Occupational Safety and Health Act and Occupational Accident Case Studies". The purpose is to enlist the help of union officials to communicate health and safety regulations and awareness among union members, so that employees working at factory sites will become fully informed on industrial safety issues and workplace hazards are minimized.



Figure. Trade Union officials attending a training session in safety and health regulations

Industrial Safety Quizzes

To familiarize our employees with industrial safety-related issues as well as raise awareness, the Environmental Safety Office organized a series of quizzes (with prizes) to encourage workers to pay close attention to the Company's safety practices and regulations. In 2015, employees from UPEC as well as other affiliates such as President Nisshin Corp. and President Kikkoman Inc. also participated in these contests. A total of 2,121 answer sheets were collected, and 98.2% of them achieved a perfect score; which indicates that our employees are sufficiently familiar with company safety practices and relevant regulations.



Figure. Price drawings at the 2015 industrial safety quizzes

Industrial Safety Case Studies

To remind everyone of the necessity to remain alert when it comes to industrial safety, the UPEC Environmental Safety Office sends out the "Industrial Safety News" weekly newsletter via e-mail. The publication covers major domestic and international industrial safety incidents, as well as the latest developments concerning relevant legislations and regulations. A monthly "Industrial Safety Newsflash" is also published and sent to all industrial safety supervisors. The monthly newsletter offers detailed case studies, background information, root cause analysis, and before-and-after photos; its purpose is to effectively communicate the importance of safety management through the sharing of these real-life events.





Sharing and Exchanging

Main Factories Leading Smaller Factories - Uni-President Le Guo Safety and Health Family

In Taiwan, we have adopted the practices of Japan's "Dandelion Project", where larger plants assume the leadership role in bringing smaller factories up to speed in forming registered safety and health organizations so as to promote these concepts at the root level. Led by core UPEC enterprises with "outstanding company" designations (National Industrial Safety Award, Outstanding Unit, and the Five-Star Award), with members being companies located within the same city/county with a workforce of less than 100 people. Interaction between companies are achieved with the common platform, and each factory carries out its own self-regulated safety and health management practices in addition to supporting one another over the learning network. UPEC's Yangmei General Factory was appointed by the Department of Labor, Taoyuan City Government to be the leading core enterprise of our "safety and health family". In 2015, the "Uni-President Le Guo Safety and Health Family" was officially established with 19 companies joining as members. The operation of the safety and health family mainly involves the dissemination of hazard prevention information to small and medium enterprises within 3 years as well as help them make improvements. The purpose is to fulfill the objectives of employers' safety and health training, strengthen safety and health counseling, and change the ways things are currently done. In addition, we also took advantage of the organization's operations to enhance the cooperation between companies and to improve the capabilities of SMEs in identifying hazards and performing self-inspections, thereby reducing occupational accidents and promoting a healthy and safe work environment.



Figure. Group photo taken during the inaugural ceremony of the Uni-President Le Guo Safety and Health Family

A Visit by the Occupational Safety and Health Administration, Ministry of Labor

The Occupational Safety and Health Act went into effect in July, 2014. During May of 2015, UPEC invited the Occupational Safety and Health Administration from the Ministry of Labor to assist the Company in achieving compliance with the amended portions of the Act. Following the visit to our factories by the Administration's experts and scholars, recommendations for optimizing and improving our existing safety and health deficiencies with our operations management practices were made. We have since adopted a set of short, medium, and long-term plans to resolve these issues. It is hoped that we will be able to enhance our workplace risk prevention capabilities and to overcome problems in our daily operations, while being successful in educating our employees in raising their awareness on health preservation. At the Xinying Frozen Foods Plant, improvements made were recognized by the Labor Insurance Supervisory Commission, Ministry of Labor; the plant was recommended to be a demonstration plant for this year.



Figure. Visit to the Xinying Frozen Foods Plant by officials from the Occupational Safety and Health Administration, Ministry of Labor

6



- Share the Love, Love to Share
- Promoting a Healthy Society
- Emergency Aid

Creating a Healthy and Happy Tomorrow





About Uni-President Enterprises Corp.



An Enterprise Built on Integrity



A New Era for Food Safety



Maintaining a Green and Sustainable Environment



Creating a Healthy and Happy Workplace



Creating a Healthy and Happy Tomorrow



Key Achievements

♥ Received the Social Inclusion Award at the 8th Taiwan Corporate Sustainability Awards (TCSA) in 2015.



Since 2000, Uni-President Enterprises Group has adopted four themes for the purpose of creating a cultural environment based on the motif "Love of the Millennium"; they are "Respecting Life", "Getting Close to Nature", "Caring for One Another", and "Being Optimistic and Enterprising", which emphasize physical and mental health of consumers and social happiness. Today, "creating a healthy and happy tomorrow" is the greatest motivation for Uni-President.

Share the Love, Love to Share

Uni-President Enterprises Group has had a presence in Taiwan for over four decades. We are very thankful to the community for giving us a chance to grow into what we are today. We have always wanted to give back to the community and to bring positive influences to the society. In the early winter months of 2015, after a full year of preparations and calling for the participation of all Uni-President brands and affiliates, we launched the "Love - Sharing" Christmas tree lighting events in Taipei and Kaohsiung which not only illuminated the skies of these cities, with the support of all 7-Eleven stores and Cosmed outlets around the country, we also took advantage of these events to announce our wishes to spread our love and the spirit of sharing to every corner of the society. In the following year, the Dream Mall in Kaohsiung continued this momentum by organizing a New Year's Eve concert with the "Love - Sharing" theme; this was the second consecutive year that a privately organized event of this kind was held. Through the sharing of love and warmth, a positive energy has brought our society together.



Figure. The Christmas tree with the "Purple wish" theme at the Dream Plaza, Uni-President Taipei illuminated the night sky in Xinyi District, Taipei. It is hoped that "Love - Sharing" can spread via various Uni-President platforms and the power of love can bring people together.



Figure. At the Dream Mall Shopping Center in Kaohsiung, the Christmas tree with the "Purple wish" theme was also lit up on the same day. With the light and music show in the background, we hope that this concept of "Love - Sharing" will enable more people to feel the love and share their love with others.



Figure. Taiwan's only privately organized New Year's Eve concert for the second consecutive year, courtesy of Uni-President; the theme was "Love - Sharing".

Quality Living

In terms of cultural activities, Uni-President is supporting Taiwan's largest tourist attractions by sponsoring the Taiwan Lantern Festival and the Taipei Lantern Festival. We help to create an unforgettable experience in lantern celebrations that demonstrate the depth of Taiwan's profound cultural strengths. In addition, we have also sponsored performances of the highly influential Takarazuka Revue, a Japanese musical theater troupe, allowing local residents to enjoy magnificent Japanese-style musicals. With respect to sporting events, Uni-President is also an active participant. We sponsored the Third Annual U-12 Baseball World Cup Championship, which has contributed to the exposure of Tainan and helped to support the development of little league baseball in this country. Uni-President continues to participate in various social activities and events in support of the municipal government's initiatives to market our city. By offering our thanks, love, and best wishes to the society, and bringing ourselves closer to the younger generation, we hope to provide even more joy, happiness, and smiles to everyone.

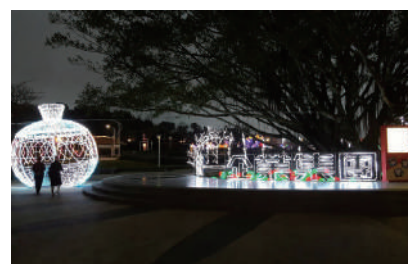


Figure. Uni-President at the Taipei Lantern Festival; our entry that represented happiness in life, the "Gate of Felicity", was on display at the square outside of the entrance to the Yuanshan MRT station.



Figure. Under the support of Uni-President, the atmosphere at the Taiwan Lantern Festival in Taoyuan was particularly delightful. The colorful lights gave the festival the feel of a dream castle. The brilliant and festive ambience was unparalleled, and the event truly showcase Taiwan's cultural strengths.



Figure. The Third Annual U-12 Baseball World Cup held in 2015 was hosted by the Tainan City Government. A total of 12 countries were represented in the event. Uni-President has contributed to the development of little league baseball by providing sponsorship to this tournament, the most prestigious competition in its age category.





Promoting a Healthy Society

Uni-President has been in collaboration with the Millennium Health Foundation (the "Foundation") to promote healthy lifestyles, and together we continue to develop innovative ideas. This year, we launched a brand new microfilm and a cloud-based blood pressure recording platform, and we hope to say goodbye to metabolic syndrome by encouraging our citizens to lead healthy lifestyles.

Millennium Health Stations and the National Health Check-up Month

To help educate the public in self health management, Uni-President, the Foundation, and the Good Neighbor Foundation worked together to set up Millennium Health Stations at hundreds of 7-Eleven convenience stores around the country to provide free blood pressure and waist measurement services. As we take on the role of caring for our neighbor's health, in

2015, the number of stations has grown to 677. The Millennium Health Stations also partnered with Cosmed at the 7th Annual National Health Month, in which nursing practitioners from local public health centers and bureaus were invited by the Health Promotion Administration to provide health measurements and awareness lectures; these activities have attracted 44,001 total participants.

These activities have attracted **44,001** total participants.



- ✓ Measuring blood pressure and waist size
- ✓ Received a bread roll and a sugar-free tea beverage when returning the measurement forms
- ✓ Upload measurement data to "Millennium iHealth" for an additional free bottle of sugar-free soy milk



Millennium i Health

With smartphones and mobile devices now becoming widespread, Uni-President has sponsored the Foundation in the development of a cloud-based Millennium iHealth platform; the system provides the public with a fast and convenient way to record their health data, which allows Millennium Health Stations to provide even more value-added services. Millennium iHealth enables users to keep track of their blood pressure status anytime, anywhere. With this platform, we can now collect detailed and accurate health data easily and conveniently.



Hard copies can be obtained via ibon for use by healthcare professionals.

Measurement data uploaded to a cloud database.



Download the ibon app and sign up as a member; select "Everyday Services" to access Millennium iHealth.



Use the ibon app as a portal to input your blood pressure and waist size; simple and informative.

Millennium Love 89 Waist Measurement Day



The Foundation has designated August 9 as the annual Waist Measurement Day. During the event, Uni-President and affiliated enterprises will provide the general public with free measuring tapes made of paper through numerous channels and outlets, hoping to raise public awareness on "Waistline 8-9-10, Keep Fit to Stay Healthy". This year, we have also introduced a new Internet-based public welfare service, the Millennium 133 Waist Measuring Event. Participants who have their waist sizes measured, photographed, and uploaded to Facebook will prompt the Foundation and Omron Healthcare to donate additional equipment to establish new Millennium Health Stations.



The Foundation has also publicized the Millennium Health Stations via the microfilm "Memories of an Embrace", which featured a heart-warming introduction to how the stations work and what their purposes are; thus far the video has garnered 185,000 views. We hope to spread this healthy message and love through the Internet to every corner.



Figure. Memories of an Embrace

Nutrition Project

Due to a poor economy, uneven distribution of resources between urban and rural communities, as well as the mass migration of young people away from rural areas, many schoolchildren living in remote and less developed communities have parents who are either unemployed or working at far away locations, raised by a single-parent, raised by a foreign spouse, or due to financial difficulties end up lacking proper nutrition. If this situation is allowed to continue, the urban-rural gap will become even more serious. UPEC and the Uni-President Foundation understand the importance and necessity of proper and well-balanced nutrition, especially for young schoolchildren who are still growing. We have established a remote community nutrition program so that by combining our core strengths, we can help those children who are in need of a better educational and a healthier living environment. We provided Ruisui Fresh Milk, Sunshine Soy Milk, and Uni-President Midou Soy Milk to 26 remote elementary schools in Tainan each week, each with fewer than 50 students, to provide them with nutritious beverages and help them grow. During the 2015 academic year, 900 students have benefited from our contributions with a total investment valued at NT\$1.2 million.



Figure. Sponsoring the remote Ka-Bua Sua Elementary School by supplying fresh milk and Midou soy milk to schoolchildren





Emergency Aid and Charitable Services

Emergency Aid

During the summer of 2015, flammable starch-based powder exploded at the Formosa Fun Coast Water Park in Taiwan; this major incident prompted the society at large to offer assistance and donate resources to victims in order to help them recover from the disaster. Following the explosion, Uni-President promptly made a donation of NT\$10 million to the dedicated account set up by the Social Welfare Department of New Taipei City to help victims of the explosion with their medical and rehabilitation expenses. Volunteers from the Uni-President Social Welfare and Charity Foundation (the "Social Welfare Foundation") visited the injured and wished them a speedy recovery; they also brought various resources and assistance on behalf of Uni-President during the visit. We are also actively participating in charitable work in other parts of the world. In April of 2015, Nepal was devastated by a magnitude 7.8 earthquake. In order to fulfill our responsibilities as a corporate citizen, Uni-President donated relief supplies to the victims to help them in their time of need through the Red Cross Society of Taiwan.

Charitable Services

Uni-President continues to promote and actively participate in social welfare activities so that those in need can feel the warmth. This alternative role as a corporate citizen represents our long-standing commitment to corporate social responsibilities. In addition to bringing together enterprise operation resources available to us, we also hope to expand our circle of influence to include our employees' internal values. With the willingness to contribute to the community and participate in charitable activities, volunteers from the Social Welfare Foundation are actually a group of our employees who have banded together to provide volunteer services to the public. We hope that the volunteering culture will permeate and take root in the entire organization.



Figure: Guarding mentally challenged children - a Visit to the Bethany Home. Bethany Home is an institution in Taiwan that takes care of children who are intellectually or mentally challenged; it is also a self-supporting organization through its organic farming operations, which offer their residents a life with dignity. In July, the Social Welfare Foundation visited Bethany Home. Twenty cases of instant noodles were provided to the residents who participated in various outdoor activities at the Kenting National Park.



Figure: Visiting the Meinong little league baseball team. To support the development of little league baseball in Taiwan, the Uni-President Foundation paid a visit to the Meinong Junior High School baseball team and donated baseball equipment so that young baseball players could focus on training and achieve great results without any worries.



Figure: The "Old but Warm Clothing" campaign. The "Old but Warm Clothing" campaign is now in its fifth year. In 2015, we collected 1,000 boxes of donated items forwarded them to the Huashan Social Welfare Foundation, the Garden of Hope Foundation, the Cao Sing Special Needs Center, the Yellow Ribbon Foundation, and the Pingtung Indigenous Peoples Cultural Association.

GRI 4.0 index

General Disclosure

| GRI 4.0 | Indicators | Pages | Corresponding Section and Notes |
|-------------------------------|--|----------------|---|
| Strategy and Analysis | | | |
| G4-1 | Statement from the most senior decision-maker | 4-7 | Messages from the Chairman and CEO |
| Organizational Profile | | | |
| G4-3 | Name of the organization | 14 | Overview of Company Operations |
| G4-4 | Primary brands, products and services | 14 | Overview of Company Operations |
| G4-5 | Location of the organization's headquarters | 14 | Overview of Company Operations |
| G4-6 | Number, and names, of countries where the organization operates | 14 | Overview of Company Operations |
| G4-7 | Nature of ownership and legal form | 14 | Overview of Company Operations |
| G4-8 | Markets served | 14 | Overview of Company Operations |
| G4-9 | Report the scale of the organization | 14 | Overview of Company Operations |
| G4-10 | Number of employees by employment type, contract and region | 51 | Continuous Optimization of Human Assets |
| G4-11 | Percentage of employees covered by collective bargaining agreements | 58 | Continuous Optimization of Human Assets |
| G4-12 | Organization's supply chain | 24-27 | Ensuring Food Safety |
| G4-13 | Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain | 1 | Editorial Principles |
| G4-14 | The precautionary approach or principle addressed by the organization | 20 41 46 | Ensuring Food Safety Climate Change and Energy Management Water Resource Management |
| G4-15 | List of externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses | 15 | Overview of Company Operations |
| G4-16 | List of memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization has membership. | 15 | Overview of Company Operations |



| GRI 4.0 | Indicators | Pages | Corresponding Section and Notes |
|---|--|-------|--|
| Identified material aspects and boundaries | | | |
| G4-17 | List all entities included in the organization's consolidated financial statements | 1 | Editorial Principles |
| G4-18 | Explain the process for defining the report content and the Aspect Boundaries | 10-11 | Material Issues and Stakeholder engagement |
| G4-19 | List all the material Aspects identified in the process for defining report content | 10-11 | Material Issues and Stakeholder engagement |
| G4-20 | For each material Aspect, report the Aspect Boundary within the organization | 11 | Material Issues and Stakeholder engagement |
| G4-21 | For each material Aspect, report the Aspect Boundary outside the organization | 11 | Material Issues and Stakeholder engagement |
| G4-22 | Report the effect of any restatements of information provided in previous reports. And the reasons for such restatements | - | No restatements had been made |
| G4-23 | Report significant changes from previous reporting periods in the Scope and Aspect Boundaries | - | No change |
| G4-24 | Provide a list of stakeholder groups engaged by the organization | 10 | Material Issues and Stakeholder engagement |
| G4-25 | Report the basis for identification and selection of stakeholders with whom to engage | 10 | Material Issues and Stakeholder engagement |
| G4-26 | Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group | 12 | Material Issues and Stakeholder engagement |
| G4-27 | Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns | 11 | Material Issues and Stakeholder engagement |
| Report profile | | | |
| G4-28 | Reporting period for information provided | 1 | Editorial Principles |
| G4-29 | Date of most recent previous report | 1 | Editorial Principles |
| G4-30 | Reporting cycle | 1 | Editorial Principles |
| G4-31 | Provide the contact point for questions regarding the report or its contents | 1 | Editorial Principles |
| G4-32 | GRI Content Index for 'In accordance' and an external assured | 1 | Editorial Principles |
| G4-33 | Report the organization's policy and current practice with regard to seeking external assurance for the report | 81-82 | Auditor's limited assurance report |
| Governance | | | |
| G4-34 | Report the governance structure of the organization | 17-18 | Corporate Governance |
| Ethics and Integrity | | | |
| G4-56 | Describe the organization's values, principles, standards and norms of behavior | 15 | Overview of Company Operation |

Special Disclosure

| Material Aspects | | DMA and Indicator | Pages | Corresponding Section and Notes |
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| Economic Performance | DMA | Disclosure on management approach | 15 | Financial performances |
| | G4-EC1 | Direct economic value generated and distributed | 15 | Financial performances |
| | G4-EC2 | Financial implications and other risks and opportunities for the organization's activities due to climate change | 41 | Climate Change and Energy Management |
| Market Presence | G4-EC5 | Ratios of standard entry level wage by gender compared minimum wage at significant of operation | 56 | Creating a Healthy and Happy Workplace |
| Procurement Practice | DMA | Disclosure on management approach | 24 | Ensuring Food Safety |
| | G4-FP1 | Percentage of purchased volume from suppliers compliant with company's sourcing policy. | 25-26 | Ensuring Food Safety |
| | G4-FP2 | Percentage of purchased volume which is verified as being in accordance with credible, internationally recognized responsible production standards, broken down by standard. | 36 | Innovative and Superior Quality Products 2.0 |
| Energy | DMA | Disclosure on management approach | 41 | Climate Change and Energy Management |
| | G4-EN3 | Energy consumption within the organization | 43 | Climate Change and Energy Management |
| | G4-EN6 | Reduction of energy consumption | 42 | Climate Change and Energy Management |
| Water | G4-EN8 | Total water withdrawal by source | 45 | Water Resource Management |
| | G4-EN10 | Percentage and total volume of water recycled and reused | 45 | Water Resource Management |
| Emission | DMA | Disclosure on management approach | 43-44 | Climate Change and Energy Management |
| | G4-EN15 | Direct greenhouse gas emissions (scope 1) | 44 | Climate Change and Energy Management |
| | G4-EN16 | Energy indirect greenhouse gas emissions (scope 2) | 44 | Climate Change and Energy Management |
| | G4-EN19 | Reduction of greenhouse gas emissions | 44 | Climate Change and Energy Management |
| | G4-EN21 | NOx, Sox, and other significant air emissions | 48 | Pollution Prevention |
| Effluents and Waste | DMA | Disclosure on management approach | 47 | Pollution Prevention |
| | G4-EN22 | Total water discharge by quality and destination | 48 | Pollution Prevention |
| | G4-EN23 | Total weight of waste by type and disposal method | 49 | Pollution Prevention |
| Products and Services | G4-EN27 | Extent of impact mitigation of environmental impacts of products and services | 36-37 | Innovative and Superior Quality Products 2.0 |
| Compliance | G4-EN29 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations | 47 | Pollution Prevention |
| Overall | G4-EN31 | Total environmental protection expenditures and investments by type | 40 | Environmental Management |



| Material Aspects | | DMA and Indicator | Pages | Corresponding Section and Notes |
|--|---------|--|----------|---|
| Supplier Environmental Assessment | DMA | Disclosure on management approach | 24-27 | Ensuring Food Safety |
| | G4-EN32 | Percentage of new suppliers that were screened using environmental criteria | 24-27 | Ensuring Food Safety |
| | G4-EN33 | Significant actual and potential negative environmental impacts in the supply chain and actions taken | 24-27 | Ensuring Food Safety |
| Labor Practices Grievance Mechanisms | DMA | Disclosure on management approach | 56-58 | Continuous Optimization of Human Assets |
| | G4-LA1 | Total number and rates of new employee hires and employee turnover by age group, gender and region | 52 | Continuous Optimization of Human Assets |
| | G4-LA2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation | 57 | Continuous Optimization of Human Assets |
| | G4-LA3 | Return to work and retention rates after parental leave, by gender | 57 | Continuous Optimization of Human Assets |
| Occupational Health and Safety | DMA | Disclosure on management approach | 59 | Occupational Health and Safety |
| | G4-LA6 | Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender | 59 | Occupational Health and Safety |
| | G4-LA7 | Workers with high incidence or high risk of diseases related to their occupation | 60 | Occupational Health and Safety |
| Training and Education | G4-LA9 | Average hours of training per year per employee by gender, and by employee category | 54-55 | Continuous Optimization of Human Assets |
| | G4-LA10 | Programs for skills management and lifelong learning that support the employees and assist them in managing career endings | 54-55 | Continuous Optimization of Human Assets |
| Employee diversity and equal opportunities | G4-LA12 | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity | 17 52 | Corporate Governance Continuous Optimization of Human Assets |
| Equal pay | G4-LA13 | Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation | 56 | Continuous Optimization of Human Assets |
| Supplier assessment for labor practices | DMA | Disclosure on management approach | 24-27 | Ensuring Food Safety |
| | G4-LA14 | Percentage of new suppliers that were screened using labor practices criteria | 24-27 | Ensuring Food Safety |
| | G4-LA15 | Significant actual and potential negative impacts for labor practices in the supply chain and actions taken | 24-27 | Ensuring Food Safety |

| Material Aspects | | DMA and Indicator | Pages | Corresponding Section and Notes |
|--|---------|--|-------|---|
| Labor practices grievance mechanisms | G4-LA16 | Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms | 58 | Continuous Optimization of Human Assets |
| Non-discrimination | G4-HR3 | Total number of incidents of discrimination and corrective actions taken | 56 | Continuous Optimization of Human Assets |
| Freedom of association and collective bargaining | G4-HR4 | Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights | 56 | Continuous Optimization of Human Assets |
| Child Labor | G4-HR5 | Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor | 56 | Continuous Optimization of Human Assets |
| Forced or Compulsory Labor | G4-HR6 | Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor | 56 | Continuous Optimization of Human Assets |
| Security Practices | G4-HR7 | Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations | 56 | Continuous Optimization of Human Assets |
| Supplier Human Rights Assessment | DMA | Disclosure on management approach | 24-27 | Ensuring Food Safety |
| | G4-HR10 | Percentage of new suppliers that were screened using human rights criteria | 24-27 | Ensuring Food Safety |
| | G4-HR11 | Significant actual and potential negative human rights impacts in the supply chain and actions taken | 24-27 | Ensuring Food Safety |
| Local Communities | G4-SO1 | Percentage of operations with implemented local community engagement, impact assessments, and development programs | 67-68 | Promoting a Healthy society |
| Compliance | G4-SO8 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations | - | No issue |
| Supplier Assessment for Impacts on Society | DMA | Disclosure on management approach | 24-27 | Ensuring Food Safety |
| | G4-SO9 | Percentage of new suppliers that were screened using criteria for impacts on society | 24-27 | Ensuring Food Safety |
| | G4-SO10 | Significant actual and potential negative impacts on society in the supply chain and actions taken | 24-27 | Ensuring Food Safety |



| Material Aspects | | DMA and Indicator | Pages | Corresponding Section and Notes |
|------------------------------|--------|---|----------|--|
| Customer Health and Safety | DMA | Disclosure on management approach | 20 35 | Ensuring Food Safety Innovative and Superior Quality Products 2.0 |
| | G4-PR1 | Percentage of significant product and service categories for which health and safety impact re-assessed for improvement | 20-37 | Innovative and Superior Quality Products 2.0 |
| | G4-PR2 | Total number of incident of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes | 34 | Ensuring Food Safety |
| | G4-FP5 | Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards. | 30-31 | Ensuring Food Safety |
| | G4-FP6 | Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugars. | 35 | Innovative and Superior Quality Products 2.0 |
| | G4-FP7 | Percentage of total volume of consumer products, by production category, that contain increased nutritious ingredients like fiber, vitamins, minerals, phytochemicals or functional food additives. | 36 | Innovative and Superior Quality Products 2.0 |
| Product and Service Labeling | DMA | Disclosure on management approach | 32 | Ensuring Food Safety |
| | G4-PR3 | Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements | 32 | Ensuring Food Safety |
| | G4-PR4 | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes | 34 | Ensuring Food Safety |
| | G4-PR5 | Results of surveys measuring customer satisfaction | 32 | Ensuring Food Safety |
| Marketing Communication | DMA | Disclosure on management approach | 32 | Ensuring Food Safety |
| | G4-PR7 | Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes | 34 | Ensuring Food Safety |
| Customer privacy | G4-PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data | 32 | Ensuring Food Safety |
| Compliance | G4-PR9 | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services | 34 | Ensuring Food Safety |
| Healthy and Affordable Food | DMA | Disclosure on management approach | 67-68 | Promoting a Healthy Society |

Taiwan Stock Exchange Corporation “Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by Listed Companies” (hereinafter referred to as the “Rules”) Article 4.1 Emphasized Disclosures and Summary of Information Assured

| No | Subject Matter Information | Pages | Reporting Criteria | Rules |
|----|--|-------|--|--------------|
| 1 | Food Safety Committee consists of the Supply Chain Management Team, Logistics/Product Management Team, Process Management Team, R&D/Labeling Management Team, and Food Safety Audit Team. Since 2015 FSC has been chaired by the president, who convenes weekly joint report sessions and semiannual group-wide meetings. The Committee meets to review and make decisions on food safety and quality issues regarding all products manufactured by UPEC's subsidiaries and affiliates as well as concerns raised by the Group's departments. In 2015 a total of 41 food safety meetings were held, including 2 Southeast Asia food safety meetings. The aforementioned affected all types of the products (100%). | 21 | The organizations established and the total number of committees convened in 2015 based on “Food Safety Committee Organization and Operational Management Procedure” and the ratio of affected types of the products. | Article 1, 1 |
| 2 | As of December 31, 2015, daily execution of the FSCRA System resulted in 128 notifications. All reported incidents were tracked and resolved by May, 2016. The aforementioned affected all types of the products (100%). | 22 | During 2015, the total number of notifications and their tracking and resolving, and the ratio of affected types of the products. If covering all types of company' s products, the ratio is 100%, based on the sources of FSCRA information collection. | Article 1, 1 |
| 3 | In 2015, there were 17 complaints regarding advertisements, unclear labeling, and ingredients used. Each complaint was investigated by the Food Safety Committee to confirm that no laws were violated. We completed relevant optimization tasks during the year before concluding the investigation. The aforementioned affected all types of the products (100%). | 23 | During 2015, the total number of cases accepted by the Audit Office and their execution based on “Colleague Collective Participation and Product Safety Maintenance Procedure” , and the ratio of affected types of the products. | Article 1, 1 |
| 4 | The Company has established “Professional Certificate/License Reward and Subsidy Management Procedure” applicable to all employees for this purpose (covering all product categories). The distribution of employees who have earned professional certificates or licenses as of the end of 2015 is as follows: 1. Food technician: 44 2. Dietician: 11 3. Level B certified technician in food testing and analysis: 20 4. Level C certified technician in food testing and analysis: 31 5. Level C certified technician in processing meat products: 1 6. Evaluator of certified technician skills on the testing skills for Level B and Level C food testing and analysis: 1 | 29 | By 2015, the total number of employees earned professional certificates or licenses relevant to food safety accredited by “Professional Certificate/License Reward and Subsidy Management Procedure” , and the ratio of affected types of the products. The ratio is 100% if the aforementioned regulations are applicable to all employees, i.e. covering all types of the products. | Article 1, 1 |



| No | Subject Matter Information | Pages | Reporting Criteria | Rules |
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| 5 | In 2015, the Technical Teams have conducted inspections of 14 factories of all 26 general factories in 6 main plants. The inspection rate is 53.8%. All recommended improvements based on the inspection results were completed within the same year. | 30 | The total number of general factories in 2015, and the total number of factories that Technical Team conducted onsite inspections and the status of improvements, based on "Process Sanitation Management and Associated Standards Inspection", and the ratio that the number of inspected factories divided by total number of factories. | Article 1, 1 |
| 6 | In 2015, the Food Safety Center initiated a total of 92 regulation identification cases, all of which were resolved within the same year. The aforementioned affected all types of the products (100%). | 33 | During 2015, the total number of regulation identification cases initiated by the Food Safety Center and their closing based on "Product Regulations Change Management Procedure", and the ratio of affected types of the products. If covering all types of company's products, the ratio is 100%, based on the range of laws and regulations collected by the regulation identification system | Article 1, 1 |
| 7 | Uni-President Enterprises Corp. operates in the food production industry. Please refer to the following website for food safety and sanitation regulations with which all enterprises (of various categories) in the food manufacturing industry are required to follow: https://consumer.fda.gov.tw/Pages/List.aspx?nodeID=517 . | 34 | The website of food regulation inquiry announced by Food and Drug Administration(FDA) | Article 1, 2 |
| 8 | There were 2 food safety violations of sanitation management regulations in 2015. The main causes and corresponding disciplinary actions are described below: 1. The chocolate-vanilla flavor of the "Polar Delight Frozen Dessert" line was identified to contain coliform bacteria from a random inspection conducted by the Public Health Center of Qianzhen District, Kaohsiung City, which was in violation of Article 17 of the Act Governing Food Safety and Sanitation, and corrective measures required to be taken by specific deadlines 2. "Uni-President High Dietary Fiber Oat Milk (3-pack)" was identified by TFDA of the Ministry of Health and Welfare to contain nutritional information on the exterior label that violated Article 22 of the Act Governing Food Safety and Sanitation, and received Administrative guidance | 34 | The total violation cases and categories of "Food Safety and Health Regulations" and related regulations, procedures and guideline, are notified by related authority. | Article 1, 2 |
| 9 | In 2015, FSCTM Ratio of purchase amount to the total purchase amount of paper packing materials is 48.4% | 36 | The ratio that the purchase amount of FSC in 2015 divided by the total purchase amount of paper packing materials within the same year. | Article 1, 3 |
| 10 | By 2015, all six general factories have already received the ISO 22000 certification, the rate of ISO 22000 certified factories is 100%. Note: Hukou site produces ice cubes only and has obtained certification in May, 2015. | 30 | The ISO 22000 certifications and the ratio that general factories received ISO 22000 certifications divided by all general factories by the end of 2015. | Article 1, 4 |

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| | Certifications received in 2015 include: | | | |
| 11 | 1.Each factory received ISO 22000 certified design, development and production. 2.All items to be improved based on ISO 22000 certification were completed by January 2016. | 31 | The ISO 22000 certifications and the number of items to be improved and improvement status in the ISO 22000 corrective action report issued by verification unit in 2015. | Article 1, 4 |
| 12 | During 2015, we have completed onsite evaluations of 210 domestic suppliers ¹ , totally 230 audits. Those who received 60 points or higher in their evaluations and are classified as medium or low-risk are considered to have passed. 6 suppliers did not pass as a result. As of December 31, 2015, total number of raw material suppliers are 3562 and the 58.9% completed onsite evaluations. ¹ The number excludes suppliers of raw milk and importers of wheat/flour in the evaluation. ² Include manufacturers with whom transactions have taken place during the past year, trading firms with whom transactions have taken place during the past 2 years, and suppliers with whom the Company wishes to trade with although they do not fall into the previous two categories; suppliers of packaging materials which do not come in direct contact with food are excluded. | 25 | In 2015, the total number of suppliers, audits and results of onsite evaluations conducted based on individually applicable terms of "The Supplier Evaluation Procedure" in accordance with "The Regulations on Good Hygiene Practice for Food" and "Guidelines on Food Safety | Article 1, 5 |
| 13 | Since 2015, onsite evaluations of 50 overseas suppliers and foreign upstream raw material vendors of existing trading firms were added. Those that have passed the evaluation procedure were classified as medium or low-risk, and everyone received a passing score. | 26 | In 2015, the total number of onsite evaluations of overseas suppliers and the results based on "The Supplier Evaluation Procedure" in accordance with "The Regulations on Good Hygiene Practice for Food" and "Guidelines on Food Safety Control System" . | Article 1, 5 |
| 14 | As of the end of 2015, we have completed the traceability implementation of 235 products in compliance with regulatory requirements, which represent 49.7% of our entire product offerings (excluding animal and aquatic feed). Complete data from our traceability system for cooking oils has been uploaded to the Ministry of Health and Welfare's "Food Traceability Management System" (http://ftracebook.fda.gov.tw). | 34 | By the end of 2015, the sum of products that implement the traceability system in compliance with "Food and Related Products Traceability System Management Procedures" or upload to the "Food Traceability Management System" , and the ratio calculating from dividing by the total products of its own production | Article 1, 6 |
| 15 | For other products (excluding animal and aquatic feed), we have already established written or digital format traceability data from raw material suppliers to outgoing shipments of finished products. | 34 | The execution of traceability based on "Food Traceability process guideline" in accordance with "Food and Related Products Traceability System Management Procedures". | Article 1, 6 |
| 16 | Our Food Safety Center as well as QC laboratories are ISO17025 certified. We have also achieved both Taiwan Food and Drug Administration (TFDA) and Taiwan Accreditation Foundation (TAF) laboratory accreditations. Note: Only QC laboratories at Taichung General Factory did not laboratory accreditations. | 28 | The laboratories accredited by Taiwan Food and Drug Administration (TFDA) and Taiwan Accreditation Foundation (TAF). | Article 1, 7 |
| 17 | TFDA accredited items of Food Safety Center Laboratory: 1.Chloramphenicol: 4 items 2.Nitrofurantol metabolites: 4 items 3.Antioxidants: 5 items | 28 | The accredited items and numbers by Taiwan Food and Drug Administration (TFDA) | Article 1, 7 |



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| 18 | <p>TAF accredited items of Food Safety Center Laboratory:</p> <p>TAF accredited items of Food Safety Center Laboratory:</p> <ol style="list-style-type: none"> 1. Beta-agonists: 20 items 2. Chloramphenicol: 4 items 3. Aflatoxin: 5 items 4. Nitrofurans metabolites: 4 items 5. Antibiotics and their metabolites: 16 items 6. Tetracyclines: 7 items 7. Plasticizers: 9 items 8. Heavy metals: 8 items 9. Farm chemicals: 314 items | 28 | The accredited items and numbers by Taiwan Accreditation Foundation (TAF). | Article 1, 7 |
| 19 | <p>TFDA accredited items of QC laboratories:</p> <p>Microorganisms: 9 items</p> | 28 | The accredited items and numbers by Taiwan Food and Drug Administration (TFDA) | Article 1, 7 |
| 20 | <p>TAF accredited items of QC laboratories:</p> <ol style="list-style-type: none"> 1. Microorganisms: 29 items 2. Biochips: 2 items* 3. General ingredients: 7 items 4. Preservatives: 8 items <p>* The accreditation was not renewed after its mid-August, 2015 expiration date. Related examinations have been conducted by a third-party notarization unit.</p> | 28 | The accredited items and numbers by Taiwan Accreditation Foundation (TAF). | Article 1, 7 |
| 21 | <p>193 major categories for which tests were conducted by the Quality Management Division and Food Safety Center laboratories in 2015; they include general physical properties, chemical properties, and food safety factor-related test items. The testing procedures not only conform to TFDA/TAF accreditation requirements, but also referenced the methods defined by the Ministry of Health and Welfare, the Bureau of Standards, Metrology & Inspection of the MOEA, and other internationally accepted testing methods (e.g. AOAC).</p> | 28 | In 2015, the number of major categories for which tests were conducted on raw materials and finished products by the Quality Management Division and Food Safety Center Laboratories, excluded the test categories commissioned by external clients. | Article 1, 7 |
| 22 | The finished product abnormality rate is 0.1% in 2015. | 28 | During 2015, the ratio that the number of abnormal finished products tested by the Quality Management Division and Food Safety Center Laboratory divided by all tested finished products. | Article 1, 7 |
| 23 | Raw material abnormality rate is 0.6% in 2015. | 28 | During 2015, the ratio that the number of abnormal raw materials tested by the Quality Management Division and Food Safety Center Laboratory divided by all tested raw materials. | Article 1, 7 |

| No | Subject Matter Information | Pages | Reporting Criteria | Rules |
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| 24 | <p>The food safety control expenses is NT\$352 million in 2015, 0.9% of entity's net operating income in the financial statement</p> <p>Note: This includes examination fees (medicine, consumables, and utilities), manpower investments, and machine depreciation expenses</p> | 29 | In 2015, the ratio of the food safety control expenses divided by entity's net operating income in the financial statement | Article 1, 7 |
| 25 | <p>During 2015, we completed the auditing of seven affiliated companies: President Pharmaceutical Corp., President Natural Industrial Corp., Uni-President Organics Corp., President Chain Store Corp., Weilih Food Corp., President Nisshin Corp., and Tait Marketing & Distribution Co., Ltd. An audit deficiency results from an audited item that failed to achieve 5 points (maximum). For a deficiency identified at an affiliated company, we continue to track its progress and status. All deficiencies were rectified before March, 2016.</p> | 23 | <p>In 2015, the total number of affiliated enterprises and the improvements for deficiency based on "Annual Audit Plan for Affiliated Enterprises" and "Affiliated Enterprise Food Safety System Evaluation Audit Form".</p> <p>"Improvements" , please refer to the note on P27.</p> | Voluntary |
| 26 | <p>133 total inspections on 78 suppliers were conducted in 2015. A deficiency is recorded whenever the standards of an inspected item were not met. All suppliers all managed to complete their improvements by May of 2016.</p> | 27 | <p>In 2015, the total number of audits, suppliers and the improvements for the deficiency conducted by the Quality Management Division based on "Raw Material Supplier Unscheduled Audit Management Check List" in accordance with "The Regulations on Good Hygiene Practice for Food" and "Guidelines on Food Safety Control System" .</p> <p>"Improvements" , please refer to the note on P27.</p> | Voluntary |
| 27 | <p>In 2015, 1,077 total audits on 346 suppliers were conducted. A deficiency is identified whenever the applicable standards of an audited item was not met. Except one failed to make the necessary improvements and has been eliminated from our supplier list, all deficiencies identified above were all completely rectified before the end of May, 2016.</p> | 27 | <p>In 2015, the total number of audits, domestic suppliers and the improvements for the deficiency conducted by the Food Safety Audit Team based on "Inspection Guidelines for Supplier Production and Traceability Inspections of Second Order Raw Materials" in accordance with "Food Traceability Management System" .</p> | Voluntary |
| 28 | <p>In 2015, the total number of training hours that met the requirement for our corporate internal food safety training guidelines was 35,321, and the total number of trainees was 12,629.</p> | 29 | <p>In 2015, the total number of training hours that met the requirement for our corporate internal food safety training guidelines and the total number of trainee.</p> | Voluntary |



會計師有限確信報告

資會綜字第 16002728 號

統一企業股份有限公司 公鑒：

本所受統一企業股份有限公司（以下稱「貴公司」）之委任，就選定 2015 年度企業社會責任報告書（以下稱「社會責任報告書」）所報導之績效指標執行確信程序。本會計師業已確信竣事，並依據結果出具有限確信報告。

確信標的資訊與報導基準

有關 貴公司所選定 2015 年度社會責任報告書所報導之績效指標（以下稱「確信標的資訊」）及其報導基準詳列於 貴公司 2015 年度社會責任報告書第 75 至 78 頁之「依「上市公司編製與申報企業社會責任報告書作業辦法」第四條第一項加強揭露資訊與確信項目彙總表」。

管理階層之責任

貴公司管理階層應依據適當報導基準編製及報導 2015 年度社會責任報告書及其績效指標，並應建置相關流程、資訊系統及內部控制以防範 2015 年度社會責任報告書及其績效指標有重大不實表達之情事。

執業人員之責任

本執業人員依據確信準則公報第一號「非屬歷史性財務資訊查核或核閱之確信案件」，對確信標的資訊執行確信工作，以發現前述資訊是否在所有重大方面有未依報導基準評估而須作重大修正之情事，並出具有限確信報告。此報告不對 2015 年度社會責任報告書整體及其相關內部控制設計或執行之有效性提供任何確信。

執業人員之獨立性及品質管制規範

本執業人員及本所已遵循會計師職業道德規範中有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及盡專業上應有之注意、保密及專業態度。

本所適用審計準則公報第四十六號「會計師事務所之品質管制」，因此維持完備之品質管制制度，包含與遵循職業道德規範、專業準則及所適用法令相關之書面政策及程序。

所執行確信工作之彙總說明

本次確信工作依確信標的資訊，以 貴公司為工作執行範圍，執行之程序包括：

- 閱讀企業社會責任報告書
- 對參與提供績效指標的相關人員進行訪談，以瞭解並評估編製前述資訊之流程、內部控制與資訊系統；
- 基於上述瞭解與評估，對績效指標進行分析性程序，如必要時，則選取樣本進行測試，以取得有限確信之證據。

上述執行程序之選擇係基於本執業人員之專業判斷，包括辨認確信標的資訊可能發生重大不實表達之領域，以及針對前述領域設計及執行程序，以取得有限確信並作出執業人員之結論。有限確信所執行程序之性質及時間與合理確信案件者不同，其範圍亦較合理確信案件更為有限。有限確信所取得之確信程度明顯低於合理確信案件所取得者。

先天限制

本案諸多確信項目涉及非財務資訊，相較於財務資訊之確信受有更多先天性之限制。對於資料之相關性、重大性及正確性等之質性解釋，則更取決於個別之假設與判斷。

有限確信結論

依據所執行之程序與所獲取之證據，本執業人員並未發現確信標的資訊在所有重大方面有未依報導基準評估而須作重大修正之情事。

其它事項

貴公司網站之維護係 貴公司管理階層之責任，對於確信報告於 貴公司網站公告後任何確信標的資訊或報導基準之變更，本執業人員將不負就該等資訊重新執行確信工作之責任。

資 誠 聯 合 會 計 師 事 務 所

會計師 李宜樺

李宜樺



民 國 1 0 5 年 8 月 8 日



