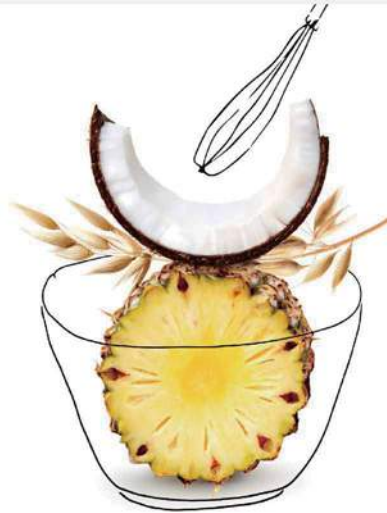
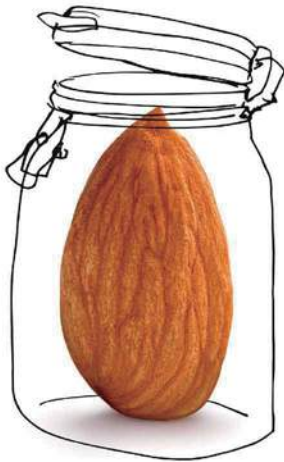
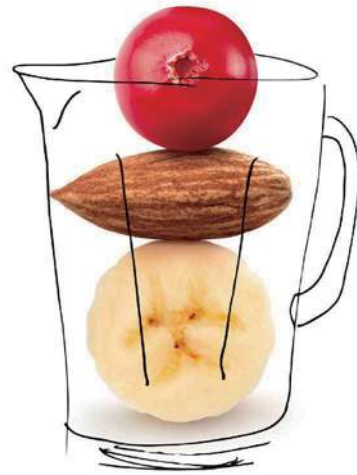


2016 Uni-President Corporate Social Responsibility Report



新·感·覺®

晨光

新一麵包

Amelty

cake
統一蛋糕屋

博客
PROKER

北華

及第

四季

Petlife
The Premium Life for Your Pet

買多福

寶貝狗

燕窩大餐

統一麵

科學超

阿Q
麵麵

拉麵道

茶一客



®

統一企業

統一企業品牌群像

水事紀
（天然礦泉水）
Natural Mineral Water

純喫茶

多多

茶裏王
好茶 好水 好糖
皇朝御茶 皇朝御糖

La Vie Oublie de la Mer
左岸咖啡館

UNI
water

LP33

AB
優酪乳

輕鬆小品

瑞穗鮮乳
ROYAL MILK

園之味

飲冰室茶集

麥香

統一
營養強化
Milk 牛乳

統一
陽光

統一
木瓜牛乳
統一
西瓜牛乳

PH
9.0
碱性電子水

風味本舖

統一
蜜豆奶

咖啡廣場
Cafe Plaza

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Message from the Chairman

Become an enterprise with “great morality, brand and taste”

Chairman

羅智先



In 2017, our company will celebrate its 50th anniversary. In Chinese philosophy, it is an age when a person knows his purpose in life, his nature and talents given by God and his moral responsibilities and obligations as a person. Simply put, by this age, a person should have learned their destiny in life and attained the ability to resolve interpersonal issues. Being one of the most influential corporations in Taiwan, our purpose in life is to convey the values of integrity and goodness through our products, services, platform and culture. We look forward to working with kindred spirits to create a prosperous society.

Our company grew steadily in 2016 and reached another peak for our business. We were recognized by the Forbes Global 2000 ranking. We performed well in terms of operating revenue, net income, total assets and market capitalization. This year again, we were recognized as one of the Taiwan Top 20 International Brands (by Interbrand), and Top 10 of Most Popular Employers among the New Generation (by Cheers career magazine). We were also placed in the top 5% of TWSE -listed companies in the Corporate Governance Evaluation held by the Taiwan Stock Exchange.

Notwithstanding this outstanding performance, we continuously look for the foundation for us to grow sustainably. The answer is to be an enterprise with “morality, branding and taste” .

Morality is the basic rule for interaction among individuals. An enterprise, like a person, must operate based on a noble character to achieve sustainable growth. Branding is about creating a unique and lovable image for customers. Our products must satisfy the physical and mental needs of the consumers. Furthermore, our products should lead the society towards a future with a better quality of life. Only through our brand can we create value and stand out from others. We have a good taste that conveys the peacefulness and elegance in our remarkable character and excellent brand.

Brilliance does not come from a remarkable feat, it originates from resolute, sustained, and good working habits. We set various operating targets to help build a more prosperous and economic environment. For consumers, we build food safety management system to safeguard food safety. For employees, we treat them as family to ensure workplace safety and to maintain efficient communication. For investors, we operate our business with integrity, reinforcing corporate governance and enhancing information transparency. We manage our brands based on integrity and convey the idea recognized by our consumers. We convey our character and brand through our tastes and grow and prosper with society. The foundation for us to grow sustainably is being an enterprise with “morality, branding and taste” . That is also our commitment.

Message from the CEO

Stable growth for sustainability

CEO

侯榮隆



Over 50 years of operations we have built a firm foundation for stable growth and we have formed a clear picture in our mind for the future. Our future core focus is to safeguard our food safety, to develop talent, and to manage our brands at the highest levels.

Commitment to food safety

Our mission is to safeguard food safety and control our food quality based through discipline and preventive measures. Building a corporate culture where every employee understands that "no food safety, no Uni-President," is the foundation of everything. On top of that, we implement food safety management system, such as self-inspection in our production plants and traceability management of suppliers. Our Food Safety Building, which has been under construction for many years, began operations at the beginning of 2017 and will enhance our food safety management. In addition, in 2016 we donated the Food Safety Fund, managed by the Food and Drug Administration, Ministry of Health and Welfare. By supporting the Food Safety Fund, we would like to raise food safety awareness among the general public in Taiwan, to improve the food safety environment in Taiwan, and to protect consumer rights.

Talent development

Human resources affect the performance of an enterprise directly. The key strategy for an enterprise to gain the competitive advantage is to recruit and develop outstanding talent. While we are about to celebrate our 50th anniversary, we must find the right people to do the right thing in the right way to ensure that our company remains dynamic and competitive. We have

set up talent development programs and maintained good labor-management relationships for a long time. We would like to lead our employees to have positive energy. We will continue to invest in talent development to build a strong talent base to face future challenge.

Brand optimization

We endeavor to demonstrate the advantages of our brand and create a new experience with our brand for customers. Through value-added marketing we offer our consumers various options to choose from. We adjust our product portfolio in response to changing consumer lifestyles. We provide more valuable options to our customers. For example, we have used environmentally-friendly packaging materials and obtained carbon footprint certification of some products. We develop comprehensive responses to diverse consumer needs and lead the trends of responsible production and responsible consumption.

To grow and prosper with the society has been our long-term goal for many years. Our Taiwan Millennium Health Foundation actively promotes health awareness and our Uni-President Enterprises Corp. Welfare and Charity Foundation extends a helping hand to people in need.

Sustainability is a journey. The world changes faster than ever and uncertain factors continue to increase. Facing these challenges, we have to know our position, understand the expectations and needs of consumers, and engage actively with stakeholders to create greater value and a positive societal impact.

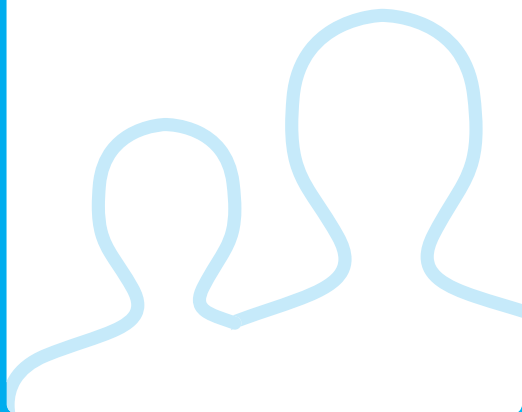


2016 Key Achievements



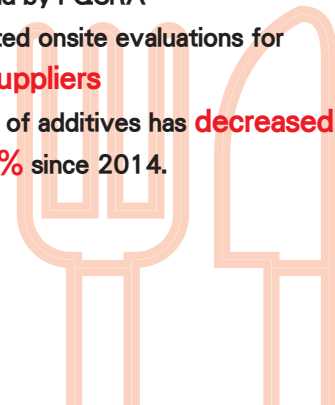
An Enterprise Built on Integrity

1. **Top 20** International Taiwanese Brands of 2016
2. Named on **Top 5% companies** in Corporate Governance Evaluation for the consecutive third year.
3. Selected as the **"The Most Prestigious Benchmark Enterprise"** by Common Wealth Magazine
4. Consolidated net income reached NT\$ 23,675 million, a **9.6% growth** compared to the previous year



A New Era for Food Safety

1. The Center for Disease Control bestowed the Excellence Award to the laboratory of the QC Section of the **Food Safety Center in YongKang Plant**.
2. Won the 9th TCSA **"Supply Chain Management Awards"**
3. **Awarded the Gold Medal** for the Contest Group at the ICQCC held by PQCRA
4. **Honored the Golden Tower Award** and the Silver Tower Award at the 29th National United Competition held by the Corporate Synergy Development Center
5. **Won the Gold Medal** at the 39th National Quality Control Conference Announcement held by PQCRA
6. **Honored the Excellence Award** at the 199th and 200th National Quality Control Conference Announcement held by PQCRA
7. Conducted onsite evaluations for **229 suppliers**
8. Amount of additives has **decreased by 41%** since 2014.



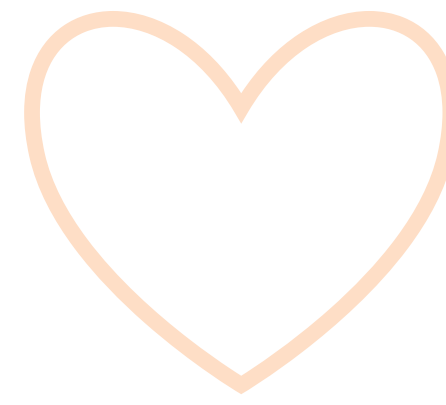
Preservation of Environmental Values

1. Received the special honor of **"outstanding energy-saving model"** from the Bureau of Energy, Ministry of Economic Affairs
2. Initiated energy conservation projects to reduce 4,915 tons of CO₂e emissions
3. **The greenhouse gas emission is 2.86%** lower than that of last year
4. **The waste resources recycling rate is 95.52%**



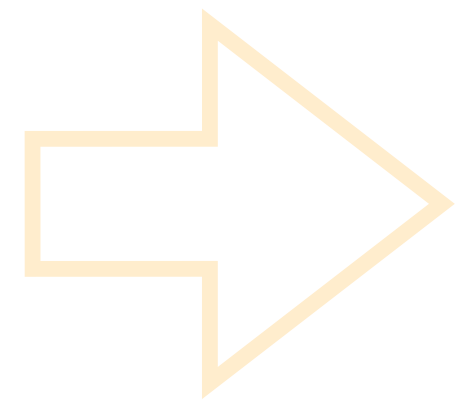
Creating a Healthy and Happy Workplace

1. Selected as the top-one enterprise in commodities manufacturing industries from the **"Top 100 of Most Popular Employers among the New Generation"** by Cheers Magazine
2. Awarded the **"Sports Enterprise Certification"** by the Sports Administration
3. **99%** of the employees are members of UPEC Trade Union.
4. Average training hours per person is 33.6 hours, consecutively **awarded the gold medal for the Taiwan Training Quality System (TTQS)**
5. **Zero occupational injuries**



Creating a Healthy and Happy Tomorrow

1. Honored the CSR Corporate Citizen Award by **the CommonWealth Magazine**
2. Expended remote community nutrition program to 67 elementary schools in **and 2,400 students were benefited from the program**
3. The preventive medicine seminar was held eight years in a row and a total of **2,697 people participated in the seminars**
4. The number of users of Millennium i Health is around **20 thousand and more than 80 thousand records are available**

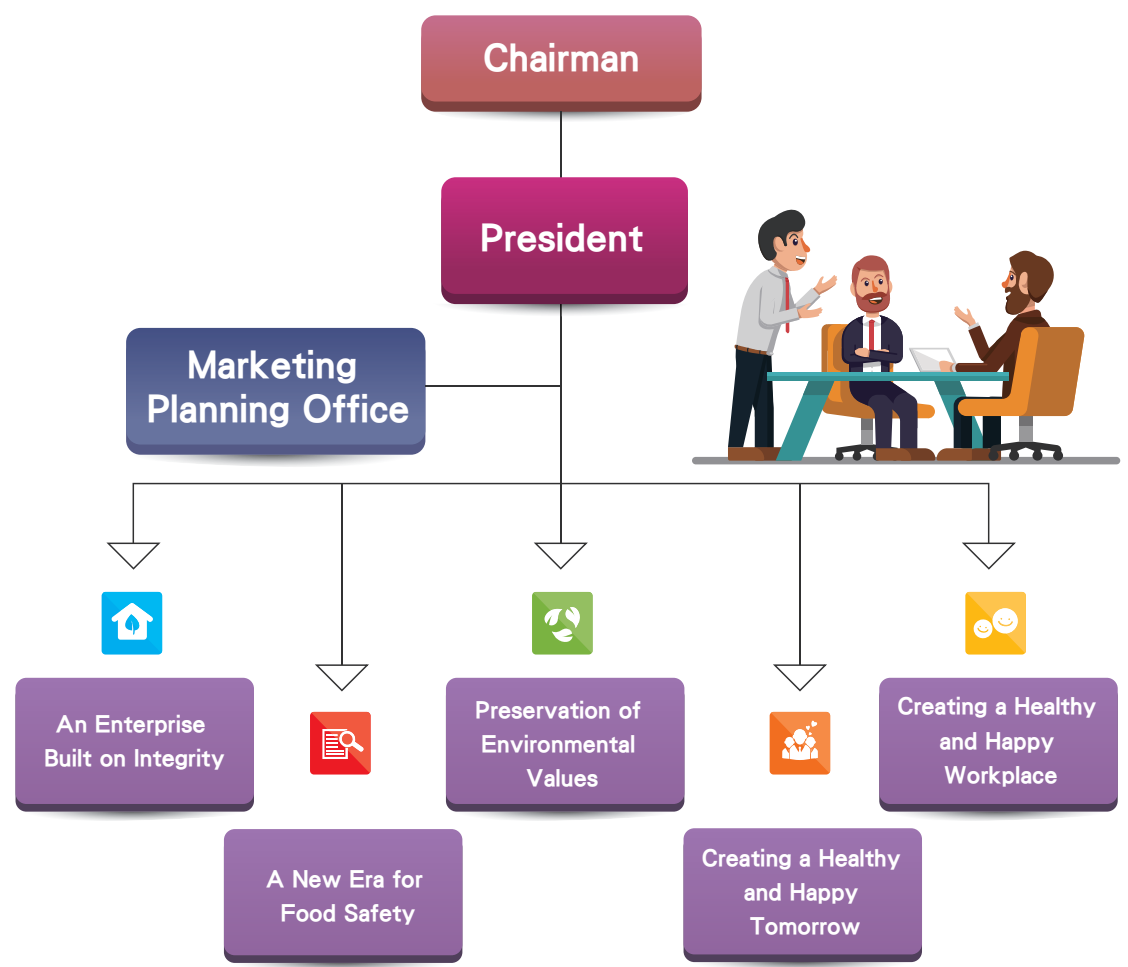


Sustainable Management

Sustainable Management Unit



In a globalized and technological business environment, we realize that a corporate body should fulfill its social responsibilities. We shall therefore progressively fulfill our social responsibilities within the Company in accordance with the directions and objectives specified within the "Uni-President CSR Code of Practice". We formed the CSR team in 2010. The strategy development, performance tracking and report disclosure for CSR aspects shall be planned and conducted by the Marketing Planning Office, which reports directly to the President's Office. The Marketing Planning Office shall also engage in internal/external communications and management. The related aspects are also reported to the President through business coordination meetings, expanded monthly meetings and project meetings. During the meetings, material aspects as determined by the group manager or the President shall be reported to the Chairman by the managers or the President to seek advice or a decision. The performance evaluation in terms of material CSR aspects 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.



Sustainable value chain



Material Aspects in 2016

We understand that an appropriate response to the needs and expectations from stakeholders is one of the material factors to sustainable corporate development. Uni-President employees follow the four steps to identify stakeholders and analyze material aspects to us. We survey the stakeholders to find out the aspects that they care about every other year. We conduct an internal inspection to see if we need to change the aspects when external surveys are not conducted. After identifying important aspects, we provide concrete responses and implement improvement plans in the report.

I. Identification and Prioritization


01

Identifying stakeholders

Uni-President identifies seven types of stakeholders based on the following principles:

- Degree of influence of stakeholders on UPEC
- Degree of dependence on stakeholders for UPEC

- a. Fund providers (including banks, shareholders and professional investors)
- b. Consumers
- c. Government
- d. Employees
- e. Partners/Suppliers
- f. Local communities and others
- g. Public interest groups





02

Identifying material aspects

After we carried out the comprehensive evaluation for our vision, sustainability strategy, impact on the value chain, GRI G4 aspects and aspects that are of concern to competitors worldwide, we have arrived at 22 aspects following internal evaluations of situations relevant to Uni-President.

03

Analyzing the level of attention paid to material aspects

We selected individuals from the seven types of stakeholders identified in Step 1, and we employed a questionnaire in 2015 to ask these individuals about their degrees of concern regarding the 22 aspects. A total of 633 questionnaires were distributed and collected.

04

Evaluating the impact of material aspects

Our management and the units responsible for different aspects performed the following impact analyses for the 22 aspects and determined 11 material aspects.



- Financial impact
- Non-financial impact
- Period of impact
- Other qualitative factors

Material aspects for 2016 identified by Uni-President using the procedures described above are as follows.

Level of attention paid to material aspects	The aspect's impact level		
	Low	Medium	High
High		<ul style="list-style-type: none"> •Responsible marketing •Improving the nutritional value of products 	<ul style="list-style-type: none"> •Food safety management mechanisms •Supplier management •Labeling •Energy-saving and carbon reduction •Waste reduction
Medium	<ul style="list-style-type: none"> •Reducing food waste •Sustainable procurement 	<ul style="list-style-type: none"> •The Company's sustainable development strategies •Water resource management •Green products and services 	<ul style="list-style-type: none"> •Business performance •Occupational health and safety •Labor relations •Corporate governance
Low	<ul style="list-style-type: none"> •Community impact •Health education and promotion •Employee diversity •Public service and volunteer •Participation by women 	<ul style="list-style-type: none"> •Vocational training 	

II. Validation

After the material analysis of relevant aspects, the management confirms all material aspects. Each team responsible for these aspects verifies their completeness, and then further analyze the scope, boundary and reporting period for each material aspect to ensure that the information and performance conforms to stakeholder concerns. Each department also applied the principles of completeness, responsiveness and stakeholder inclusivity in the authoring of this report to ensure that important information of interest to stakeholders is disclosed within.

Material aspects	Internal	External					G4 aspects	Corresponding chapters/ meaning to the corporate	SDG (Sustainable Development Goal)
	Uni-President Enterprises Corp.	Fund providers	Consumers	Partners/Suppliers	Government	Local community			
Food safety management mechanisms	V	V	V	V	V		Customer health and safety	Food Safety	
Supplier management	V	V	V	V			-	Food Safety	
Labeling	V		V	V			Labeling of product and services	Change in Consumer Behavior	
Energy-saving and carbon reduction	V			V		V	Discharges	Climate Change and Energy Management	
Waste reduction	V					V	Waste water and waste	Waste Management	
Business performance	V	V					Economic performance	Overview of Company Operations	
Occupational health and safety	V						Occupational health and safety	Occupational Health and Safety	
Labor relations	V						Labor relations	Human Resource Development	
Corporate governance	V	V					-	Corporate Governance	
Responsible marketing	V		V				Marketing and communications	Change in Consumer Behavior	
Improving the nutritional value of products	V		V				Healthy and affordable food	Change in Consumer Behavior	 



III. Review

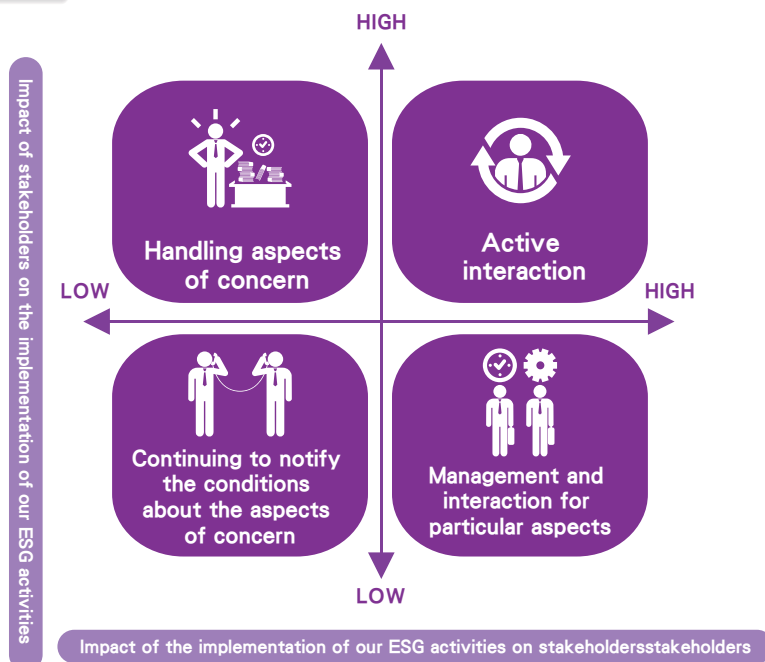
Upon the completion of the report, each department examined and reviewed the report once again to make sure that CSR information and performance are not inappropriately or improperly presented. Each department will refer to the review results when compiling the next year's report.

Stakeholder

The meaning of the stakeholder to UPEC

 <p>Fund providers Uni-President operates stably based on the support from fund providers. We are obligated to keep the corporate governance organization perfect and transparent, build a culture that people would value integrity and be responsible, practice code of business conduct and create long-term benefits for the Company and shareholders.</p>	 <p>Partners/Suppliers Suppliers are our important partners and a material part of our food safety mechanism. We build the supplier management policy and audit mechanism to ensure the food safety quality of the supply chain.</p>
 <p>Consumers Our main revenue source comes from consumers. People are more aware of food safety now and the consumer behavior changes. Our primary focus is to rebuild the trust of consumers and the society and meet customer expectations.</p>	 <p>Local communities and others Uni-President's growth relies on community support. Our most essential corporate social responsibility is to interact with and give feedback to local communities.</p>
 <p>Government Our basic obligation is to adhere to laws. We can ensure UPEC's operation and compliance by understanding the requirement and expectation on manufacturing industries.</p>	 <p>Public interest groups Public interest groups concern about the health and nutrition aspects. They are closely associated with our industry and the social welfare areas we are actively devoted to. Public interest groups are important stakeholders for us to fulfill our corporate social responsibility.</p>
 <p>Employees The employee is material during corporate development. Our important policy is to find the right talents, plan all types of talent cultivation, and continue to communicate and grow with employees.</p>	

We review the degree of influence between stakeholders and our ESG activities based on the seven types of stakeholders identified and survey responses. We design and define the communication methods and frequencies based on characteristics of stakeholders.



The top three aspects that all stakeholders concerned the most about and the communication methods:

Stakeholders	Aspects 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 Earning Results Conferences • Important information disclosures as required by the 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
 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 Magazine/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





Overview of company operations

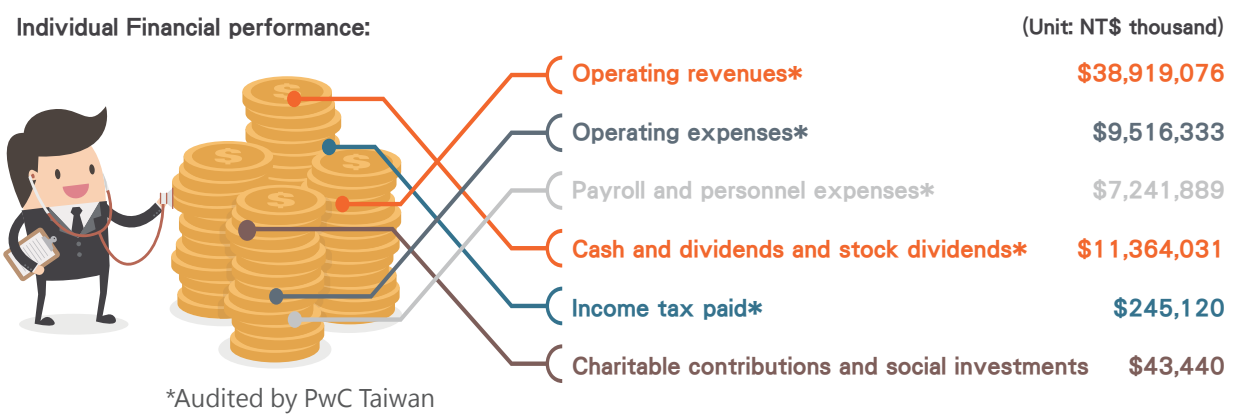
1.1 Uni-President Enterprises Corp.

• Name of the organization	Uni-President Enterprises Corp.
• Date established	August 25, 1967
• Location of headquarter	No. 301, Zhongzheng Rd., Yanxing Vil., Yongkang Dist., Tainan City
• Total assets	NT\$ 153,867,940 (thousand)
• Capital	NT\$ 56,820,154 (thousand)
• Regions of operations	Asia and the Americas
• Number of shareholders	119,392 (as of the end of 2016)

1.2 Business performance

We were awarded by Forbes Magazine as one of the Global 2000 Leading Companies in 2016. We performed well in operating revenue, net income, total assets and market capitalization. Uni-President continues with its all-around business strategy. For its internal operations, it reinforces management, observes strict discipline and fulfills its social responsibility. For its external operations, it puts in lots of effort to run a brand and cultivates the market. Uni-President integrates the resources from Taiwan and China through success experiences in cooperation between Taiwan and China. It uses Greater China as a base to make investments and build factories in Thailand, Indonesia, Vietnam and the Philippines. We create global brands and marketing networks and maximize the synergy based on the concept of "resource and benefit sharing" within our Group. We have built the most competitive business group to gain a foothold in Asia and reach out to the world.

For detailed information on the Company's operating and financial performance in 2016, please refer to our consolidated and individual financial statements available on the Market Observation Post System (MOPS) website.



1

An Enterprise Built on Integrity

- Overview of company operations
- Corporate governance
- Risk management

1.3 Principal products and their revenue percentages



1.4 Advocacy on external organization initiatives

We actively participate in external business associations to exchange ideas and learn from our peers in the same or other industries to develop mutual cooperation. In 2016, Uni-President Enterprises Corporation continues to serve 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, the Straits Exchange Foundation, WBCSD Global Network Partner and Taiwan Quality Food Association. We act as corporate representatives and raise suggestions and advice for discussions during major meetings.

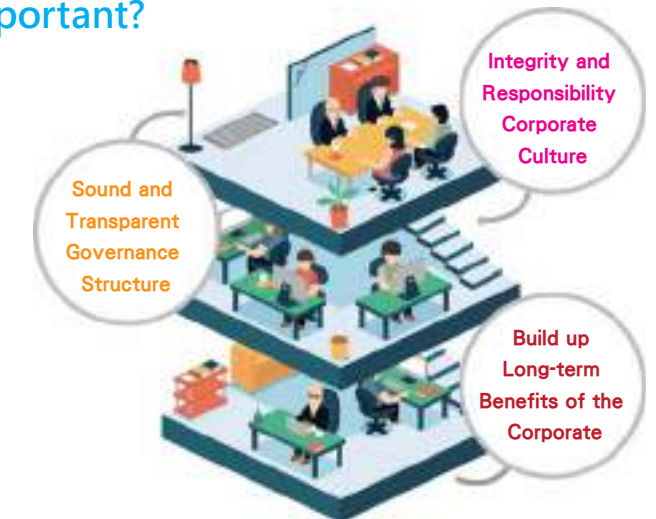
Director 23 seats
Supervisor 3 seats



Corporate governance

1.5 Why is corporate governance important?

We are in a rapidly-changing environment. The corporate sustainability would be impacted if stakeholders lack faith in the corporation. To build mutual trust with stakeholders, UPEC commits to carrying out our core concept, running a comprehensive and transparent corporate governance organization and building a corporate culture that ensures everyone is honest and responsible. UPEC complies with laws, fulfills our responsibility and creates long-term benefits for the Company and its shareholders.



1.6 How does UPEC deal with potential risks incurred by the corporate governance?

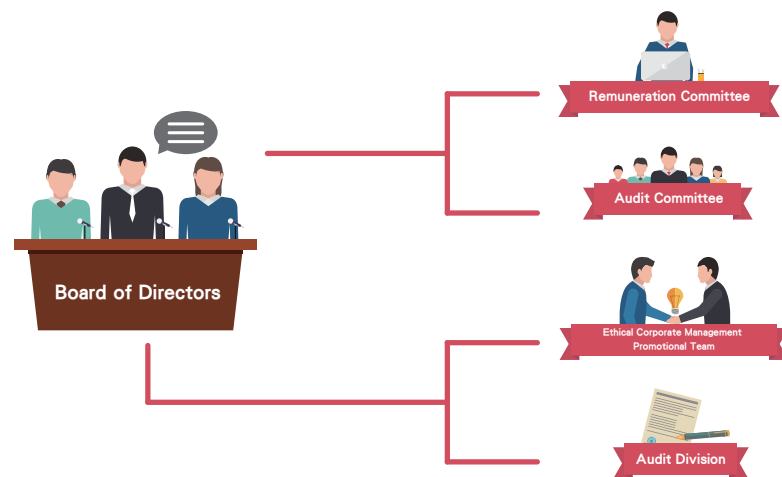
We act according to the following principles to build a robust corporate governance mechanism. We expect to implement corporate governance based on the highest international standards:

1. Timely disclosure of material information.
2. Checks and balances between the board and management.
3. Fair representation of independent board members.
4. Audit Committee ensures fair and independent financial oversight.
5. Set up the Remuneration Committee to determine and regularly review the policies, mechanisms, standards and elements with respect to the performance and remuneration of board members and managers. The Remuneration Committee regularly assesses and determines the remuneration of board members and managers to strengthen corporate governance.
6. Adoption of a high cash dividend payout policy.
7. Shareholders' rights guaranteed with the right to vote on all proposals at the annual meeting or through an electronic voting system.
8. Strict compliance with the Code of Ethics and Ethical Corporate Management Best Practice Principles and establishment of an internal audit mechanism.



1.6.1 Strengthen the governance structure

Uni-President continues to build a comprehensive governance mechanism. It establishes the Audit Committee, Remuneration Committee and Ethical Corporate Management Promotional Team. The Audit Division is set up for conducting the internal audit and assisting in controlling all types of potential risks. Uni-President was named among the top 5% TWSE/GTSM-listed companies during the Corporate Governance Evaluation; this is the third consecutive year for receiving this honor.



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). Three members of the Board of Directors are female. In addition to basic experiences and specialties in business and finance, members of the Board of Directors also have diverse background in other fields. The Board of Directors held a total of 7 board meetings between 2016 and March of 2017, with a 91.2% actual rate of attendance. They actively take classes to improve their governance capability. They have completed 87 hours of advanced studies. The topics cover global layout, cross-national operations planning, ways to deal with modern white-collar crimes, corporate governance trends and exploration in legal responsibility of independent directors.



Audit Committee

The Audit Committee supervises the appropriate expression of the financial statement and elections, resignation, independence and performance of certified public accountants. It also supervises the effectiveness of the implementation of internal control, corporate compliance to relevant regulations and rules, and the control of existing or potential risks. From 2016 to March of 2017, the Company's Audit Committee has held 8 meetings with 100% attendance of committee members.



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 2016 to March of 2017, the Remuneration Committee has conducted 4 meetings with 100% attendance by committee members.

Ethical Corporate Management Promotional Team

The Ethical Corporate Management Promotional 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, measures and effectiveness report to the Board on an annual basis. For now, we have stipulated relevant policies, including the "Ethical Corporate Management Principles", "Procedures and Guidelines for Ethical Corporate Management" and "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, clauses concerning integrity-related practices are stipulated in the agreements signed with business partners to reinforce the regulations on the integrity-related records of trading partners. We have communication channels and whistleblower mechanisms. We protect the reporter from improper treatment due to reporting. We inspect the reason in detail after accepting the reported case and endeavor to carry out the improvement plan. In 2016, we have not received any reports involving violation of corruption laws, bribery laws, ethical management policies, other codes of conduct or political contribution laws.

In 2016, we have 125 audit reports of ethical corporate management. The inspected units have brought up improvement plans based on the audit and established relevant precautions. The Audit Division tracks the improvement

Audit Division

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 the 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.

1.6.2 Immediate disclosure of material information

We treat shareholders equally and openly providing them with transparent financial and non-financial information about the organization.

- (1)Financial information: We release the financial statements in Chinese and English every quarter and publish it on the MOPS website. We provide annual reports, shareholders' meeting agenda handbooks and shareholders' meeting minutes in Chinese and English for domestic and overseas investors, respectively.
- (2)Non-financial information: We organize the non-financial information based on the GRI and Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by Listed Companies and publish the Chinese version on the MOPS website. We publish the English version in the CSR section of our website for all stakeholders. In the meantime, we have filled out the Carbon Disclosure Project (CDP) questionnaire for seven years in a row to disclose transparent information on GHG management.
- (3)Others: We provide Chinese and English versions of important decisions of the Board of Directors and company rules and procedures (e.g. articles of incorporation, election regulations for directors) and publish them on our website for users to read them.

Risk management

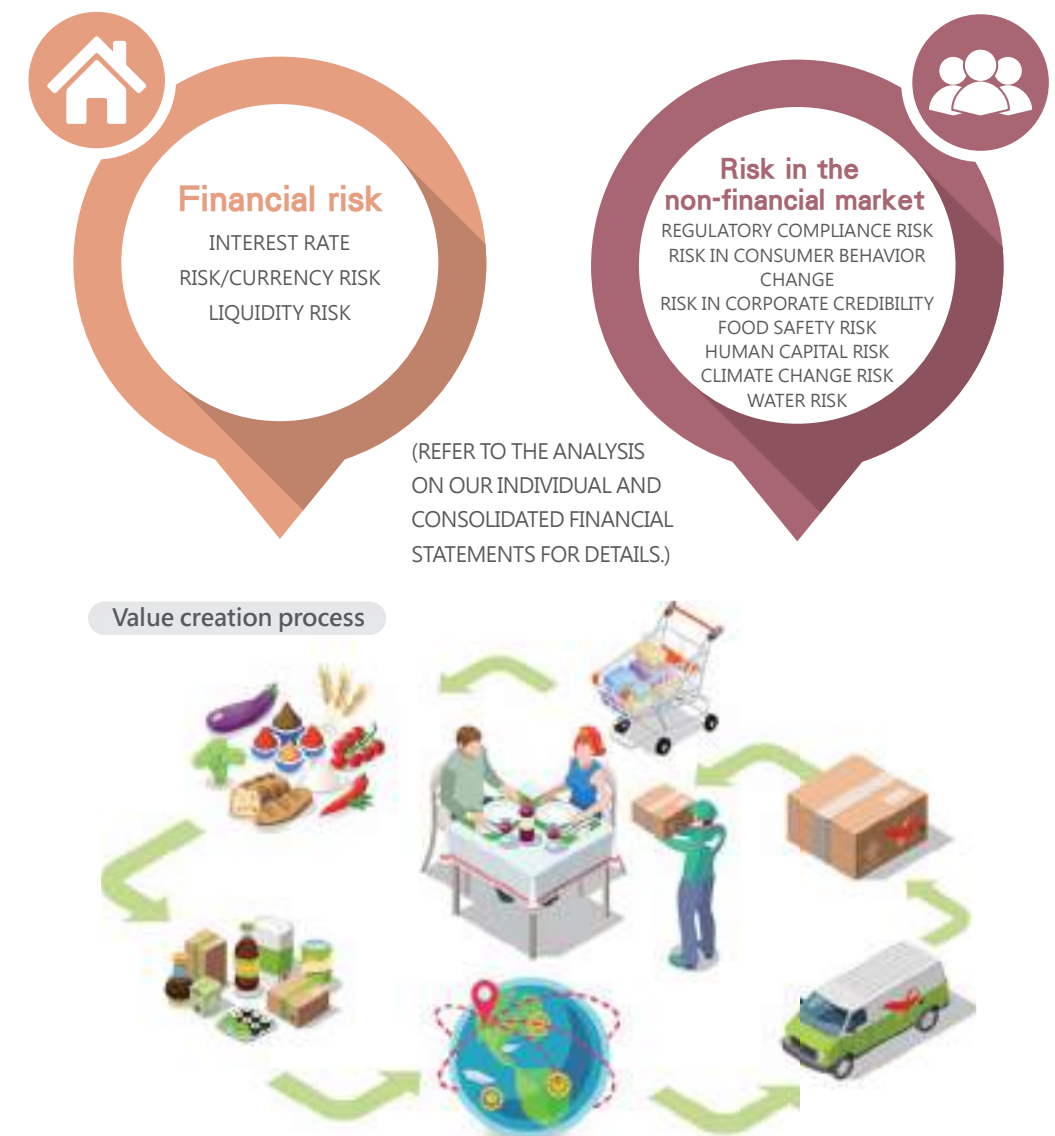
1.7 Why is risk management important?

Risks such as food safety incidents, climate change and an aging population have occurred in internal and external environments these years. Our strategy is to start from our core concept to stipulate the most appropriate countermeasures based on strict evaluation and analysis, with the consideration of environmental and social impacts and cost effectiveness. Our strategy aims to enhance corporate credibility and fulfill the commitment to stakeholders.

1.8 How does UPEC conduct risk management?

We carry out risk management by assigning all units in the organization to identify potential risks, analyze risk impacts, assess risks and decide on countermeasures. We carry out central management on separate levels by different operation units based on characteristics and impacts of the risk to control the risk effectively.

Uni-President aims to deal with future risks and challenges. We stick to our business concept and persist in our business philosophies "good quality", "good credibility", "good services", "fair prices" and "creativity". We set "brand management" as the primary core strategy, carry out strict control on food safety risks, continue to monitor environmental impact, implement talent diversity policy in all our efforts, approve comprehensive management programs, control risks effectively and actively cultivate corporate values.



For example, we have held the semi-annual "Engineers Project Improvement Result Presentation" for nine years. This event focuses on food, industrial and environmental safety. Engineers contribute themselves to improving current technologies, breaking the bottleneck, promoting the idea "an ounce of prevention is worth a pound of cure" and actively bringing up improvement proposals in every presentation. Engineers can also take advantage of this forum to meet and exchange ideas with each other. This presentation forum offers great chances for sharing ideas and interacting with people from different generations. In this forum, we highlight the culture of risk control and convey the preventive countermeasures that are better than subsequent improvement.





A New Era for Food Safety



Food safety

2.1 Why is food safety important?

During recent years, food safety incidents have occurred continuously. Consumers have lost faith in food industries and these incidents have damaged and negatively impacted the image of food industries to an unmeasurable degree. We deeply realize that our primary concern is to reinforce the food safety mechanism and rebuild the trust of the consumers and society. Nowadays, the society and consumers have greater expectations for the food industry. "No food safety, no Uni-President" is our priority goal.

2.2 How does UPEC deal with the risks incurred by food safety?

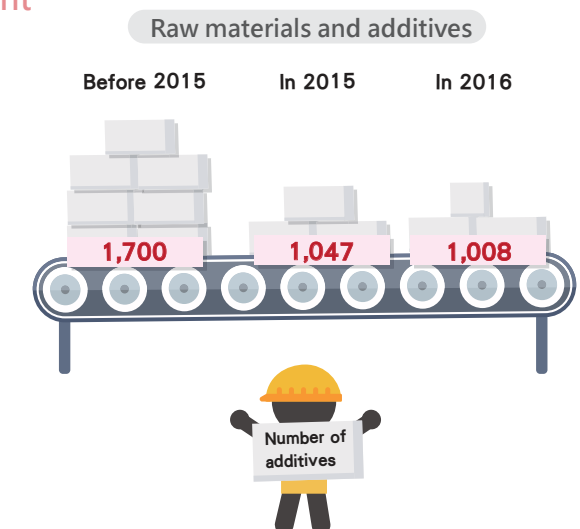
We start to analyze the sources of the food safety risks from the value chain, identifying the possible risk factors and conducting strict control.

Value Chain
Risk management



2.2.1 Clean label and raw materials management

In a highly industrialized era, usually there are tons of raw materials and additives added to one product. The more types of raw materials, the more uncontrollable factors and the higher the food safety risk. Besides, the health awareness has been stronger than ever among the public for the past few years. The public appeals for products with no or less additives. We have considered the food safety risks and the product needs and adapted with the focused operation strategy. Since our initiation of the "clean label" plan last year, we have significantly decreased the number of additives and used only natural ingredients in order to lower the food safety risks.



2

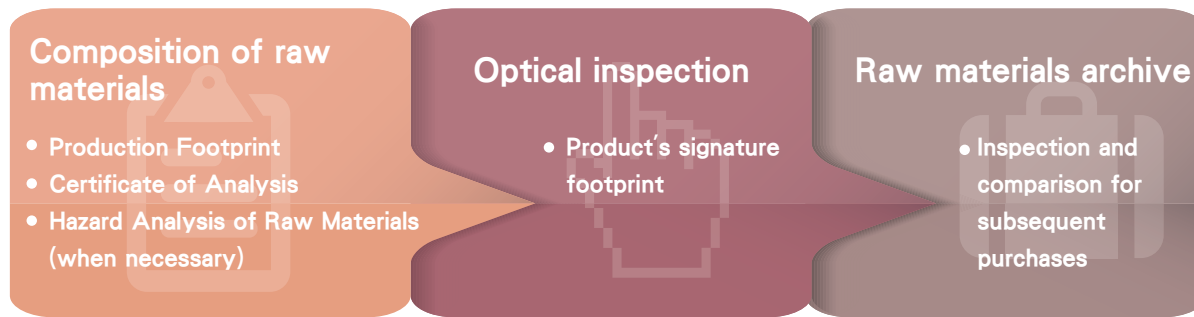
A New Era for Food Safety

- Food safety
- Regulatory change
- Changes in consumer behavior





Prevention of raw materials adulteration and creation of the process for anti-counterfeit inspection



2.2.2 Supplier management mechanisms

The value chain was built based on mutual trust with the suppliers. However, the food supply chain in Taiwan has been reconstructed due to the numerous food safety incidents. Uni-President has created supplier management policies and various audit mechanisms in order to increase the food safety quality of the supply chain.

Supplier management policy

- Raw materials must be purchased from the suppliers that are approved by the evaluation team (with representatives from procurement, R&D, production and the Food Safety Center).
- 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 the 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. These provisions also require our suppliers to meet public expectations and to take into account their impact on society and the natural environment. A contract may be terminated or cancelled at any time if any of the CSR policies have been violated.

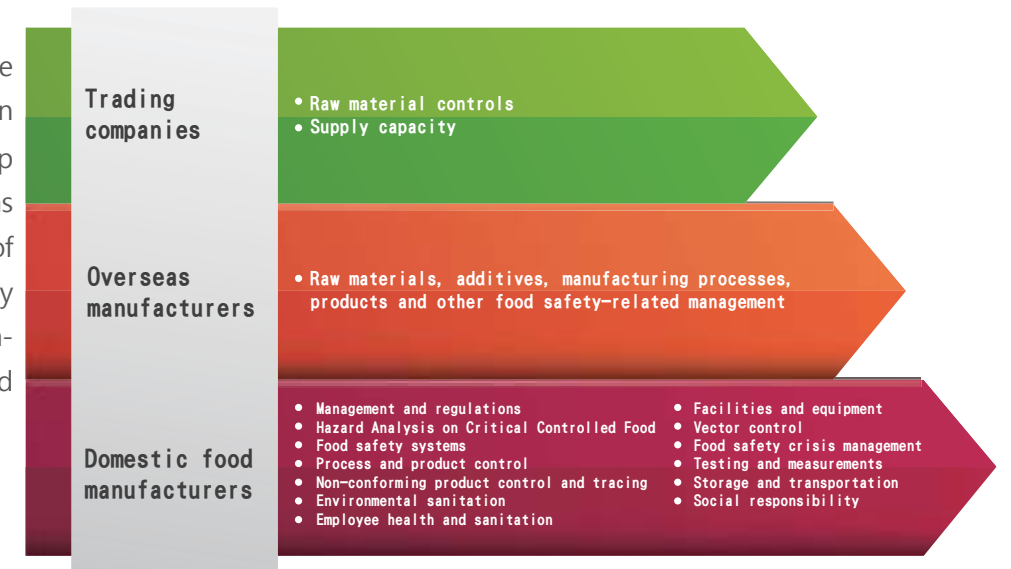
Screening mechanism

Four screening mechanisms are available as follows, based on the degree of risk incurred by the supplier:

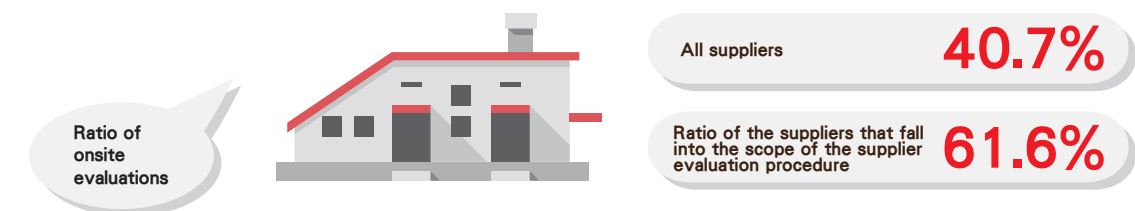
Screening mechanisms	Objective	Subject	Regularly/ Irregularly
Document Reviews	Check if the supplier's practices comply with Uni-President practices.	<ul style="list-style-type: none"> • Suppliers of raw materials for agriculture livestock and aquaculture that are not involved with processing • Packaging suppliers that do not have direct contact with the food or products 	Regularly
Onsite Evaluations	Check if the supplier's practices comply with Uni-President practices.	<ul style="list-style-type: none"> • Domestic food manufacturers • Overseas manufacturers • Trading companies 	Determine the frequency of the evaluation based on the degree of the risk.
Quality Management Division Inspections	Maintain the quality of raw materials.		Irregularly
Audits Performed by the Food Safety Audit Team	Inspect specific review topics.		Unannounced inspections are conducted irregularly.

a. Onsite evaluations

We have stipulated the "supplier evaluation procedure¹" and set up the evaluation items based on the degree of the risks incurred by suppliers. The evaluation items are described as follows:



We had 563 suppliers² at the end of 2016. The "supplier evaluation procedure" was applicable to 372 of them and the onsite evaluations were applicable to 229 of them³.



Those who received 60 points or higher in their evaluations, without any critical deficiency⁴, are considered to have passed, as indicated in the table below:

Type	Number of qualified suppliers	Number of suppliers not on the approved list
Existing suppliers	201	2
New suppliers in 2016	25	1
Total	226	3

The 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 at least one year and pass another site evaluation in order to become a new supplier. If a supplier has violated any of the relevant criminal laws (including monetary fines), then they may not apply for re-evaluation.

Since last year, the onsite evaluations of overseas suppliers and foreign upstream raw materials vendors of existing trading firms were added. A total of 147 existing suppliers were evaluated in 2016 and everyone received a passing score.

Note1 The procedure is established based on the "The Regulations on Good Hygiene Practice for Food" and "Regulations on Food Safety Control System".

Note2 This refers to the food suppliers we traded with during 2016, including the ones not under the supplier evaluation procedure.

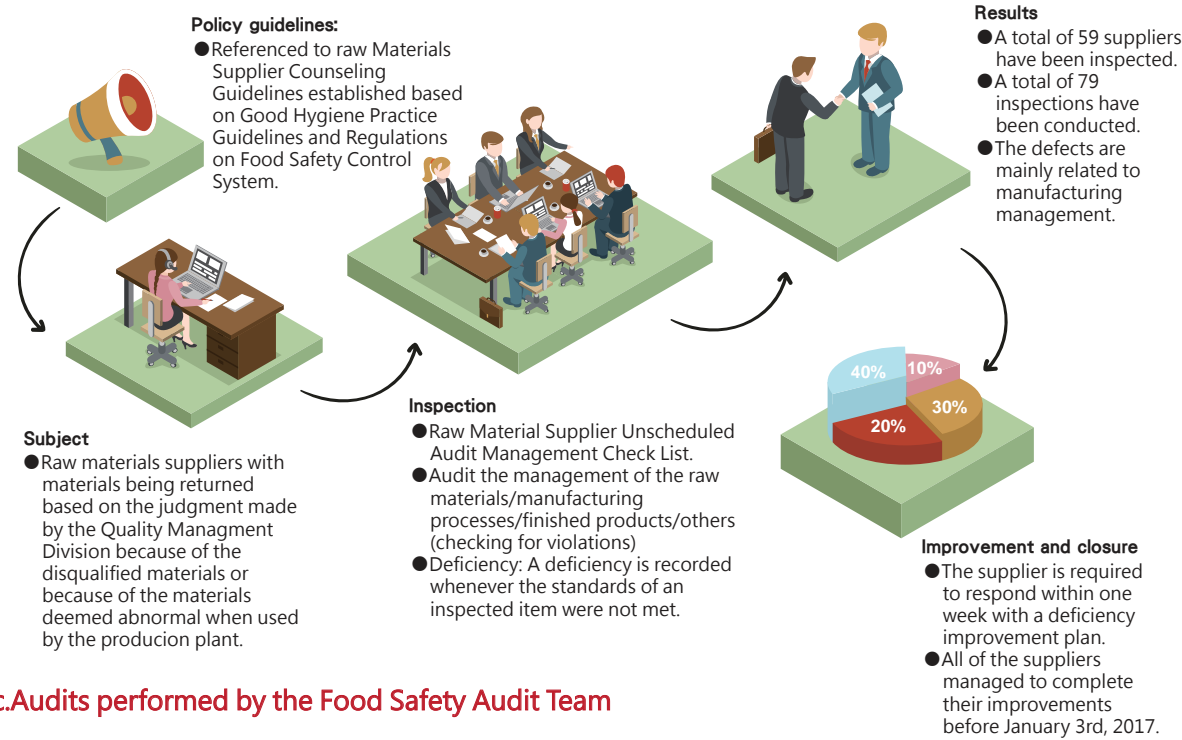
Note3 The number excludes suppliers of raw milk (dairyman), suppliers of packaging materials which do not come in direct contact with food and importers of wheat/flour.

Note4 The determination of major or critical defects is 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.

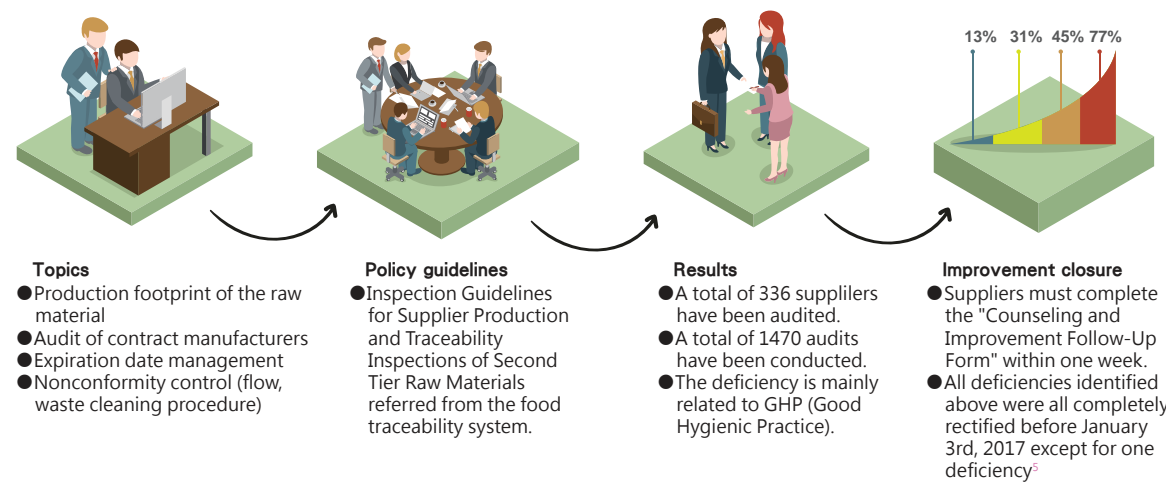




b. Inspection performed by Quality Management Division



c. Audits performed by the Food Safety Audit Team



Note 5 This was a deficiency found during the evaluation in December 2016. We plan to conduct the hardware construction in order to carry out improvement measures for the deficiency. We were not able to finish the improvements by January 3rd, 2017 because it took a long time to conduct the improvements. However, we finished the improvements by March 2017.

2.2.3 Food safety organization and culture

a. Food Safety Committee

The president calls for food safety meetings at least once every quarter. The Committee consists of the heads from the Food Safety Center, Procurement Department, Logistics Group, Central Research Institute, Technical Group, Loyal Customer Service Center, as well as the other business groups. The Committee meets to review and make decisions on the food safety and quality issues regarding all of the products manufactured by UPEC's subsidiaries and affiliates as well as the concerns raised by the Group's departments.

Food Safety Committee				
Supply Chain Management Team	Logistics/Product Management Team	Process Management Team	R&D/Labeling Management Team	Food Safety Audit Team
Responsible for reviewing the food safety practices and product quality with respect to the raw materials supply chain, including raw materials suppliers (including OEMs and ODMs).	Responsible for reviewing the food safety practices and product quality with respect to product distribution (transportation and warehouse management) as well as the products sold through sales agencies and distributors.	Responsible for R&D, OEM, ODM, product packaging and labeling as well as the review of the food safety and quality issues regarding raw materials, packaging materials and food additives.	Responsible for the matters concerning the manufacturing processes at production factories and contract manufacturers as well as reviewing the food safety and quality issues concerning processing aids.	Responsible for conducting the food safety audits of suppliers, production factories, contract manufacturer and affiliated companies.
Table of Numbers of Food Safety Meetings in 2016.				
In 2016, a total of 36 food safety meetings were held, including 2 food safety meetings in Southeast Asia. The significant decisions made affect 100% of the products in the company.				

b. Food safety hotline

At UPEC, we have implemented the "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. They may also send a report through the hotline or mailbox if they believe that the advertising, labeling or ingredients conflict with laws. The Audit Division processes the complaints before the Food Safety Committee summons the relevant units to conduct an investigation. Depending on the seriousness of the complaint, a review is conducted by the relevant managers as well as the required actions to be taken. We offer protection and rewards for the employees who report violations. The maximum reward is NT\$ 5 million. In 2016, there were 6 complaints regarding unclear labeling. Each complaint was investigated by the Food Safety Committee. We carried out awareness training internally and completed the relevant optimization tasks⁶ during the year before concluding the investigation.

Note 6 Optimization means to complete the improvement decided based on the discussion between the Food Safety Committee and departments which affected 100% of the products in the company.

2.2.4 Capability of food safety management

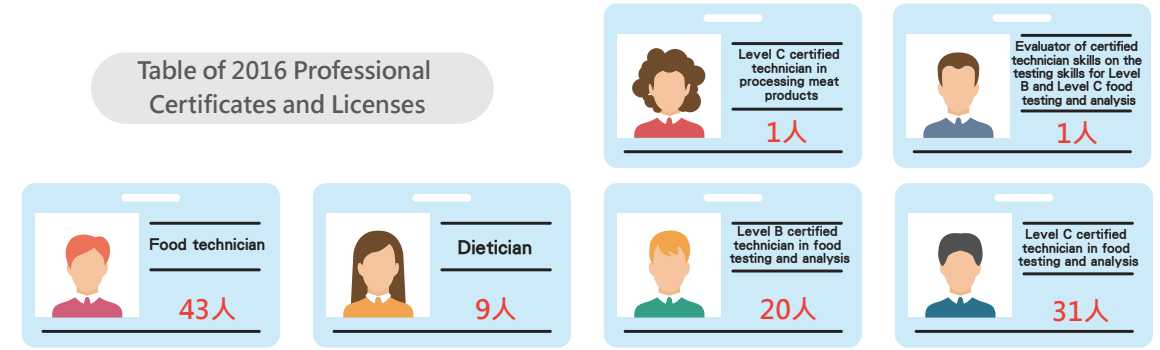
a. Food safety expertise

We encourage our employees to enhance their food safety expertise. The Company has established the "Reward and Allowance for Acquiring the License and Certificate" program that is 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. As of the end of 2016, the distribution of employees who have earned professional certificates or licenses is as follows:





Table of 2016 Professional Certificates and Licenses



b. Food safety education and training:

In order to raise food safety awareness among all of the employees, and to promote food safety expertise and skills, we have been providing courses on health management and inspection of food safety for the last two years. Our courses have met the requirements of our corporate internal food safety training guidelines. The training information is as follows:

Food safety education and training chart

	2016	Growth rate compared to last year
Total hours of training	41,038	16.2%
Number of trainees	17,711	40.2%

c. Expertise in food safety inspection

We have food safety laboratories in the Yongkang headquarter and Quality Control Laboratories in all of the general plants. Our laboratories are ISO17025 certified. We have also achieved both the Taiwan Food and Drug Administration (TFDA) and the Taiwan Accreditation Foundation (TAF) laboratory accreditations. Tests have been conducted for 204 major categories by the laboratory, including general physical properties, chemical properties and food safety factor-related test items (489 items in the following table) by Quality Management Division and Food Safety Center. The testing procedures do not only conform to TFDA/TAF accreditation requirements, but also to the referenced 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).

The laboratory of the Quality Management Division in the Food Safety Center was accredited by the Centers for Disease Control of the Ministry of Health and Welfare for complying with the Criteria for Laboratory Bio-risk Management and honored with the Excellence Award. We will expand our cooperation with major international companies (e.g. Tetra Pak) for our Food Safety Laboratories in order to enhance the maintenance of the food safety criteria to the international level.

Since August 2014, UPEC has invested NT\$1 billion in the construction of the Food Safety Building. We have completed the construction and the building began operations in January 2017. The building has comprehensive laboratory spaces and route planning. The Food Safety Center laboratory will begin its operations in the Food Safety Building. We will continue to invest funds, improve the capability of inspection, carry out resource sharing and bear the responsibility for food safety in Taiwan with other firms. We will provide services to the SMBs that are unable to purchase equipment or have no resources for food safety inspection.

Uni-President's laboratories have passed the TAF and TFAD certification for 489 accredited items, including pesticide residues, animal drugs, heavy metals, plasticizers, microorganisms, preservatives and nutrient components.

Taiwan Food and Drug Administration (TFDA) and Taiwan Accreditation Foundation (TAF) accredited items list

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) Nitrofurans metabolites (4 items) Antioxidants (5 items) 	<ul style="list-style-type: none"> Beta-agonists (20 items) Chloramphenicol (4 items) Aflatoxin (5 items) Nitrofurans metabolites (4 items) Antibiotics and their metabolites (16 items) Tetracyclines (7 items) Plasticizers (18 items) Heavy metals (19 items) Farm chemicals (314 items) Ionophore Coccidiostats (5 items)
Quality Control Laboratory	<ul style="list-style-type: none"> Microorganisms (9 items) 	<ul style="list-style-type: none"> Microorganisms (29 items) Toxins (1 item) General ingredients (8 items) Preservatives (17 items)

Note 7 The laboratories of the Taichung General Plant (animal feed factory) and that of the Quality Management Division in the Hukou Plant founded in 2016 are the only ones that have not been accredited. The laboratory of the Quality Management Division in the Hukou Plant is expected to be certified by the TAF in 2017.

Table of Finished Product and Raw Material Abnormality Rate in 2016.

Abnormality rate	2016
Finished product	0.17%
Raw material	0.59%

(Numbers of abnormal items/ total numbers of tested items)

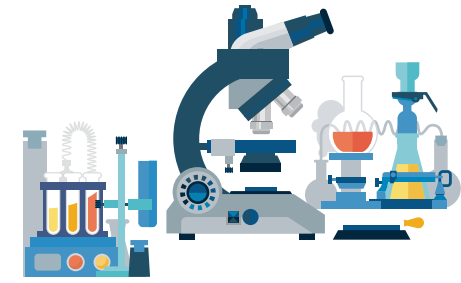


Table of Food Safety Control Expenses in 2016	2016
Food safety control expenses ⁸	NT\$ 325.9 million
As a percentage of the entity's net operating revenues in the individual financial statements	0.8%
Expenditures on R&D and testing equipment ⁹	NT\$ 155.7 million

Note 8 The expenses refer to the expenditures used by the units of the Food Safety Center, including the examination fees, salary, laboratory expenditures and depreciation expenses.

Note 9 The expenses include the expenses associated with the equipment of Central R&D Institute, Food Safety Center and Technical Group.

d. Establishment of traceability and tracking system

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 the regulations and customer requirements. Identification information regarding the product will be based on its final lot number. We have implemented the traceability





and tracking system voluntarily to control the risks starting from the source and conduct traceability in accordance with "Food Traceability Management System" established based on Regulations Governing Traceability of Foods and Relevant Products. We have already established written or digital format traceability data from raw materials suppliers to outgoing shipments of the finished products on the next level, except for animal and aquatic feed.

National regulations specify that the traceability system must be established for certain food by the end of 2016. We have completed the traceability implementation of 228 products in compliance with Regulations Governing Traceability of Foods and Relevant Products, representing 46.91% of our entire product offerings (excluding animal and aquatic feed). The complete data has been uploaded to the Ministry of Health and Welfare's "Food Traceability Management System" (<http://ftracebook.fda.gov.tw>).

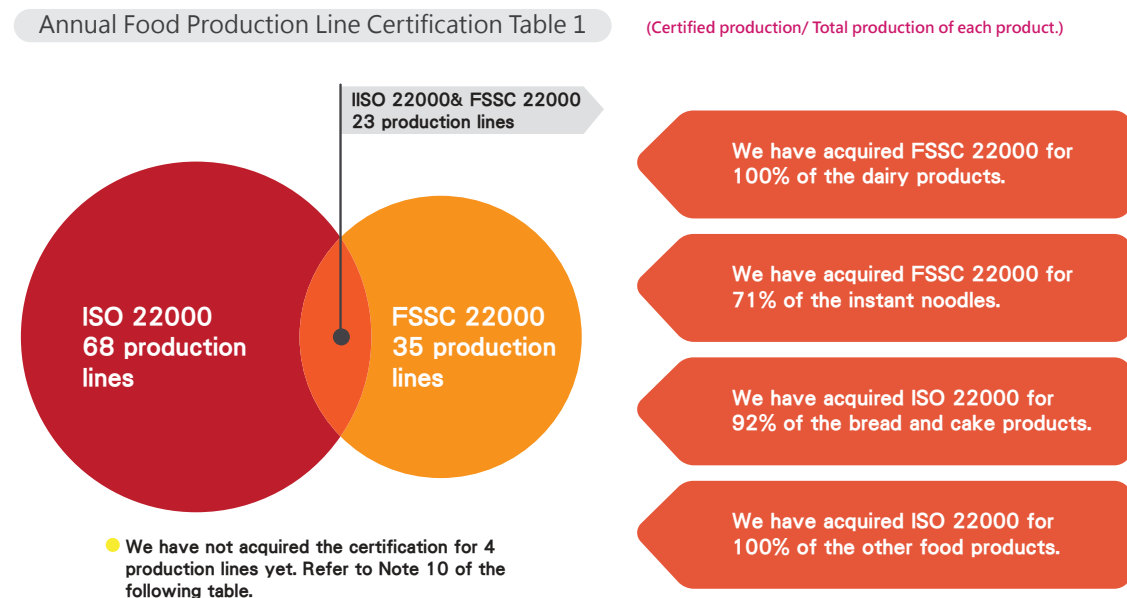
2.2.5 Production management

We have already acquired HACCP (hazard analysis and critical control points), CAS (Certified Agriculture Standards), ISO 9001 (quality management system), TQF (Taiwan Quality Food Association) certifications and ISO 22000 (food safety management system). We have introduced FSSC 22000 (Food Safety System Certification) in 2016 and plan to acquire more certificates for our plants and enhance specifications to meet international standards in the next 3 years.

FSSC 22000 is based on ISO 22000 and has higher level specifications. It is a management mechanism approved by the Global Food Safety Initiative.

a. International food safety management system (ISO 22000 and FSSC 22000)

We have 84 food production lines. The following shows the information about the certifications acquired for these lines.



Annual Food Production Line Certification Table 2

General plant	Number of food production lines	Certification item	
Zhongli General Plant	17	ISO 22000: Bread, frozen dough, cakes	-
Yangmei General Plant	19	ISO 22000: Beverage, mineral water, ice cubes	FSSC 22000: Dairy products, cold stored beverages, soy milk, desserts (pudding)
Hukou Plant (Note 10)	6	ISO 22000: Ice cubes	-
Taichung General Plant (Note 11)	-	-	-
Yongkang General Plant	11	ISO 22000: Cooking oil, flour, instant noodles, noodles, instant food packs (spice packs), rice vermicelli, recreational food products	FSSC 22000: Flour, instant noodles, noodles, instant food packs (spice packs), rice vermicelli, recreational food products
Xinshi General Plant	31	ISO 22000: Beverages, dairy products, cold stored beverages, soy milk, desserts (pudding), meat products, ice, frozen (cold stored) packaged foods, aquatic processed products	FSSC 22000: Dairy products, cold stored beverages, soy milk, desserts (pudding)
Total	84		

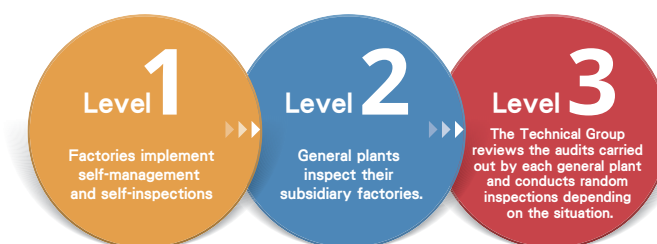
Note 10 The 4 uncertified production lines (bakery food and instant noodle production lines) in the Hukou Plant and the 2 production lines (ice cubes) with ISO 22000 are scheduled to acquire FSSC 22000 by June 2017.

Note 11 The Taichung General Plant only produces animal feed. Since February 2016, the animal feed has been produced by the factory in Yongkong instead.

b. Autonomous management

Food factory management: we stipulate the "Internal Food Factory Quality Audit Procedure" by referring to the "Good Hygienic Practice" in order to implement the 3-level management inspection mechanism, reduce food safety risks and find the chance to optimize the process to monitor the management of sanitation in food processing throughout the factory.

2016 Level 2 Inspection Result Table



Implementation of the inspection carried out at Level 2

Total number of production factories A	22
Number of factories inspected B	22
Percentage of factories inspected and products affected A/B	100%

Implementation of the inspection carried out at Level 3

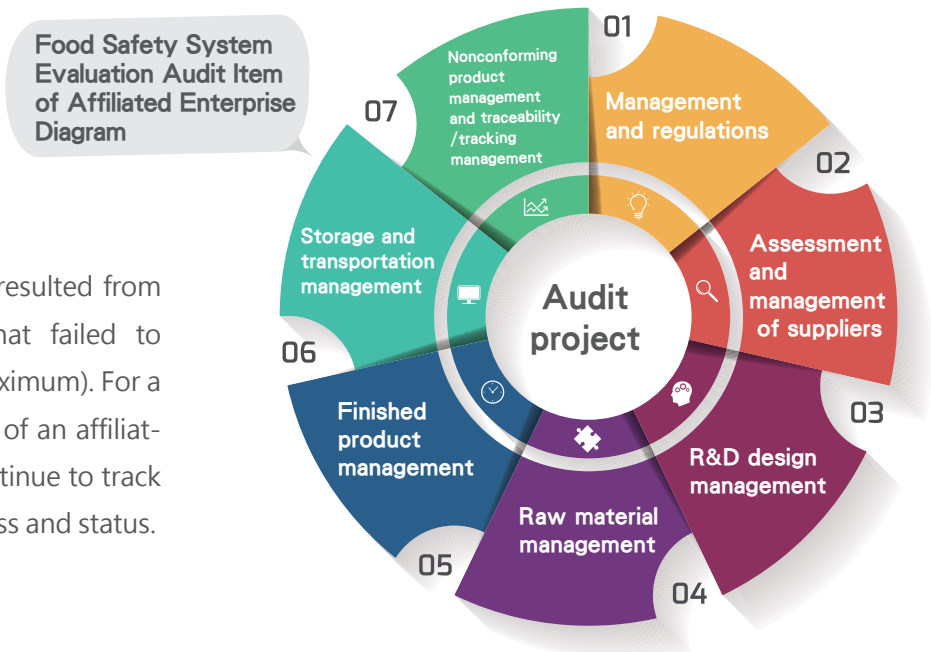
Total number of production factories	22
Number of factories reviewed by the Technical Group	8



Animal feed factory management: We established the "Audit Procedure for Internal Quality and Food Safety" by referring to ISO9001 and ISO22000 in order to conduct the management of the animal feed factory. We only have one animal feed production plant and we completed the internal audit in 2016. Our implementation rate was 100%.

2.2.6 Affiliate inspection

From the upstream raw materials import suppliers, food manufacturing suppliers to the downstream retail channels, Uni-President's affiliated enterprises are across the entire food industry chain. We expect to promote the development of the food industry by building a consistent food safety management mechanism for the Group. We build an annual audit plan for the affiliates at the beginning of the year and conduct audits on the affiliates based on the "Affiliated Enterprise Food Safety System Evaluation Audit Form." During 2016, we completed the auditing of 7 affiliated companies, which are President Chain Store Corp., Uni-President Organics Corp., President Natural Industrial Corp., President Pharmaceutical Corp., President Nisshin Corp., President Kikkoman Inc., and Tait Marketing & Distribution Co., Ltd.



An audit deficiency resulted from an audited item that failed to achieve 5 points (maximum). For a deficiency identified of an affiliated company, we continue to track its mitigating progress and status.

2.2.7 Food safety protection funds

After the oil product incident, we commit to donate the refunds of the product containing the contaminated oil to the Food Safety Protection Fund of the Ministry of Health and Welfare (hereinafter referred to as the "Food Safety Fund"). We have recorded provision regarding the incident after calculating the refunds. We donated NT\$ 30 million to the Food Safety Fund in May 2016 after the completion of the cooperation related to the Food Safety Fund. The Food Safety Fund will be offered to the consumer protection group as the subsidy for the litigation on food safety incidents by the consumer group and the research subsidy for the human health risks involved in the safety and health incidents regarding specific food. We expect more food manufacturers and the public to pay attention to and understand the food safety issues by taking the initiative.

Regulatory change



2.3 Why is regulatory change important?

Numerous types of food regulations have been established. It is getting more difficult to comply with the regulations. Slight negligence may cause financial losses such as goods return and even damages to goodwill due to violations of the law. Law compliance is the essential obligation for Uni-President and the foundation of trust from the consumers and society.

2.4 How does UPEC deal with risks incurred by the regulatory change?

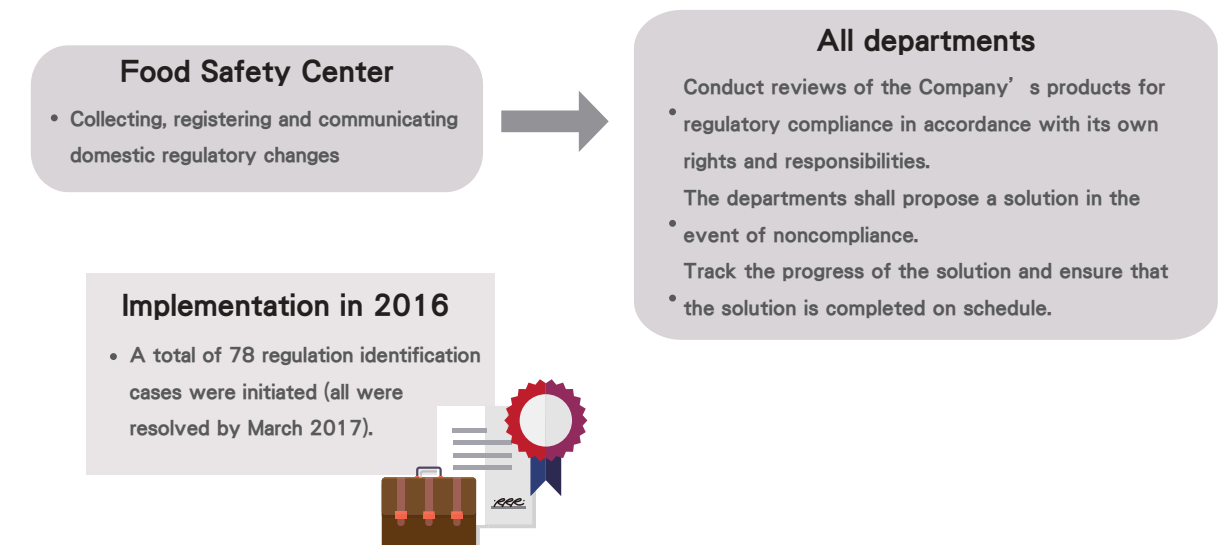
Mostly the regulations applicable to Uni-President are the Act Governing Food Safety and Sanitation and its Enforcement Rules. Please refer to the Act Governing Food Safety and Sanitation on (<https://consumer.fda.gov.tw/Pages/Lis.aspx?nodeID=518>). Uni-President has established the "product regulations change management procedure" in order to respond to regulatory changes in time. With the collaboration from all of the departments, the goal is to ensure that our products are safe, sanitary and of high quality, as well as compliant with the applicable laws and regulations so as to safeguard the health of consumers and Uni-President's business reputation.

Risks	Management
Not being able to get a hold of the regulatory changes/industry news	Regulation identification system Food Safety Center Rapid Alarm (FSCRA)
Recurrence of violations of regulations	Project management of violation cases

2.4.1 Regulation identification system

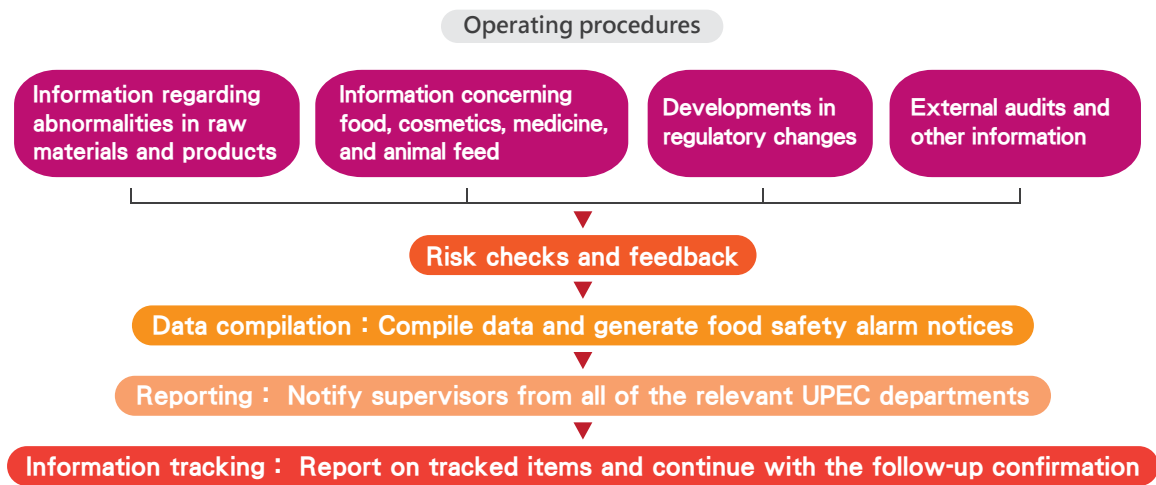
Regulation identification generally refers to the determination of whether to take appropriate measures to respond to the official changes in rules and regulations that affect company products, including safety, sanitation, and quality as well as the testing methods.

Regulation Identification Flowchart



2.4.2 Food Safety Center Rapid Alarm (FSCRA)

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



2016 Food Safety Center Rapid Alarm (FSCRA) Numbers of Notification Table



Number of notifications in 2016	366
Number of times that tracking was required <small>(Note 12)</small>	103
Rate of completed tracking <small>(Note 13)</small>	100%
Percentage of product categories affected	100%

Note12 Checking and tracking is not required for information related to industry trend and non quality related.

Note13 Tracking that were completed by February, 2017.

2.4.3 Project management of violation cases

Law compliance is the most essential requirement that we must meet. We study the reasons and develop the countermeasures for the violations and enforce corrective measures in order to avoid recurrences.

2016 Violation Cases and Corresponding Corrective Actions Table

Main cause	Penalty	Provisions violated	Corrective measures
The amount of caffeine in the Chai Li Won Green Tea exceeded the specified limit. (The amount of caffeine exceeded the limit specified by the Company.)	Fined NT\$ 30,000	Article 13 of the Health Food Control Act	Create a reporting mechanism for sending the alarm if the amount of caffeine is about to exceed the specified limit.

No similar violation has occurred after the corrective measures have been carried out for the case above.

Changes in consumer behavior

2.5 Why are the changes in consumer behavior important?

According to 20th international CEO survey from PwC Taiwan, the change in consumer behavior is the biggest challenge for CEOs. The population of 65 years old or older in Taiwan has reached 3.1 million by 2016, which is 13.20% of the total population. Taiwan has become an aging society, meanwhile consumers have been paying close attention to health awareness and environmental protection. This phenomenon has been a trending topic in recent years. We can only catch up with the trend in this era by focusing precisely on market needs.

2.6 How does UPEC deal with the risks incurred by the change of consumer behavior?

Risk	Management
Consumers misunderstand the product information.	<ul style="list-style-type: none"> Product Labeling Team Loyal Customer Service Center
We do not understand the consumer needs.	<ul style="list-style-type: none"> Respond to the market needs. Respond to the health appeal. Respond to the use of genetically modified raw materials. Respond to the nutrition needs from different groups in order to respond to the environmental appeal.



2.6.1 Product Labeling Team

Product labeling provides the first-hand information of the product to the consumers. With respect to product labeling, we adhere to the principle of information transparency and thus avoid excessive embellishments. We have founded the "Product Labeling Review Team" in order to ensure that the consumers have a correct understanding of the products and avoid consumers' misunderstanding. We provide complete and true information for the components of all the raw materials and we refer to the national regulations as our minimum standard. We have established internal "advertising and publicity guidelines" as the standards for reviewing product labeling and advertising materials.



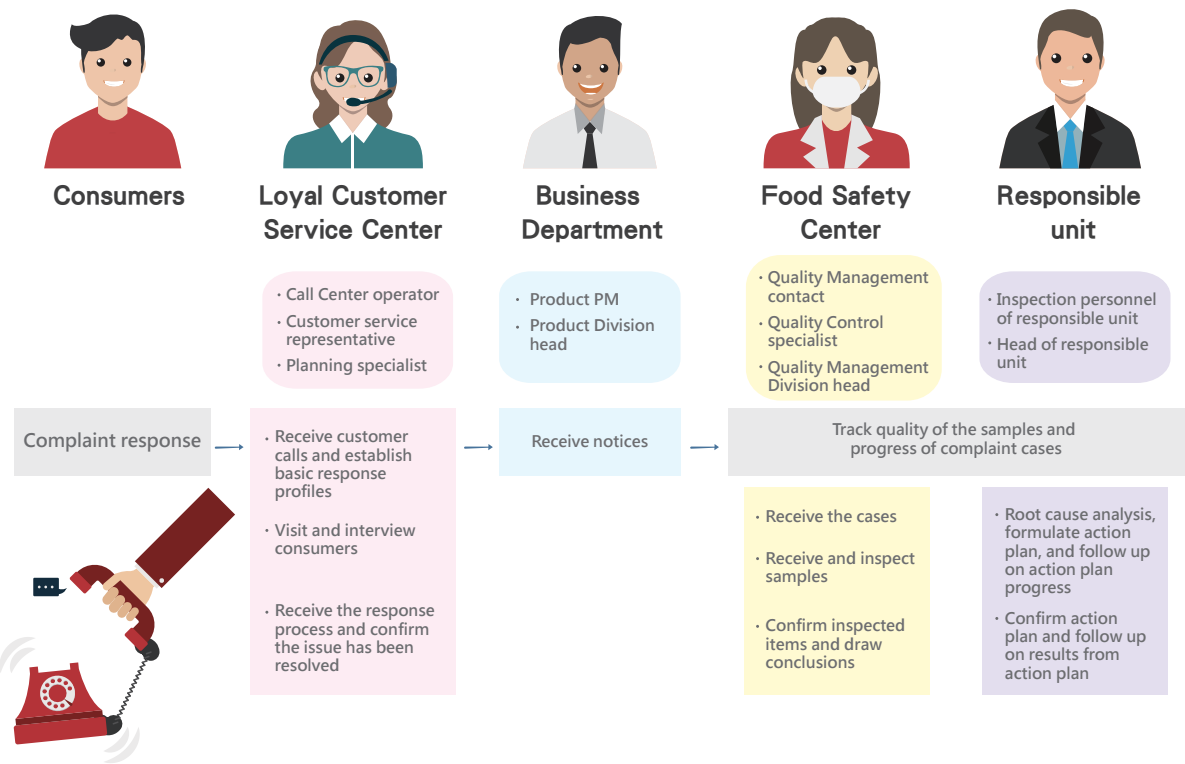
The advertising and publicity guidelines specify that products are refrained from using terms such as the following:

Natural, 100%, absolutely, completely, number one, only one, premier, no additive, exclusive, pure, special source of product and zero/no burden.

2.6.2 Loyal Customer Service Center

The Loyal Customer Service Center listens to customer feedback through various channels (0800 hotline, official website, service mailbox and feedback from channels). 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." The Center collects consumer feedback on products and transforms constructive opinions into optimization actions through systematic management.





The Loyal Customer Service Center conducts the satisfaction survey after resolving the customer complaint in order to evaluate consumer feedback on the handling by the service personnel to improve and provide comprehensive services.



2.6.3 Response to the market needs

It is important for Uni-President to get close to the young generation and enhance brand identification and brand preference. We have developed a brand webpage and a brand video channel and fan page on social media in order to interact with consumers in diverse ways.

2.6.4 Response to the health appeal

We aim to follow the national nutrition guidelines established by the Health Promotion Administration of the Ministry of Health and Welfare in order to respond accordingly to the consumers' health needs. For our delicious food products that are popular, we continue to modify the products and develop healthy products to ensure that the product flavor meets the public needs and healthier.

Sugar :



We focus on the development of the tea and soy milk product series with no or low sugar. We reduced the sugar contained to 37% , 28% and 26% per bottle in AB Original Drinkable Yogurt, LP33 Functional Drinkable Yogurt and Uni-President High Dietary Fiber Oat Milk, respectively.

Salt :



We have a total of 19 instant noodle products with sodium less than 2000mg, complying with the advice in the national nutrition guidelines established by the Health Promotion Administration of the Ministry of Health and Welfare.

Oil :



For our popular instant noodle series, we use non-fried noodles based on the brand style. Besides the Dry Noodle series, we launched the spicy beef flavor and braised pork flavor of the Man Han Feast Instant Noodle, and the limited Man Han Feast Instant Noodle Royal Dish Beef Noodle in 2016. We use the non-fried instant noodles for these products. The amount of calories of the spicy beef flavor and the braised pork flavor of the Man Han Feast Instant Noodles is about 105-120 kcal less per serving than the other flavors of the Man Han Feast Instant Noodle with regular noodles. The amount of calories was reduced by approx. 20%, allowing consumers to enjoy our delicious food without worries.



There are 21 products that have received the "Healthy Food" mark

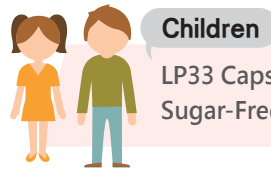


Currently, there are 21 products that have received the "Health Food" mark. Health benefits of these products include improving gastrointestinal functions, regulating blood lipid levels, reducing the formation of body fat, making bodily adjustments for reduce allergic reactions, boosting the immune system,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

2.6.5 Response to the use of genetically modified raw materials

In recent years, we have been using less genetically modified raw materials. Among more than 600 products, the popular products, such as soy milk and soy sauce, contain no genetically modified raw materials. Only two oil products contain the genetically modified soy beans and canola; however, no transgene segments remain after further processing. We put the label indicating the genetic modification on the product according to the national regulations.

2.6.6 Response to the nutrition needs from different groups

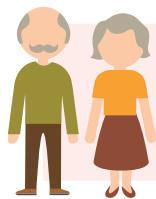


Children

LP33 Capsule, LP33 Allergy Relief and LP33 Sugar-Free Functional Drinkable Yogurt

People who always dine out

Uni-President AB Fiber Probiotic Powder, Uni-President AB Drinkable Yogurt series (Original Drinkable Yogurt, Strawberry Drinkable Yogurt, Light Drinkable Yogurt, Yogurt and Sugar-Free Drinkable Yogurt)



Elderly people

LP33 Sugar-Free Functional Drinkable Yogurt (honored in the 1st Elderly Friendly Food Award)
Yu Bei Flexible Joint Capsule
Yu Bei Sight and Intelligence Improvement Capsule

2.6.7 Response to the environmental protection appeal

a. Packaging materials reduction

The packaging of food products utilizes a tremendous amount of materials. The waste of packaging materials would become a heavy burden on the environment if no proper plan of packaging reduction were carried out. Our primary requirement for the packaging materials is to ensure food sanitation and safety. We look for feasible packaging reduction solutions accordingly. We have established a "Packaging Materials Team" and every year, we evaluate whether we can use eco-friendly materials or utilize packaging reduction solutions for our current products.



Optimized pre-form at pH 9.0

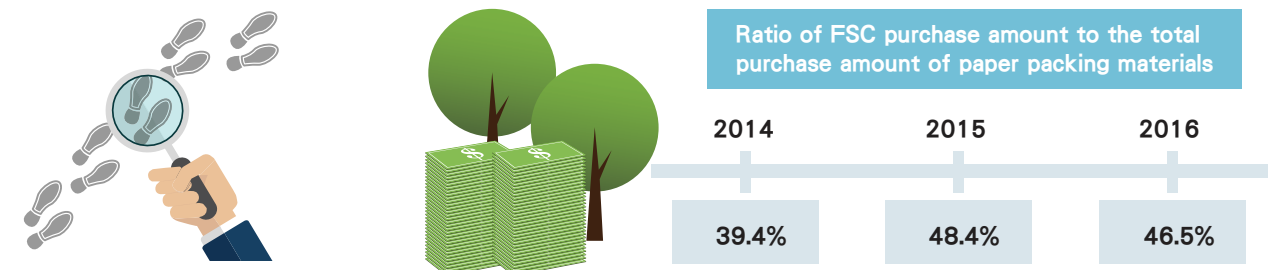
The 35g pre-form was the only pre-form available due to technical constraints in the past. With technology enhancement, we have tested the bottle weight and confirmed that it would be the best for a bottle to weigh 30g. The strength is improved and the pH value of the bottle can stay above 9.0 (the set value) before expiration, ensuring excellent quality. A total of 183¹⁴ metric tons of PET can be reduced per year after this transformation.

We look for the ways to improve production during product manufacturing in order to cut down the consumption of all types of packaging materials. Our manufacturing improvement project on the high-speed aseptic beverage production line of the MineShine series won the "Golden Tower Award" of the 29th National Solidarity Circles Competition in 2016. We reduced the packaging consumption from 1.26% to 0.36% after improving the aseptic filling production!

Note 14 The calculation is based on the number of bottles sold last year, which was 36.6 million of bottles.

b. Use of the paper packaging material certified by the Forest Stewardship Council (FSC)

The 17 SDGs include objectives for terrestrial ecosystems - advocating the sustainable management of forests by 2020. UPEC provides specific responses to the sustainable use of terrestrial ecosystems by adopting wood fibers certified by the Forest Stewardship Council (FSC) in the production of aluminum foil paper for the MineShine and the Try it! series of products. Through FSCTM's strict forest certification process, it is possible to achieve sustainability in management and a balance in the use of wood.



c. 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 the British Carbon Trust in order to track emissions, which is then confirmed by an external accreditation organization to enhance 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.



3

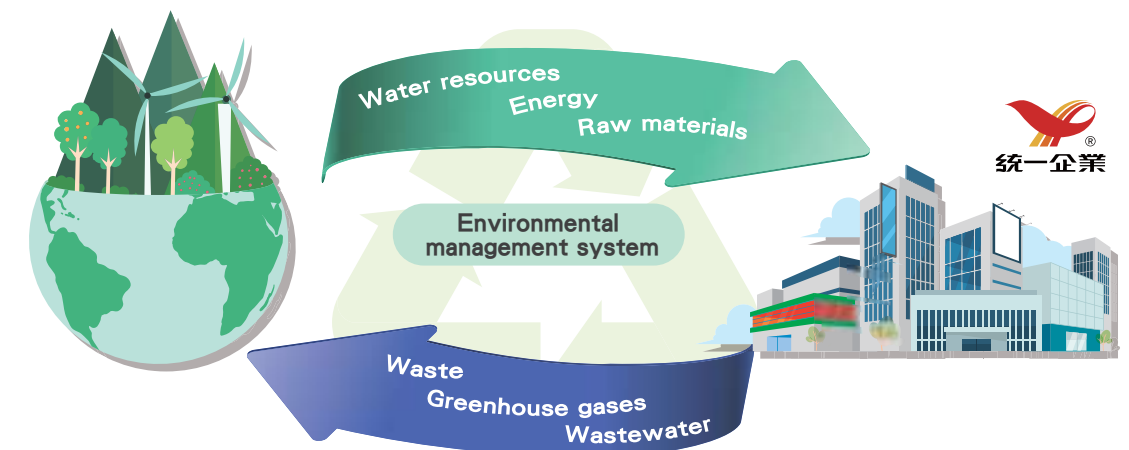
Preservation of Environmental Values

- Climate change and energy management
- Waste management
- Water resource



Preservation of Environmental Values

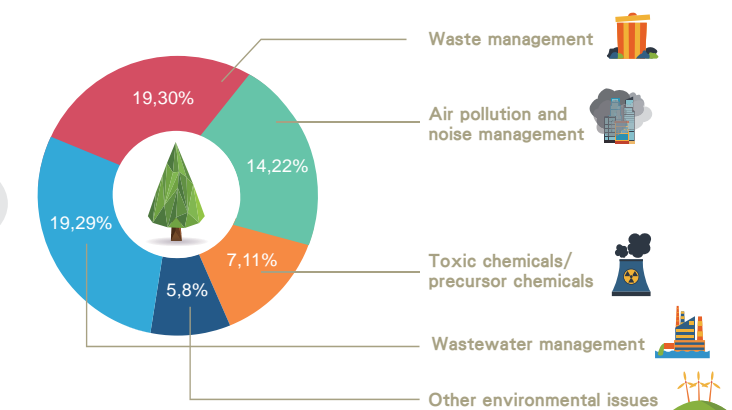
Corporate sustainability is closely related to the ever-lasting prosperity of nature. This is particularly true for the food manufacturing industry because numerous raw materials come from the natural resources on Earth. Therefore, we pay more attention to environmental issues and footprints. The environmental issues involve so many aspects and are closely associated with production operation. We aim to carry out systematic management and integrate environmental management into daily operation. We set annual targets and continue to improve environmental performance through Plan-Do-Check-Act. We design sophisticated management practices to reinforce the control of environmental risks that requires active management, including climate change, energy, waste and water resources.



Implementation of the environmental management system

All of the general factories in Taiwan have now achieved environmental management system (ISO14001) certification. Besides the external verification for ensuring the effectiveness of the management system, 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 2016, our environmental audits identified a total of 64 deficiencies, the largest categories of which were "Wastewater Management" and "Waste Management", with a total of 19 deficiencies for each of them. The distribution of other deficiencies is as follows. All deficiencies were corrected within the same year.

The distribution of deficiencies for the environmental audit in 2016





November and a common goal of climate change mitigation has been stipulated in the Agreement. Nevertheless, immediate actions must be taken against climate change. As a company in the food manufacturing industry, UPEC relies on the use of raw materials, energy and resources. We take actions against climate changes because of our operational needs and we must respond to topics that stakeholders are concerned about. The most important thing is that we want to contribute to the mitigation of global climate change. We develop comprehensive climate change and energy management approaches and implement corresponding policies and actions.

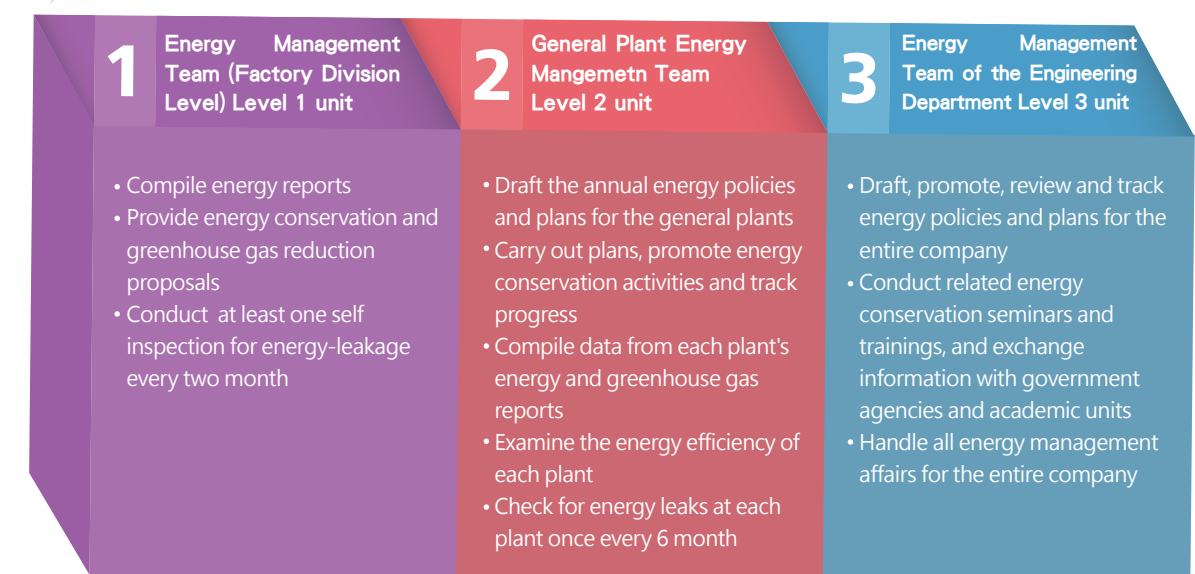
Note : WMO (World Meteorological Organization), Provisional WMO Statement on the Status of the Global Climate in 2016, 14 November 2016. <http://public.wmo.int/en/media/press-release/provisional-wmo-statement-status-of-global-climate-2016>

3.2. How does UPEC deal with risks caused by the climate change?

We established a cross department energy project team according to the "Energy Management Team Practices". Members of the Team consist of personnel of all general plants and the Engineering Department. This Team promotes all duties about energy for the Company. It holds meetings every half year to draw up energy policies, goals and plans. In addition, members explore and exchange ideas on energy topics. Each team member is responsible for plan implementation and regular tracking, review and improvement based on graded management. In order to facilitate the implementation of energy management in a more systematic manner, plans are in place to designate Hukou Plant as a demonstration site. In 2016, advance preparations will be made to implement the ISO50001 Energy management system with a scheduled certification in 2017. Depending on the status of each location, other plants will gradually follow suit.

To determine total GHG emissions of our company, we set up the "Greenhouse Gas Promotion Management Committee" with special promotion teams at each general plant. 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.

Graded management structure of the Energy Management Team



2016 environmental performance in terms of energy conservation and waste reduction

Item	Actual Performance in 2016
Greenhouse gas	Reduced CO ₂ e by 4,915 tons
Electricity, fuel	Saved NT\$ 36,776 thousand
Energy savings	Reduction of 6,431 MWh
Electricity savings	Saved NT\$ 22,843 thousand
Heavy oil and diesel fuel savings	Reduction of 72 kL
Savings of natural gas	Saved NT\$ 997 thousand
Water conservation	Reduction of 424,000 m ³
Reduced water usage by 8,669 metric tons	Saved NT\$ 4,667 thousand
Raw materials savings	Reduced packaging weight
Reduced packaging weight	PET reduction of 183 metric tons
Waste reduction	Reduction equivalent to 6,470 metric tons (reduction rate of 98.25%)
Wastewater chemical oxygen demand (COD)	Reached 95.52%
Waste recycling	

Violations of regulations

Two environmental regulation violations were committed in 2016, and the total fine amounted to NT\$ 280,000. We followed up on the rectification of these infractions by reinforcing the management, monitoring and inspection procedures to prevent similar incidents from occurring in the future.



Violations of environmental regulations in 2016

Factory site	Regulations violated	Cause	Fine (NT\$)	Corrections and improvements
Yongkang	Air Pollution Control Act	The odor detection value near Luying material biotech plant exceeded the regulated level.	NT\$ 100,000	The vent in the operating area was blocked. The gas in the storage tank for sewage treatment was discharged to the washing tower for treatment. Personnel were assigned to check the area near the plant every day.
Ruifang Mineral Water Factory	Drinking Water Management Act	Ammonia nitrogen value of the water resource exceeds the limit value.	NT\$ 180,000	We optimized the sampling of the water resource and authorized SGS, a trusted third party, to conduct the sampling and re-survey of the water resource. The results of the re-survey showed that the ammonia nitrogen value complies with the standard.

Climate change and energy management

3.1. Why are climate change and energy management important?

2016 was the hottest year on record¹. The impact of climate change was evident everywhere, including the extreme weather, flood and drought. The Paris Agreement went into effect in



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 Energy Administration Act The Electricity 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 energy management system Established Energy Management Team to closely monitor energy use Introduce renewable energy sources such as solar and wind power
Costs aspect	<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 aspect	<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 plants Establish a water restriction response plan Develop natural disaster contingency protocols and conduct emergency drills on a regular basis

3.2.1 Our commitment

The Paris Agreement is aimed at holding the average global temperature rise to well below 2 Celsius degree. Each nation sets up its own goal for helping to hold the temperature rise. Taiwan declared its own contribution to emission reduction, which is that in 2030 the emission level will be 20% lower than that of the 2005 level. The "Greenhouse Gases Reduction and Management Act" specifies that it is required to achieve a GHG emission level equal to at most 50% that of the 2005 level by the year 2050. To support our national and global policy, we demand ourselves with stricter standards. We announced our goal in 2015 with our annual goal focused on production plant management and mid and long-term goals focused on controlling the total emission.

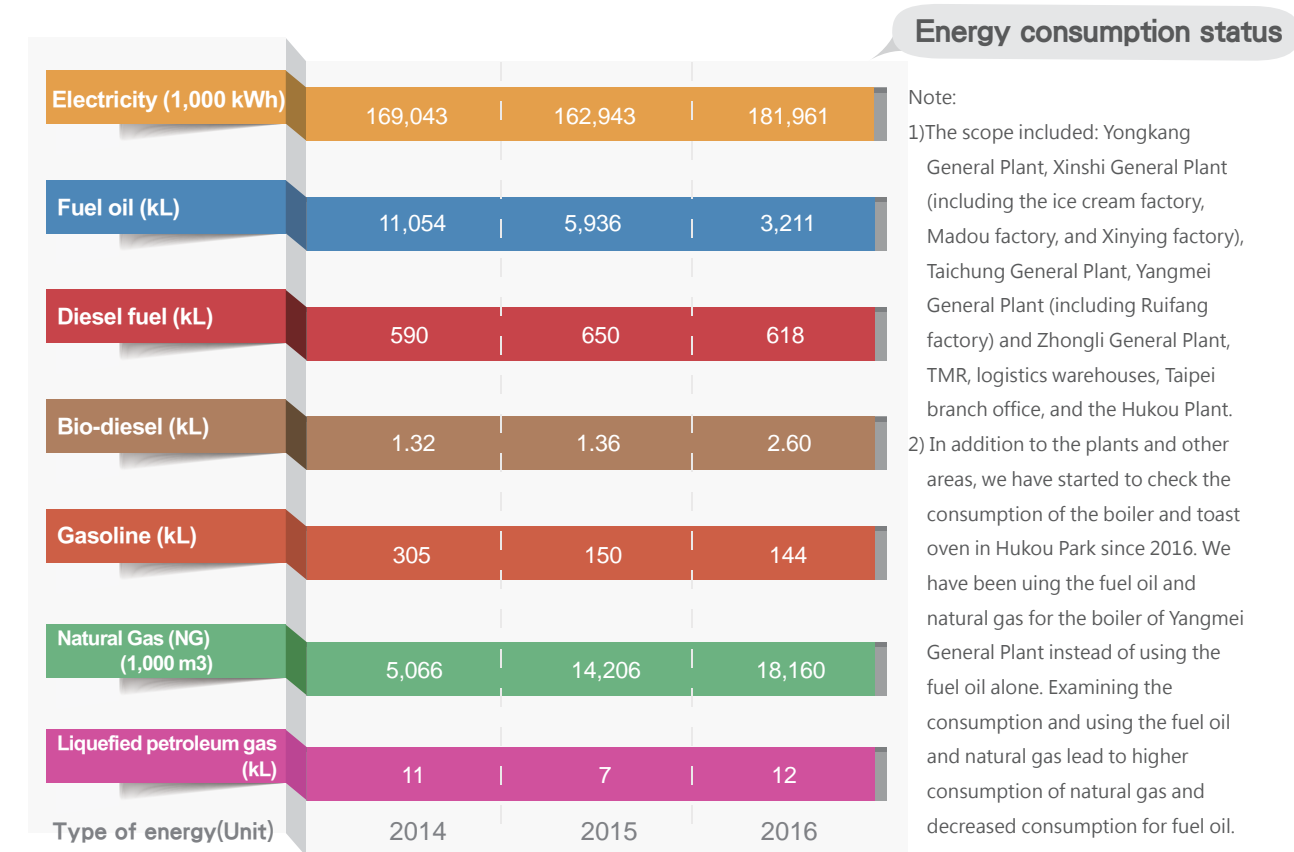
Goal and achievement of GHG reduction for UPEC

		2016	Achievement
Annual reduction goal	Reduce carbon intensity for all production plants by at least 2% over the previous year. (The average goal for all plants in 2016 was to achieve 111.09 metric tons of CO2e/ton output.)	109.63 metric tons of CO2e/ton output	100%
Mid and long-term goals	Achieve a carbon emission level equal to 80% of the 2005 level by 2020 (approximately 189,221.6 metric tons of CO2e)	155,494 metric tons of CO2e	100%

Note: The carbon emission level in 2005 was 236,527 metric tons of CO2e.

3.2.2 Energy consumption status

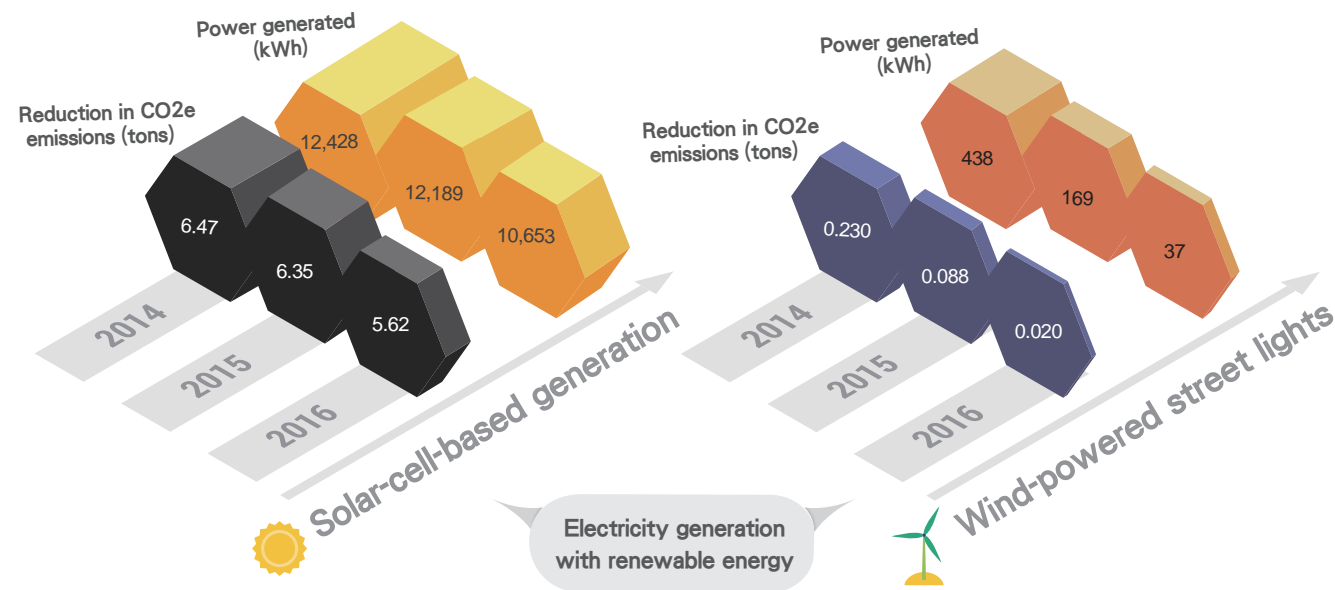
Regarding energy consumption, our main source of power is electricity, followed by natural gas and fuel oil. In 2016, the total internal energy consumption was 559,127,265 Mcal. In 2016, we also checked the Hukou Plant during our inventory process, makes our consumption of electricity and natural gas greater than that of the 2015 consumption.



3.2.3 Electricity generation with renewable energy

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 2016, we have produced 86,217 kWh of green electricity and reduced CO2e emissions by 45.64 metric tons.





Note: The annual electricity emission coefficient used for each year is based on the coefficient announced by the Bureau of Energy in 2016. For the year 2016, the 2015 coefficient (0.528 kg CO2e/kWh) was used in the calculation of carbon emissions because the Bureau of Energy has not announced the 2016 coefficient.

3.2.4 Greenhouse gas emission status

Through inventory management at all UPEC plants, our 2016 emission level was determined to be 155,494 metric tons of CO2e. In 2016 the Hukou Plant was included for GHG inventory; therefore emission level increased. The GHG emission intensity was 109.63 metric tons of CO2e/ton output, a reduction of 2.86% compared to last year. 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. Our objective is to ensure that 85% of the steam is generated by the natural gas boiler; we hope to achieve our goal by combining this with our annual energy conservation project.

Direct and indirect greenhouse gas emission chart

	Unit	2014	2015	2016	Increase/Decrease in ratio for the last two years
Scope1	Metric tons of CO ₂ e	60,322	57,990	59,419	2.46%
Scope2	Metric tons of CO ₂ e	88,071	84,893	96,075	13.17%
Total carbon emission	Metric tons of CO ₂ e	148,393	142,883	155,494	8.83%
Emission intensity	Metric tons of CO ₂ e/ton output	114.50	112.86	109.63	-2.86%

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

2) The annual electricity emission coefficient used for each year is based on the coefficient announced by the Bureau of Energy in 2016. However, for the year 2016, the 2015 coefficient (0.528 kg CO2e/kWh) was used in the calculation of carbon emissions.

3.2.5 Achievement of emission reduction goal

A total of 115 measures were taken in 2016 and the monetary savings were estimated to be NT\$ 36,776 thousand per year, with a corresponding reduction in CO2e emissions of 4,915 metric tons per year. In particular, one of the most symbolic energy-saving projects is the optimization project for the energy conservation of the water chiller system at the Yangmei plant. This project was awarded the first place by the Industrial Technology Research Institute in 2016 in the category "high-efficiency motors power system energy conservation demonstration". In 2016, we were also awarded with the honor of "Outstanding Energy-Saving Model" for the program that honors the enterprise with outstanding performance in a 1% electricity conservation. The program was carried out by the Ministry of Economic Affairs in 2015.



Received the special honor of "Outstanding Energy-Saving Model" from the Bureau of Energy, Ministry of Economic Affairs in 2016



The actual view of the engine room for the water chiller at Yangmei dairy factory



The actual view of the engine room for the juice processing water chiller at Drink I Plant of the Xinshi General Plant



The actual view of the engine room for the water chiller at Ruifang Mineral Water Factory



The actual view of the engine room for the air compressor at Madou Bread Factory



Representative energy-saving projects

Project name	Corrective measures	Expected benefits		
		Energy conservation (%)	Costs saved (NT\$ million)	CO2 reduction (metric tons)
Optimization project for the energy conservation of the water chiller system at Yangmei dairy factory	<ol style="list-style-type: none"> Inefficient main chiller was replaced by a high-efficiency 300RT flooded chiller unit. The "water chiller system loading controller" was installed to turn the water chiller on and off. This system ensures that the water chiller can be operated under high load to improve system efficiency and reduce energy consumption per unit. 	54.4	4.20	643.7
Optimization project for the energy conservation of the juice processing water chiller system at Drink I Plant	<ol style="list-style-type: none"> The inefficient 100RT main water chiller was replaced by a 100RT variable-frequency flooded chiller. The control mechanism for turning on the water chiller has been improved. The water chiller is controlled based on the concepts "master", "slave" and "standby" to achieve optimization of the energy conservation for the system of the water chiller. 	48.8	1.12	171.9
Integration and optimization project for the energy conservation of the water chiller system at Ruifang factory	<ol style="list-style-type: none"> Inefficient main chiller was replaced by a high-efficiency 80RT flooded chiller unit. Insufficient old cooling tower was replaced by a high-efficiency 100RT cooling tower (3HP, η 89.5%). 	42.8	0.36	54.7
Energy conservation project for the air compressor system improvement at Madou Bread Factory	<ol style="list-style-type: none"> The inefficient B air compressor system was replaced by a high-efficiency inverter-type air compressor. Insufficient old cooling tower was replaced by a high-efficiency 100RT cooling tower (3HP, η 89.5%). 	25.0	0.37	56.7



Waste management

3.3 Why is waste management important?

The amendments of the Waste Disposal Act in 2016 raised the awareness of waste management among the public. The new amendments emphasized that the corporate must be responsible for cleaning and environment improvement. In fact, UPEC has treated waste management as the critical environmental performance. UPEC alleviates the impact of waste on the environment. The whereabouts of waste produced by the food manufacturing industry is involved with food safety risk. UPEC always puts food safety on top priority and therefore reinforces the control of waste disposal.

3.4 How does UPEC deal with risks caused by waste management?

We separated the Environmental Protection Team from the Environmental Safety Office to reinforce the management. The Team became a department exclusive for environmental protection issues. We included pollution management into our important business performance. We stipulated the "Waste Management Measures". We always abide by the Waste Disposal Act and other relevant laws. Waste is now managed through the environmental management system (ISO14001). This ensures that waste is sorted, managed, removed and disposed of properly based on the procedure. We also ensure that we report the waste disposal through the Industrial Waste Report and Management System of the Environmental Protection Administration.

We actively draw up plans to treat recyclable wastes by coming up with creative ideas. We aim to reduce waste effectively and lessen the impact of waste on the environment. Every year we carry out the inspection projects that track waste and recyclable materials produced by us to reinforce our efforts in keeping track of the whereabouts of waste.

3.4.1. Our commitment

We set up the "recycling rate" as a key performance indicator to reduce the waste for final disposal. We aim to achieve at least 95.5% of annual recycling rate and we have reached our goal for the last three years.



3.4.2 Amount of waste generated

Waste produced by each Uni-President plant is currently sorted into three categories including general waste (non-hazardous waste), recyclable waste (non-hazardous waste) and organic experimental liquid waste (hazardous waste). In 2016, we produced 36,781 metric tons of non-hazardous waste and the recycling rate was 95.52%.





Waste management statistics

Type of waste	Item	Disposal method	Unit	2014	2015	2016
Non-hazardous waste	General waste	Incineration	Metric ton	1,444	1,415	1,651
	Recyclable waste	Recycling	Metric ton	35,862	33,445	35,130
	Recycling rate	-	%	96.13	95.94	95.52
Hazardous waste	Organic experimental liquid waste	Distillation recycling	Metric ton	1.66	1.95	1.93

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

3.4.3 Waste recycling

Recyclable wastes such as sludge and tea grounds are turned into organic compost; soybean residue is recycled into animal feed and provided to animal farms, and scraps from pudding foil covers are recycled into other plastic items. The waste plastic is recycled into pallets. The waste oil is recycled into soap and stearic acid.

3.4.4 Tracking wastes and recyclables

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. We performed 69 instances of tracking auditing on 40 waste disposal and recycling vendors in 2016. Tracking results indicated that no violations were committed.

Tracking of wastes and recyclables from each plant in 2016

Item	Vendors inspected	Monitored count	Key points of audit	Results
Waste	9	15	Tracking of whereabouts, disposal methods and waste removal permit	Conformed to the requirements.
Recyclables	31	54	Tracking of whereabouts, disposal methods and recycling certificate	Conformed to the requirements.
Total	40	69	-	-



Water resource

3.5 Why is water resource important?

According to the Global Risks Report released by the World Economic Forum in 2016, failure to deal with climate change and crisis of water resources are ranked in the top three global crises. They continue to take the lead of the environmental risks in these five years. The linkage within these risks and the linkage between these risks and non-environmental risks intensify the criticality and complexity of water resource issues.

Taiwan has abundant rainfall but unfavorable conditions in water resources. Such conditions contribute to the risk and impact of water crisis. We treat water resource as a critical environmental aspect and set up comprehensive management approaches and act accordingly to show our active risk management and echo UPEC's commitment to climate change.

3.6 How does UPEC deal with risks incurred by the water resource?

We manage the water resources based on the graded management structure same as the one we use for energy management. We convene meetings regularly to discuss water resource issues, stipulate policies and review water conservation performance.

Water resource risks and adaptations at Uni-President

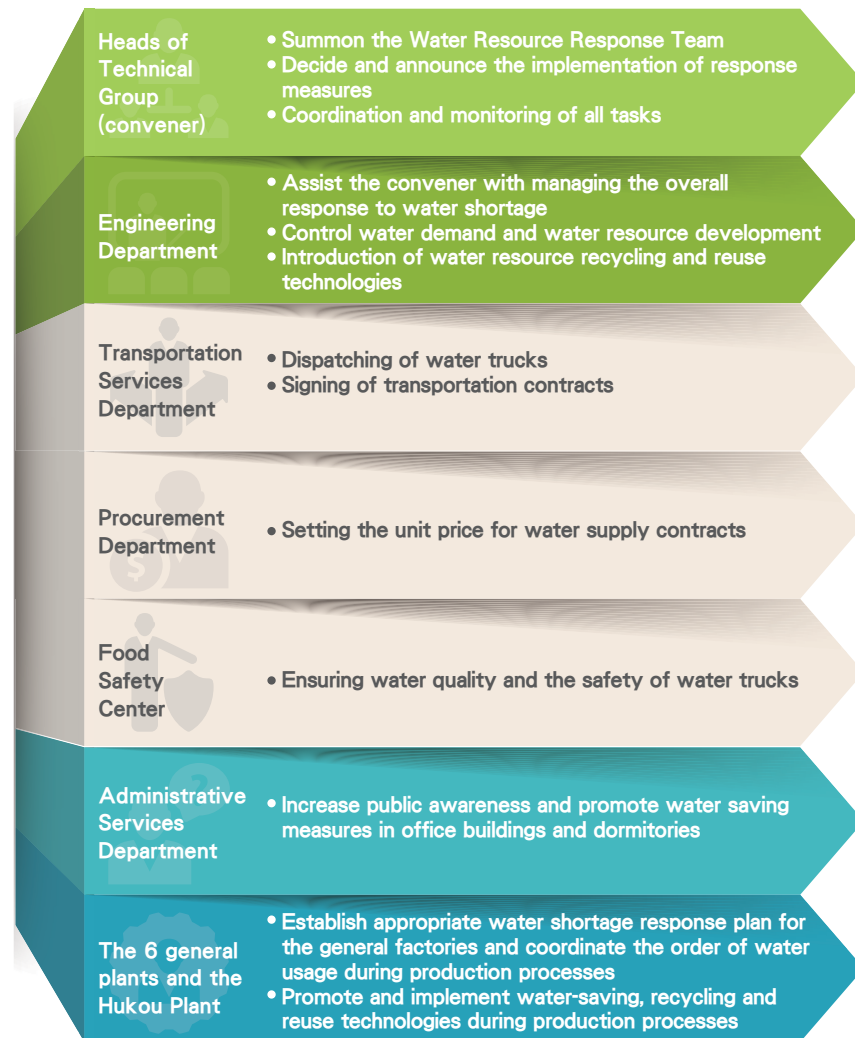
Type of risk	Risk identification	Adaptation strategy/action
Legal aspect	<ul style="list-style-type: none"> Impact from new legislation/regulations on water resources (e.g. new water usage taxes) 	<ul style="list-style-type: none"> Continue to monitor legislative changes and trends Established Water Condition Task Forces to closely monitor water consumption and the water conditions in all areas Devise plans to introduce clean production and green building certifications
Natural disasters	<ul style="list-style-type: none"> Increase the risk of stormwater 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 increase water recycling Install rainwater recycling equipment for new plants Establish a water restriction response plan

The Water Condition Task Force of the Engineering Department announces the water condition of all areas released by the Water Resources Agency via Intranet every month. The Team sends the "water consumption information report" to relevant units. All plants regularly update the water usage and water reserve figures online. The Team tracks and monitors the water resource systematically and sends reports and tracks the water resource more often during water stress to learn the degree of water shortage.

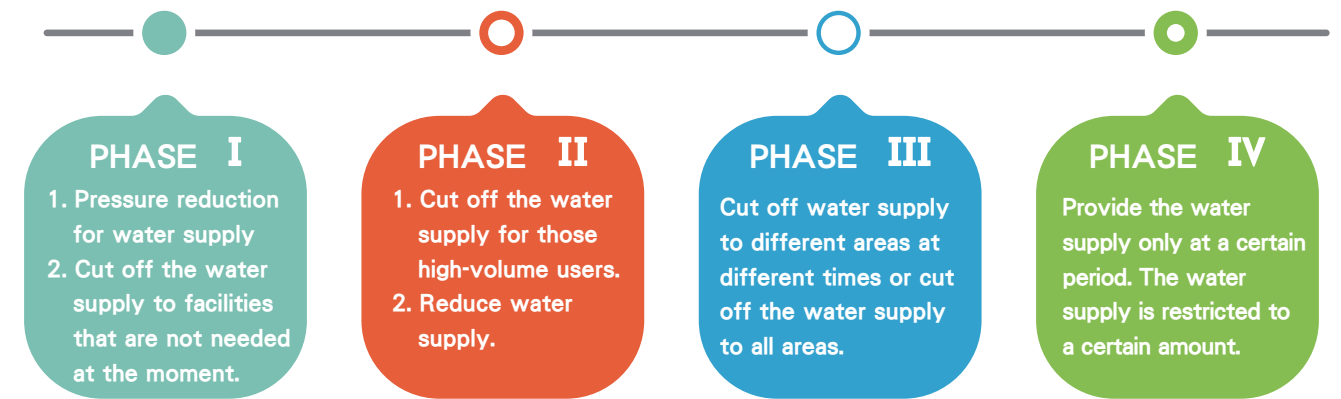


To avoid production losses due to water shortages, as a preventive measure, Uni-President has established a "Water Resource Response Team" led by the head of the Technical Group as the convener. The Team is responsible for the overall coordination, delegation, and creation of a response plan to strengthen cooperation between emergency response team members. We sign contracts with water suppliers to guarantee the supply of water. We agree on reasonable transportation costs with water transporters and effectively track their transportation process to ensure water supply during water shortage. Whenever a water shortage occurs, 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 Water Resource Response Team Organization and Responsibilities



Uni-President's water shortage response measures



1. Send the "water supply information report" and update the water usage and water reserve figures via the Intranet more often, so that management can remain well informed of the latest information.
2. Check the quality of well water and the purchased water resource after Phase 2 was announced.
3. Check the supply of other water resources, including the water capacity, quality and right.



1. Initiate the "emergency response mechanism for water supply". Conduct the management on water purchase and carrying, as well as the management of specialist taking charge of water intake. Carry out the test and treatment for the water quality.
2. Water storage facilities are activated and the total amount of water reserve is expanded.
3. For allocation of water resources between general sites, the Hukou Plant will serve as the dispatch center for northern Taiwan. In the southern region, Xinshi General Plant will be the dispatch center. The Hukou Plant and Xinshi General Plant deliver emergency water to other general factories.
4. Adjust the relative priority of production processes and products; increase the inventory of room temperature.

In our daily work, we promote water conservation through diverse ways. We incorporate water conservation into all aspects of planning, design, production, and office life. We include the water recovery rate into the 3-level management of the Energy Management Team to conduct autonomous management and collect data. The following are the measures we have adopted for water conservation purposes:

Water resources development

Rainwater : Rainwater recycling equipment is installed at new factories. The collected rainwater is provided for the cooling tower and toilet flushing.

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 establish a "Water Consumption Balance Chart" to control reasonable water consumption by each machine. The data is then used to calculate the factory's water recycling and conservation rates.





💧 Recycling of water used during manufacturing process

Recycled Water is expanded to the recycling and reuse of condensed water for each machine. The amount of wastewater is reduced at the same time. For example: recycling of steam condensation, recycling of discharged RO wastewater, and recycling of chilled water from the jacket of the finished product barrel, etc.

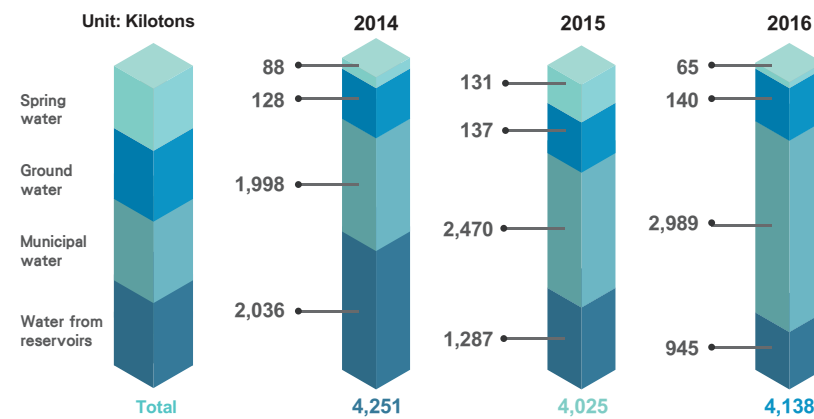
💧 Terminal wastewater recycling

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

3.6.1. 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 2016, water utilization of all Uni-President plants in Taiwan reached 4,138,000 metric tons.

Water consumption status



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

3.6.2. Water conservation status

In 2016, projects involving the conservation of water included the conservation of soft water for pasteurizer at Xinshi General Plant, the project of tap water conservation at Yongkang General Plant, and optimization of sterilization control equipment at Xinshi General Plant. The total amount of water conserved was 8,669 tons. Regarding recycled water, in 2016, all factories recovered a total of 113 kilotons of water from condensed steam, RO wastewater, and water used during manufacturing processes; total water recovery rate reached 2.74%.

Green building



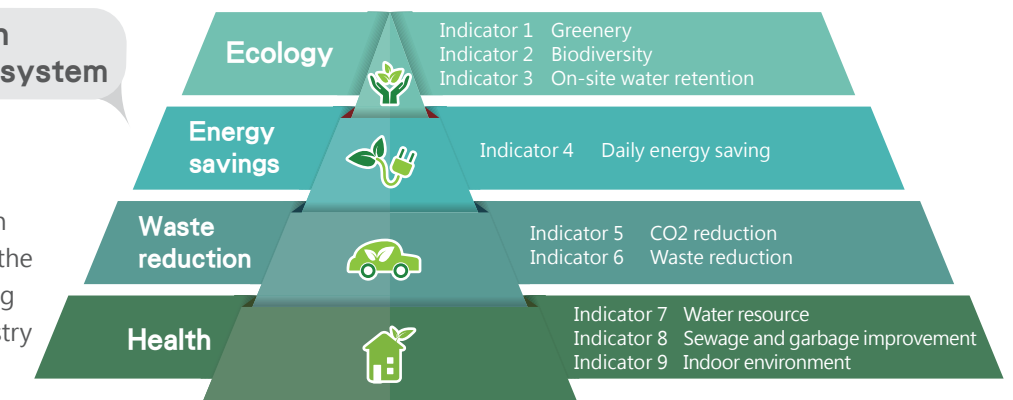
Introduction of green building

Buildings play important roles in GHG reduction. Constructing a building with functionality and environmental protection has been an issue that has been focused on these years. The Architecture and Building Research Institute, Ministry of the Interior, follows the trend of green building and established the "Green Building Label Grading System" to evaluate the eco-friendliness of the building and promote the development of green building. The nine evaluation indicators of the Green Building Labeling System cover energy saving, waste reduction, ecology and health. The minimum requirement for green building certification is to pass four indicators, including two prerequisites (daily energy conservation and water conservation) and two optional indicators from among the other seven.

Nine-indicator green building evaluation system



Source: Intelligent Green Building established by the Architecture and Building Research Institute, Ministry of the Interior



Progress of the Green Building certification for the Hukou Plant

The Hukou Plant in Hsinchu is Uni-President's sixth general foods factory in Taiwan. It is designed based on food safety, eco-friendliness and intellectualization when we began to plan for the Hukou Plant. To achieve eco-friendliness, we build ecological pools, grow plants, install rainwater recycling equipment, use green building materials, and build energy-saving boiler and equipment. The Hukou Plant in Hsinchu was completed in May 2016. We are actively applying for the green building certificate for the Hukou Plant in Hsinchu. We expect to acquire the certificate for the food factory by December 2017 and for the restaurant we aim to acquire the certificate by March 2018.



◀ Exterior view of the food factory at the Hukou Plant





Creating a Healthy and Happy Workplace

Human resource development



4.1 Why is human resource development important?

The employee is a key factor for corporate development. Employee growth is critical for stimulating competitiveness and creativity. The Global Talent 2021 released in 2012 by Oxford Economics predicted that Taiwan's talent deficit is expected to be the largest in 2021 among the nations studied. We must ensure sustainable development and growth of UPEC and make sure that UPEC can catch up with international trends and make great operating plans. Therefore, attracting talents in diverse fields is an important human resource policy for UPEC in the future. We find the right talents through all types of channels and formulate various talent cultivation plans. We continue to communicate and grow with our employees to become an enterprise that the new generation would want to work for.

4.2 How does UPEC deal with risks attendant to human resource development?

To attract diversified talents, UPEC expands recruitment channels, provides a competitive welfare system, builds a comprehensive educational training system and sets up transparent employee communication channels to manage human resources effectively, trains and retains talents with potential.

4.2.1 Diverse talent recruitment channels

UPEC was ranked as the top 1 in commodity manufacturing for the "Top 100 of Most Popular Employers among the New Generation" by Cheers Magazine in 2016. In 2017, not only was UPEC ranked the top 1 in the daily commodity manufacturing, but was also eighth in the overall ranking. The results indicate that UPEC's performance and future policies are highly recognized by young people, making UPEC one of the companies that young people are likely to consider when looking for their first job. UPEC carries out human resource policies focusing on recruiting talent in various fields when dealing with the future risk of population deficit. Every year, UPEC looks for talents that would fit our corporate culture through our website, campus recruitment and industry-academe collaboration. Furthermore, UPEC cultivates our talents through our well-established internal talent cultivation mechanism.

Here we would use the management associate (MA) as an example. Over the years, the Education and Training Center has been in charge of the MA training system, which has become an attraction for talents. MAs must participate in three months of basic training at our company and the internship with our affiliates. The training and internship are based on the themes "teamwork", "core competence", "brand power" and "broad vision". They are required to study and emulate workers at overseas locations. The training and internship are based on the unique learning platform provided by the Company's diverse industrial profile and each associate's career development objectives. We hope to train employees in the new era who dare to rise to the new challenge and explore innovative ideas.



Creating a Healthy and Happy Workplace

4

- Human resource development
- Occupational health and safety



4.2.2 Welfare system

UPEC has a remuneration policy with market competitiveness to keep providing a better workplace for our employees. Our remuneration policy is designed to attract, motivate and retain the talents. We also regularly review the differentiated salaries. and conduct market salary surveys to ensure the rights of employees.

a. Remuneration

All UPEC entry-level employees with the same job responsibilities receive the same level of compensation, regardless of gender. The salary is fair and equal for all employees. The average starting salary is 1.439 times the minimum wage in Taiwan. As of the end of December 2016, the average monthly wage of UPEC's full-time employees was NT\$51,770; this was 2.588 times the minimum wage in Taiwan, and also 1.433 times the average monthly wage in Taiwan's manufacturing industry over the same period.

b. Employee welfare

In addition to the minimum wage above the industry average, we offer diverse employee welfare policies and work on multiple aspects to make the workplace better. We have software and hardware facilities and events that are available to employees, whether it is food, clothing, accommodations, transportation, training and recreation, to take care of employees.

Welfare facilities

The office is like the second home for employees. We provide the library, staff lounge, recreation center, sports centers with a table tennis room, billiards room and basketball courts available, staff dormitory, parking lot, shuttle buses, cafeteria and nursery room. We also have the breastfeeding room available for female employees.

Benefits and subsidies

We offer employees labor insurance, national health insurance and group insurance, including personal accident insurance, medical insurance, cancer insurance and employee travel insurance. We also provide group insurance for the spouse and children of the employee.

We provide employees with marriage subsidies, maternity subsidies, children's education subsidies, funeral subsidies, birthday cash gifts, retirement bonuses, holiday festival bonuses, regular benefits and medical examinations.

Other benefits

We offer 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 onsite can also apply for paid maternity leaves after 32 weeks of being pregnant.

	Male Number of People	Female Number of People	Total
Employees who applied for unpaid paternal leave in 2016 (A)	5	21	26
Expected reinstatements after unpaid paternal leave in 2016 (B)	5	24	29
Actual re-instatements after unpaid paternal leave in 2016 (C)	5	21	26
Actual re-instatements after unpaid paternal leave in 2015 (D)	3	11	14
Employees still on the job 12 months after returning from unpaid paternal leave in 2015 (E)	3	11	14
Re-instatement rate (C/B)	100%	88%	90%
Retention rate (E/D)	100%	100%	100%

4.2.3 Training for important talent

We continue to invest in employee development because the employees' spirit of innovation and enthusiasm are the cornerstones of the success of UPEC. In 2016, we invested NT\$ 21,250,000 in learning resources for employees, approximately NT\$ 3,891 per employee. Male employees received 36.9 hours of training on average and female employees 28.0 hours of training on average.

a. Number of hours of training for employees in 2016

	Hours	Individuals	Hours	Individuals	Total No. of Hours	Total No. of Participants
General	68,842	24,701	44,311	16,363	113,153	41,064
Entry level	23,995	8,793	1,173	391	25,168	9,184
Mid-level	25,031	7,198	8,836	2,577	33,867	9,775
Senior level	9,885	3,243	1,760	537	11,645	3,780
Total	127,753	43,935	56,080	19,868	183,833	63,803

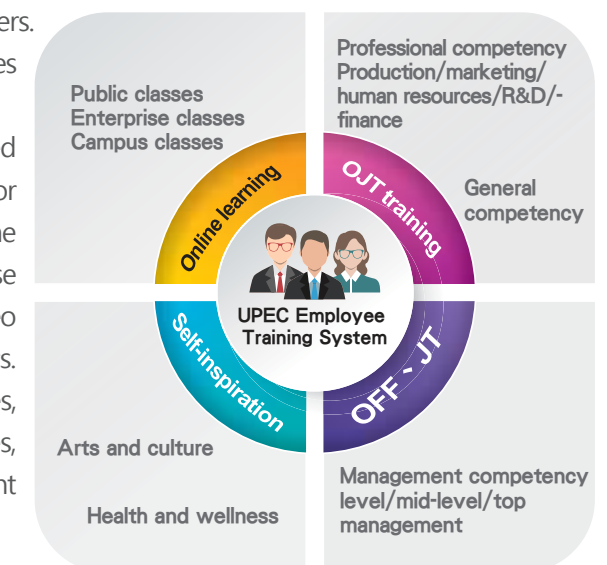
b. Employee training system

In addition to the basic training, we focus more on the enhancement of professional skills and diverse learning opportunities. We created an integrated talent nurturing system based on three major focuses, on-the-job training, off-the-job collective training and mind-and-body inspiration. We have been continuously awarded the Talent Quality-management System (TTQS) gold medal. The Education and Training Center checks the competency gap regularly to closely connect the training resource to our goal and business performance for maximum benefits.

In the training system for talents, UPEC designs the training program for each employee systematically. Besides the basic OJT, all departments provide the training in production management, sales and marketing, human resources, research and development, and finance and accounting. Our departments proactively carry out the OFF-JT that integrates with the market by holding seminars presented by famous people from all kinds of fields, including compliance, negotiation, marketing, aesthetics, management and operations. In addition to the functional training, we provide diverse self-inspiration courses, including visual arts, social science, history and culture, film appreciation and health care and relaxation, to help employees enhance cultural literacy for greater creativity. The Education and Training Center aims to enhance professional and passion exchange. It continues to promote training courses including "Internal Lecturer Training", "Game-Based Teaching" and "Series of Advanced Studies for Lecturers". UPEC has trained hundreds of lecturers and build honors among our internal lecturers.

We send our lecturers to serve as mentors in colleges and universities to feedback to the society.

The Education and Training Center officially launched the E-Learning Network at the end of 2014 for just-in-time learning in an easier way. Besides the brick-and-mortar courses, employees can also use online materials at their convenience. A total of 69 video materials are available as of now, covering eight topics. A total of 339 employees took the online courses, especially the "Seminar with Famous People" series, which has significantly stimulated self-enhancement and creativity of the employees.



4.2.4 Rights and interests of employees

"Workers' dignity" is something we believe in, and we comply with the 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. Each factory site has adopted a sexual harassment prevention policy and stipulated a complaint handling system for sexual harassment. We have to ensure that sexual harassment or discrimination does not occur in the workplace. In 2016, 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 of the security room), no forced labor, no restrictions on employees' rights to form associations or engage in collective bargaining, and no violation of employees' interests.

4.2.5 Continuing to work on labor-management communication

a. UPEC Trade Union General Assembly

UPEC actively protects the freedom of assembly and speech for employees. With 5,422 total members, the UPEC Trade Union has been in existence for 39 years. This membership represents 99% of UPEC's entire workforce. The objectives of the union include safeguarding workers' rights, promoting members' welfare, improving the workplace, assisting in the operation and building a comprehensive labor-management communication channel.

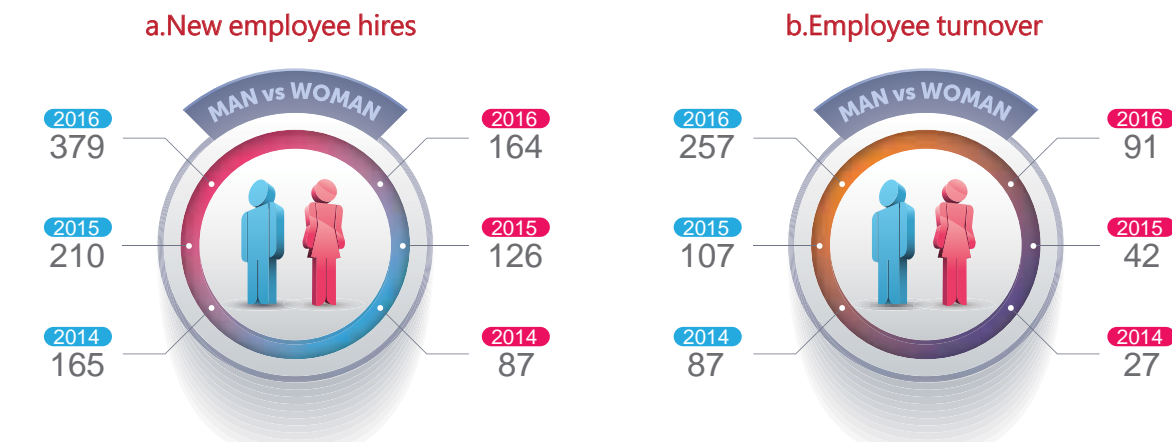
There have been no labor disputes since the founding of the Trade Union. UPEC signed the collective bargaining agreement with the Trade Union for three years in 2014. UPEC has been honored as an "organization with harmonious employee and employer relations" and its union has also been awarded the "outstanding" status based on Tainan City Government's evaluations continuously over the same period. This indicates the mutual trust between management and its employees.

b. Access to the grievance system

To protect the rights and interests of our employees, UPEC has made a grievance mechanism available. We have also adopted comprehensive investigation procedures and we handle complaints promptly to protect the rights of complainants. This mechanism includes the Sexual Harassment Hotline, Performance Evaluation Grievance Committee, and Reward and Disciplinary Grievance Committee. Besides, we ensure that multiple types of communication channels are available by holding regularly scheduled labor-management meetings and the business meetings with representatives from the Trade Union. These channels allow us to improve the efficiency and effectiveness of communications within our company.



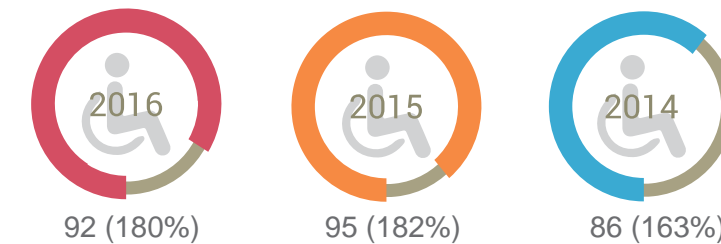
4.2.6 Human resources profile



In 2016, forty percent of the resigned employees went to retirement. This indicates that our older employees have been replaced by younger employees. We will pass on the good system of values and rise to challenges with an innovative mindset.

c. Employee with disabilities

(Year/no. of people/% of minimum number required by law)



d. Labor distribution

Type and gender of employee

	Male Number of People	Female Number of People	Total Number of People	Total number of regular employees in 2016
Full-time employees (including Board members)	3,472	2,003	5,475	5,475
Temporary employees	76	114	190	
Local employees	3,472	2,003	5,475	
Foreign employees	0	0	0	

Age and gender of employee

	Male Number of People	Female Number of People	Total Employees in 2016 Number of People
Below 30 years old	464	253	717
30-50 years old	1,658	1,337	2,995
Above 50 years old	1,350	413	1,763
Average seniority	18.2		

Job position and gender of employee

	Male Number of People	Female Number of People	Total Employees in 2016 Number of People
General	2,255	1,782	4,037
Entry level	514	22	536
Mid-level	488	165	653
Senior level	215	34	249

Occupational health and safety



4.3 Why is occupational health and safety important?

Implementation of occupational health and safety is an important job for corporations and the most basic promise that we can make to our employees. The Occupational Safety and Health Act specifies that companies must adhere to occupational health and safety requirements. Improper management of occupational health and safety harms the basic rights of employees and corporate operations and reputation.

4.4 How does UPEC deal with risks encountered by occupational health and safety policies?

UPEC aims to manage the workplace with more than 5,000 employees effectively. Therefore, our plants continue to acquire the OHSAS (Occupational Health & Safety Advisory Services) certification. In addition, we continue to provide all types of occupational health and safety education training. Besides the occupational health and safety for our company, we also care about the health and safety of corporations in the community. We promote the exchange between large and small plants and encourage large plants to guide the small plants. We provide medical check-ups for employees, analyze potential hazards for the laborers, help to raise the awareness of safety hazards and protect everyone's health and safety.

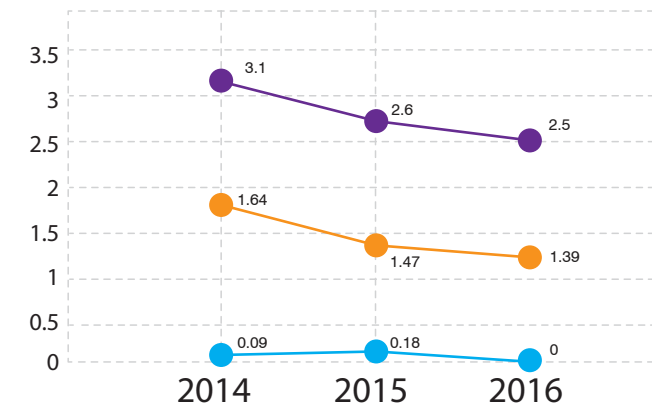
4.4.1 Occupational Health & Safety Advisory Services (OHSAS)

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. We continue to conduct safety observations, occupational safety and health management plans, occasional safety and health inspections and audits, and safety supervision by executives. 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) certification. 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.

The occupational safety and health management system operates through the identification of hazardous factors, and risk assessment and control. We aim to systematically prevent health and safety accidents and reduce potential risks to our employees to improve safety in the workplace. We have great occupational health and safety control. Therefore, no occupational injury occurred in any UPEC plant in 2016.



Frequency rate of injuries (FR)



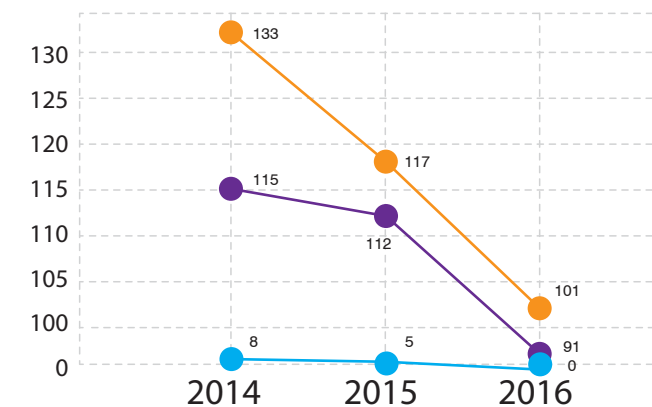
- Uni-President Enterprises Corp
- Food Manufacturing Industry
- Nation

FR = No. of people injured / Total work hours * 10⁶

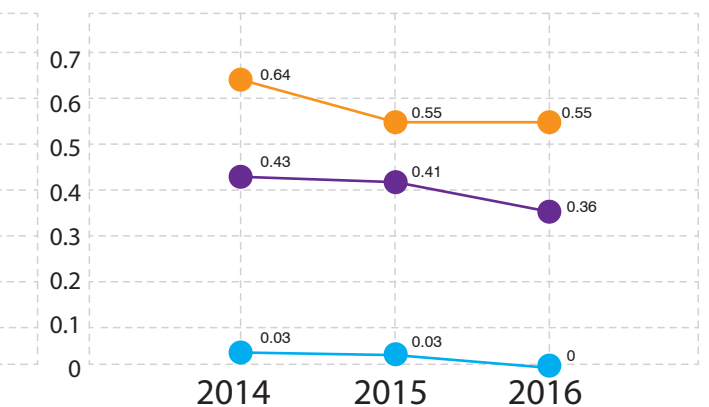
SR = No. of days absent from work due to injuries / Total work hours * 10⁶

FSI = $\sqrt{\frac{\text{Injury Frequency Rate (FR)} * \text{Injury Severity Rate (SR)}}{1000}}$

Severity of injuries (SR)



Frequency-Severity Indicator (FSI)



Total work hours in 2016 (Unit: Hour)	
Male	6,757,824
Female	3,904,000

Work absence in 2016 (Unit: 200,000 work hours)	
Male	671
Female	678

4.4.2 Voluntary-Improvement proposals

The "employee voluntary industrial safety improvement program" has been set up for two years. There were a total of 778 proposals in 2016. Employees report problems about occupational hazards and seek for improvement before any accident occurs. Therefore, no occupational injury was reported from the general factories and park this year.

4.4.3 Occupational safety education training

A healthy and safe workplace is the achievement by the Company and its employees. UPEC enhances the safety management of hardware and makes sure that the supervisors at all levels and all employees receive the required occupational safety education and training. We raise the safety awareness for employees, including part-time workers, contract workers and temporary workers, and even sub-contractors and suppliers entering the production area.

We continue to provide all types of educational training programs to motivate employees to maintain workplace safety and implement industrial safety systems and regulations.

The lecturer from the Labor Affairs Bureau of Tainan City Government carried out the "Health and Safety Family Education Training" in Yongkang Plant in June 2016. The lecturer held courses for hazardous chemical management, prevention of WMSD (Work-related Musculoskeletal Disorders), unlawful infringement while carrying out duties and prevention of overwork. The Safety and Environment Section of Yongkang Plant held a three-day "emergency personnel" training program and held recurrent training for qualified emergency aid personnel. Therefore, we can alleviate the emergent situation and reduce the risk of life-threatening accidents. We aim to reinforce the awareness of traffic safety for employees. In August 2016, we invited personnel from the Tainan City Police Department to teach the course "Traffic Safety Defensive Driving" to help employees understand the causes for accidents and to reduce the possible accidents. The Environmental Safety Office held the course "Fire Safety and Emergency Response" in October to help employees be prepared for possible accidents.



4.4.4 Sharing and exchange

UPEC has the honor to cooperate with the Labor Affairs Bureau of Tainan City Government and assigned the Xinshi Plant to serve as the core enterprise representative of the "New Safety and Happiness" Health and Safety Family founded in 2016. The Xinshi Plant actively leads 23 SMBs through "Major Factories Leading Smaller Factories" program. We provide educational training programs to implement occupational safety and health and significantly reduce the risk of occupational hazards. We held the "New Safety and Happiness Family Industrial Safety Physical Training" and allowed the employees and the members of the Health and Safety Family to integrate theory with practice through this educational seminar. We helped the employees and members reinforce the awareness of safety and health and self-management to effectively reduce the occurrence of occupational hazards.



4.4.5 Health check-ups

We provide medical check-ups that are held more frequently than the requirements specified in the Labor Health Protection Regulations. We analyze items with abnormal results based on the annual medical check-up reports to carry out follow-ups and management of the results. We hire attending doctors to provide services on-site and offer advice to track health conditions. The items with abnormal results include high BMI, waist size indicating overweight and abnormal systolic pressure. The Company is actively involved in organizing various health promotion activities, including health and wellness talks, stair-climbing events and employee sports games. We received the "Exercise Enterprise Certification Award" from the Sports Administration, Ministry of Education. This manifests that UPEC cares about employees' health conditions.





5

Create a healthy and happy tomorrow

- Health protection
- Mutual Prosperity with Society
- I-Sharing





Create a healthy and happy tomorrow

Uni-President's two major charity policies



Taiwan Millennium Health Foundation (hereinafter referred to as the "Millennium") and Uni-President Social Welfare and Charity Foundation (hereinafter referred to as the "Social Welfare Foundation") have been devoted to social welfare concerns for a long time. We have made contributions to the following:

	Item	Year
 Uni-President Social Welfare and Charity Foundation	Emergency relief	1978 to date
	Participation by the disadvantaged groups in the corporate visits and the outdoor growth camp	2007 to date
	Empowerment project for people with disabilities	2008 to date
	Old but Warm Clothing	2008 to date
	Profound long-term care for the elderly in the community who live alone	2008 to date
	Inviting disadvantaged children to watch Uni-Lion games	2009 to date
	After-school programs and talent development programs for remote areas	2015 to date
	Grants of tuition and fees provided to outstanding low-income college students	2016 to date
	Providing drinks for school lunches	2015 to date
	Inviting disadvantaged children to join the baseball summer camp	2015 to date
I-Sharing Seminar	2016 to date	
 Taiwan Millennium Health Foundation	Metabolic syndrome awareness survey	2006 to date
	Millennium Health Station	2008 to date
	National Health Check-up Month	2009 to date
	Preventive medicine seminar	2011 to date
	Millennium Love 89 Waist Measurement Day	2012 to date
Health Care Service in Campus	2012 to date	



Health protection

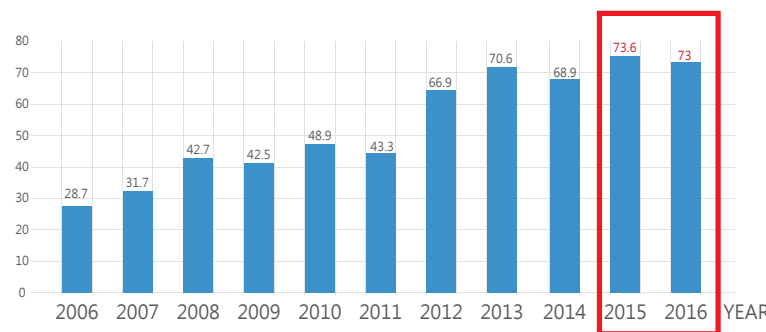
According to data released by the Ministry of Health and Welfare, of the top ten causes of death in Taiwan in 2015, 30.5% of people died of metabolic syndrome derived diseases (including heart diseases, cerebrovascular diseases, diabetes, high blood pressure-induced disorders and kidney diseases), higher than the 28.6% for cancer death rate. We want to help people prevent metabolic syndrome and derived diseases. Therefore, the Millennium conveys the health awareness and promotes prevention of metabolic syndrome through activities to improve the health of our countrymen.

5.1. Research and survey



5.1.1. Health survey

The Millennium calls about 1,200 people in the six special municipalities in Taiwan every year to find out what our countrymen know about metabolic syndrome, healthy waist size and Triple-H. The result shows that, with years of promotion of health awareness by the Millennium, our countrymen's awareness on metabolic syndrome has risen from 28.7% to 73% from 2006 to 2016 and awareness on the Triple-H (hyperglycemia, hyperlipidemia and hypertension) rising from 71.9% to 96.8%.



◀ The awareness on metabolic syndrome has increased by 2.5 times since the Millennium has been promoting the awareness from 2006.



◀ Press conference is held annually to discuss about metabolic syndrome and related topics, which draws attention from the public.

5.1.2. Preventive medicine seminar and conference

The Millennium hopes that people can learn the right knowledge on disease prevention. Therefore, the Millennium has been holding the preventive medicine seminars for seven consecutive years. Eight seminars were held in 2016. The topics were practical and diverse as usual, including aging, sleep quality, diabetes and cancer. A total of 2,697 people attended these seminars. The Millennium also held two seminars with Taiwanese Association of Diabetes Educators and Taiwan Society of Lipids & Atherosclerosis. The metabolic syndrome risk indicators for the elderly and food guide and the metabolic diseases were discussed in these two seminars, respectively. We facilitated academic exchange and supported the research on healthcare medicine through seminars.

5.2. Event promotion



5.2.1. Millennium Health Station

To help educate the public in self-health management, the Millennium and the Good Neighbor Foundation worked together to set up the Millennium Health Stations at 7-Eleven convenience stores to provide free blood pressure and waist measurement services. In 2016, the number of stations has grown to 677. The Millennium has developed a cloud-based Millennium iHealth platform in 2015. The system provides the public with a fast and convenient way to record their health data. This platform hit about 20,000 users since its launching and more than 80,000 records have been accumulated.



5.2.2. National Health Check-up Month



In 2016, the Millennium Health Stations partnered with Cosmed at the 8th Annual Health Check-Up Month and worked with local Department of Health to provide blood pressure and waist measurement services and health awareness lectures. A total of 40,947 measurement records have been collected throughout the event and the number of participants must have been greater than 40,947. A total of 576 nursing practitioners, 200 pharmacists and 522 volunteers contributed their time to the event—the largest nationwide metabolic syndrome health check-up. In 2016, we integrated the resources available to the community with Google Map to launch "My 3D Healthy Life Map". This allows people to look up the locations available for measuring blood pressure, buying healthy food and doing exercise. We helped the public achieve the 3D Healthy Life (Do Control, Do Healthy Diet, Do Exercise) all the time and stay away from the risks of metabolic syndrome.





5.2.3. Millennium Love 89 Waist Measurement Day



The Millennium has designated August 9 as the annual Waist Measurement Day. It leads Uni-President Group to provide the general public with millions of free measuring tapes through numerous channels and outlets, hoping to help people measure their waist size and raise public awareness on "Waistline 8-9-10, Keep Fit to Stay Healthy". In 2016, we promoted the event "Care about Waistline Health by Hugging". We invited people to measure their waistline by hugging instead of using the measuring tape and take actions to show care. We also invited Health Ambassadors to film charity commercials and set up an interactive website for hugging to promote waist size health in a creative way.



5.2.4. Health Care Service in Campus

Starting from 2012, the Millennium held the event "Health Care Service in Campus" in elementary schools around the country and the Millennium Health Open Chan has been present at the event. We performed the healthy swing dance, put on skits and held fun games for nutrition and sports to teach elementary school students about metabolic syndrome knowledge, waist size and a healthy life. We train them to become a member of the "Waist Size Picket" and measure the waist size for their parents and exchange their health knowledge with parents to change the food and living habits of their family and make them keep the idea of staying in shape from childhood. We've toured all the 18 counties and cities in Taiwan and held 37 events by 2015. We focused on island counties in 2016 and held events in nine schools in Kinmen, Lianjiang and Penghu. Besides holding activities for students, we invited teachers and parents to participate in these activities to set an example for children about living in a healthy way. In 2016, a total of 15,642 people participated in the event, including 5,136 students and 10,272 parents.



Mutual Prosperity with Society

Uni-President continues to promote and actively participate in social welfare activities so that those in need can feel the warmth. The alternative role as a corporate citizen represents our long-standing commitment to corporate social responsibilities. In the early days, we contributed to the charity for coal mine accidents, typhoon accidents and medical subsidy for low-income households. These years we promote the charity event "Embrace Life with Love Series" to care for the community, follow-up cases for a long time and collect supplies for disaster rescue. In addition to bringing together enterprise operation resources, we also hope to expand our circle of influence to include our employees' internal values. We expect our employees to be willing to contribute to the community and participate in charitable activities. All these years, the Social Welfare Foundation has invested in services and resources for people with disabilities, schooling/medical care hardships, children and elderly people. We take actions to care for people in vulnerable situations and keep following the vision "Respecting Life, Getting Close to Nature, Caring for One Another and Being Optimistic and Enterprising".



5.3 Emergency relief

Since 1978, we have been providing emergency relief, including hospitalization and aid for injury and death for middle and low-income households and ALICE households who apply for it. We have aided 34,308 households and granted NT\$ 281,621,560 and still accept the application for emergency relief as of now. A 6.4 earthquake occurred in southern Taiwan on Chinese New Year's Eve in 2016, the most serious earthquake in Taiwan since the 1999 Taiwan earthquake. This disaster prompted the society at large to offer assistance and donate resources to victims in order to help them recover from the disaster, rebuild their homes and relieve the sorrow among the society as soon as possible. Uni-President, as a local enterprise in Tainan, embodied the spirit of "Showing Empathy for Others in Need" and promptly made a donation of NT\$ 10 million to Tainan City Government for rescue and reconstruction. Volunteers from 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, hoping that survivors can stay positive and resume a normal life.





5.4 After-school programs and talent development programs for remote areas

The Social Welfare Foundation wants to help children of disadvantaged families in remote areas to adapt to society's changes. These children suffer from poor academic performance due to lack of learning resources. The Social Welfare Foundation works with the Association of Ping-tung Indigenous Culture Education, Makazayazaya Community Development Association, Jiayi Church of the Presbyterian Church, and Puzi City and Lucao Township in Chiayi County to hold the after-school program for children of disadvantaged families. Five classes are available in the program. The Social Welfare Foundation hopes that these programs can provide help to students lack of family and school education. A total of 200 students have benefitted from the program. The Social Welfare Foundation offers scholarships to after-school programs in remote areas to encourage children in these areas to study with confidence and courage. A total of 60 students have benefitted from the scholarship. Through the empowerment project for talent development, we cooperate with Dingzhou Elementary School, Beimen Junior High School and Cigu Elementary School to help students build their talents and skills and raise their confidence. A total of 300 students joined this program in 2016. We offer diverse learning resources to help them discover their advantages, set up their goals for the future and find their motivation for life.



5.5 Empowerment plan for outstanding college students from low-income families

The Social Welfare Foundation encourages and supports outstanding college students from low-income families by initiating the first "Empowerment Project for Outstanding College Students". We interview and visit outstanding college students from low-income families and select 10 of them, giving them a grant of NT\$ 25,000 per semester. We hope that they can study hard with confidence during college and encourage them to be thankful and help each other. We expect them to be the pioneer of this project and lead the future participants to strive for success and feedback to the society.



5.6 Nutrition program

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. Uni-President and the Social Welfare 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. In 2016, we expanded our nutrition program for elementary school students. In addition to students in Tainan, now our program also benefits students in Kaohsiung. We provided Ruisui Fresh Milk, Sunshine Soy Milk, and Uni-President Midou Soy Milk to 67 remote elementary schools in Tainan and Kaohsiung each week, each with fewer than 50 students, to provide them with nutritious beverages and help them grow.



A total of 2,400 students have benefited from our contributions.



5.7 30-Hour Famine

The World Vision held the 27th 30-Hour Famine to encourage people, challenging themselves not to consume any solid food during the 30-hour fast. This event is held to care for children suffering from hunger and families in Taiwan in special circumstances or high risks, and pay attention to the rights to live for child refugees. Uni-President supports this humanitarian aid event and provides 50,000 bottles of Barley Black Tea to numerous high school students and cheer up the participants!





5.8 Uni-President Plays Baseball with Elderly People

Taiwan has become an aging society and one out of four people will be an elderly person in ten years. We believe that the society at large needs to care for elderly people in vulnerable situations. We held a baseball event based on the topic "Uni-President Plays Baseball with Elderly People" before the Dragon Boat Festival. Uni-Lion and Huashan Social Welfare Foundation care for elderly people living alone. We interacted with elderly people, played baseball with them and conveyed the spirit of baseball. We encouraged the elderly people to do exercise to improve physical health. We made rice dumplings with local volunteer groups and gave them to 35 elderly people, a tradition we've followed for many years, to help and care for our local community in the long run. We want to spread the word through the media for encouraging people paying attention to elderly people in vulnerable situations in the long run and hope that more people could join us.



5.9 Old but Warm Clothing

This is the sixth year that we hold the "Old but Warm Clothing" campaign for second-hand goods collection. We encourage our employees to donate the second-hand toys or the winter and summer clothes that do not fit them or have not been worn to people in vulnerable situations. In 2016, the way of donation is different. We worked with our 16 companies, including 7-Eleven, Ton Yi Industrial Corp., TTET Union Corp., ScinoPharm Taiwan Ltd., Mech Smile Inc., President Packaging Ind. Corp. and Uni-Lion. We set up 21 recycling drop-off stations, collected 700 boxes (bags) of second-hand goods and invited the children of Tainan Association of Mental Difficulty to help in organizing the goods. The items were donated to 14 NPOs after sorting, including Shih Guang Educational and Nursing Institution in Hsinchu County and International Christian Care for Children at Risk in Taitung County. A total of 1,200 people have benefitted from our contributions.

I-Sharing

In the early winter months of 2015, we launched the "I-Sharing" event and announced our wishes to spread our love and the spirit of sharing to every corner of the society. Through the sharing of love and warmth, a positive energy has brought our society together.

5.10 "I-Sharing" Christmas tree lighting event

Uni-President called for the participation of all our brands and affiliates to launch the "I-Sharing" Christmas tree lighting events for two years in a row. In these events, we illuminated the skies of Taipei and Kaohsiung.



5.11 Love-Sharing "Ocean Party" New Year's Eve Concert

The New Year's Eve concert "Ocean Party" demonstrates the image of the ocean that is associated with Kaohsiung. This is the only large New Year's Eve concert that is privately organized. We held this concert to say goodbye to 2016 with people in southern Taiwan and looked forward to the next year.



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” , “Preservation of Environmental Values” , “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 aspects during the process of sustainable development.

•Reporting period, Boundary and Scope

The information contained within this report mainly covers the period of January 1, 2016 to December 31, 2016. Some information covers past periods.

This report mainly focuses on Uni-President’ s efforts in Taiwan area, which includes the five general factories located in Yongkang, Xinshi, Taichung, Yangmei, Zhongli, and Hukou park. 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 150 to 152 of the 2016 Annual Report.

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 collected based on ISO140664-1 standards. 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. The GRI 4.0 index in the report is compiled with only material aspects identified, information on other aspects are supplementary to our ESG information.

•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 publishes CSR report annually on our corporate website at <http://www.uni-president.com.mtw/CSR/index.html>
 2016 CSR report issuance date: November 14, 2017
 2015 CSR report issuance date: August 8, 2016

• Contact

Marketing Strategy Planning Office, Uni-President Enterprises Corp.
 Telephone: +886-253-2121
 E-mail: pubic@mail.pec.com.tw

Some of the Group’ s publicly listed subsidiaries now regularly publish their own CSR report. For more information, please scan the QRCode provided below to download their CSR reports.

7-ELEVEN




Tonyi




Tait














Scinopharm





Appendix: SDG

SDG	Goals that are relevant to UPEC	Corresponding section
 SDG1 Individual square and inverted icons as well as print PDF with crop marks.	1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters	Creating a Healthy and Happy Tomorrow
 SDG 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture	2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round 2.2 By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons	Creating a Healthy and Happy Tomorrow A New Era for Food Safety
 SDG 3 Ensure healthy lives and promote well-being for all at all ages	Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks	Creating a Healthy and Happy Workplace
 SDG4 Ensure inclusive and quality education for all and promote lifelong learning	4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations	Creating a Healthy and Happy Tomorrow
 SDG 6 Ensure access to water and sanitation for all	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity 6.5 By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate	Preservation of Environmental Values
 SDG7 Ensure access to affordable, reliable, sustainable and modern energy for all	7.3 By 2030, double the global rate of improvement in energy efficiency 7.a. By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology	Preservation of Environmental Values

SDG	Goals that are relevant to UPEC	Corresponding section
 SDG8 Promote inclusive and sustainable economic growth, employment and decent work for all	By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	Creating a Healthy and Happy Workplace
 SDG 12 Ensure sustainable consumption and production patterns	12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle 12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature	Preservation of Environmental Values A New Era for Food Safety
 SDG 13 Take urgent action to combat climate change and its impacts	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	Preservation of Environmental Values
 SDG15 Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally	A New Era for Food Safety

Appendix: Supplementary Information about CSR Key Indicators

Air Emission

Pollution	Unit	2014	2015	2016
Particle pollution	ton/year	8.6	4.2	0.8
SOx	ton/year	108.5	59.6	53.1
NOx	ton/year	92.3	45.4	39.8
Volatile organic compounds	ton/year	1.3	0.5	7.6

Wastewater discharge and recycle

Pollution	Unit	2014	2015	2016
Wastewater discharge	ton/year	3,447,305	3,279,947	3,232,004
Average COD concentration	mg/L	39.7	39.4	35.7
COD equivalent reduction	ton/year	8,213.3	7,408.9	6,474.0
COD equivalent reduction rate	%	98.36%	98.28%	98.25%
Annual target : Average COD concentration <70 mg/L	-	V	V	V

Overall

Environmental protection expenditures and investments	2014		2015		2016	
	Expenditure (NT\$ thousand)	Percentage (%)	Expenditure (NT\$ thousand)	Percentage (%)	Expenditure (NT\$ thousand)	Percentage (%)
Costs of operational maintenance, waste disposal and treatment, air pollution	99,733	25.46%	101,971	21.33%	120,679	29.87%
Costs on container recycling and treatment	253,798	64.80%	239,373	50.07%	250,239	61.93%
Investment in environmental protection equipment	38,136	9.74%	136,667	28.60%	33,118	8.20%
Total	391,667	100%	478,011	100%	404,036	100%

Summary of the Data for the Charity Events Held in the Last Four Years by the Uni-President Social Welfare and Charity Foundation

Annual job item	2013 achievements	2014 achievements	2015 achievements	2016 achievements
Emergency aid for families nationwide in immediate need	832 households NT\$ 8,563,200	870 households NT\$ 8,933,000	1,162 households NT\$ 13,134,560	920 households NT\$ 10,259,200
Visits to families nationwide in immediate need	35 households NT\$ 6,480	45 households NT\$ 10,500	42 households NT\$ 12,600	40 households NT\$ 12,800
Care service for elderly people living alone	22 households	21 households	20 households	20 households
Drink supply (milk and soymilk) for the school lunches provided to schools in remote areas in Tainan and Kaohsiung with less than 50 students	Not performed	Not performed	26 schools in Tainan (second half year) NT\$ 750,000	67 schools in Tainan and Kaohsiung NT\$ 1,720,000
Long-term empowerment plans for outstanding college students from low-income families and long-term after-school programs for students in remote areas	Not performed	Not performed	NT\$ 6,900,000	NT\$ 2,365,000
CSR charity events with the participation of BU, foundations and other organizations	NT\$ 1,354,138	NT\$ 2,608,515	NT\$ 1,164,000	NT\$ 1,230,000
Number of people benefitted by the contributions	5,300 people	9,300 people	8,000 people	8,260 people
Total annual expenditure	NT\$ 10,605,679	NT\$ 13,475,003	NT\$ 20,696,383	NT\$ 19,974,724

ISO14001 targets, goals, and implemented management solutions at various general plants in 2016

●:completed; ◆:in progress

General plant	Goal	Target	Management solutions	Goal achievement status	
Hukou	Prevent gas leakage	Inspect every year (once per year)	Set up preventive operation on natural gas pipeline leakage	●	
	Save energy and reduce water consumption by recycling water	Reduce water consumption by recycling water (1200 ton/year)	Detect RO conductivity to recycle and reuse water	●	
	Save energy	Optimize cost	Control AC temperature at 27±1°C	●	
	Complete air pollution control system	Comply with odor discharging standards	Conduct air pollution equipment and system improvement engineering	●	
	The oil spill at the bottom of the waste oil sump	Reduce operational mistake resulting oil spilling	Conduct on-site improvement engineering and employee training	●	
	Control lighting and AC centrally to reduce electricity	Reduce annual energy consumption per ton of products	Turn off AC at the end of work	●	
	Reduce the defective products resulted from human operations	Lower offal per production unit	Reduce energy consumption for the heat dissipation at the end of oven operation	●	
Yangmei	Implement odor improvement engineering at the effluent outlet	Reduce the odor by implementing action plan	Lower the tunnel temperature and open the ventilation system to draw out the waste heat	●	
	Add baffle for the dehydration machine to block the odor of sludge and improve the periphery smell	Build two more protective cover	Improve the odor of dehydration machine at the wastewater treatment	●	
Zhongli	Prevent pollution impact	Improve environmental consideration	Improve water storage pool to avoid pollution	●	
	Save energy	Optimize cost	Replace 5 Halogen lamps to LED lamps	●	
	Prevent mixture of rainwater and sewage	No environmental regulation violation	Separate rainwater and sewage	●	
	Prevent pollution impact	Reduce energy consumption	Increase the efficiency in the empty-blanket drying area of Bagel Team	●	
YongKong	Improve the odor at the shoe-washing area	The complainants decreased to 0	Improve the drainage facility in the shoe-washing area of bread factory	●	
	Odor reduction on feed manufacturing factories	Comply with odor discharging standards	Rectify the dust and material leakage problem resulting from the incorporation of powdery additives.	●	
	Provide general environmental protection education and training	500 hours (person times hours)/ year	Provid general environmental protection education and training	●	
	Rectify noise produced by flour mill	Reduce noise produced by Bran grinder to under 85 dB	Rectify noise produced by Bran grinder	●	
	Waste reduction	Reduce waste produced	Reduce waste from Styrofoam	●	
Xinshi	Odor reduction	Impact on pollution prevention	Stack discharge from the cup noodle line while processing frying	●	
	Reduce cost on waste disposal	Cost is reduced by NT\$100,000	Discussion on recyclable waste	●	
	Improve energy efficiency	Reduced steam power by 131 tons/ NT\$1,500,000		Impact on energy saved from box washing machine using heat bump system	●
		Saved 111,367 MWh/ NT\$378,647		Impact on energy saved from cooling water system	●
		Saved 124,230 MWh/ NT\$400,000		Renew water chiller system allocated for 100HP juice manufacturing processes on the first floor with new frequency convertor	●
		Reduced steam power by 325 tons/ NT\$370,500		Energy saved on steam sterilizer	●
		Saved 197,100 MWh/ NT\$ 670,140		Improved and updated main freezer	●
		Saved 531,748 MWh/ NT\$ 1,807,872		Energy saving project on changing freezer compressor from 300HP to 150HP	●
Saved 21,000 MWh/ NT\$ 74,000			Improved energy efficiency for freezer and refrigerator on the first floor	●	
Saved 30,588 MWh/ NT\$ 104,000			Integrate cooling tower system	●	
Saved 98,024 MWh/ NT\$ 333,281		Pressurize dissolved air floating system and reflux motor	●		





GRI 4.0 index

General Disclosure

GRI4.0 Indicators	Pages	Corresponding Section and Notes
Strategy and Analysis		
G4-1 Statement from the most senior decision-maker	3-6	Words from the Chairman & Words from the CEO
G4-2 Provide a description of key impacts, risks and opportunities	21-22	Risk Management
Organizational Profile		
G4-3 Name of the organization	16	Overview of Company Operations
G4-4 Primary brands, products and services	16-17	Overview of Company Operations
G4-5 Location of the organization's headquarters	16	Overview of Company Operations
G4-6 Number, and names, of countries where the organization operates	16	Overview of Company Operations
G4-7 Nature of ownership and legal form	16	Overview of Company Operations
G4-8 Markets served	16	Overview of Company Operations
G4-9 Report the scale of the organization	16-17	Overview of Company Operations
G4-10 Number of employees by employment type, contract and region	62	Human Resource Development
G4-11 Percentage of employees covered by collective bargaining agreements	61	Human Resource Development
G4-12 Organization's supply chain	25-27	Food Safety
G4-13 Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	77-78	About This Report
G4-14 The precautionary approach or principle addressed by the organization	22	Risk 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	17	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.	17	Overview of Company Operations
Identified material aspects and boundaries		
G4-17 List all entities included in the organization's consolidated financial statements	77-78	About This Report
G4-18 Explain the process for defining the report content and the Aspect Boundaries	10-13	Sustainable Management
G4-19 List all the material Aspects identified in the process for defining report content	10-13	Sustainable Management
G4-20 For each material Aspect, report the Aspect Boundary within the organization	13	Sustainable Management
G4-21 For each material Aspect, report the Aspect Boundary outside the organization	13	Sustainable Management
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

GRI4.0 Indicators	Pages	Corresponding Section and Notes
Stakeholder engagement		
G4-24 Provide a list of stakeholder groups engaged by the organization	13	Sustainable Management
G4-25 Report the basis for identification and selection of stakeholders with whom to engage	10	Sustainable Management
G4-26 Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	14	Sustainable Management
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	14	Sustainable Management
Report profile		
G4-28 Reporting period for information provided	77-78	About This Report
G4-29 Date of most recent previous report	77-78	About This Report
G4-30 Reporting cycle	77-78	About This Report
G4-31 Provide the contact point for questions regarding the report or its contents	77-78	About This Report
G4-32 GRI Content Index for 'In accordance' and an external assured	77-78	About This Report
G4-33 Report the organization's policy and current practice with regard to seeking external assurance for the report	89	Auditor's limited assurance report
Governance		
G4-34 Report the governance structure of the organization	18-20	Corporate Governance
Ethics and Integrity		
G4-56 Describe the organization's values, principles, standards and norms of behavior	20 22	Corporate Governance Risk Management





Special Disclosure

Material Aspects	DMA and Indicator	Pages	Corresponding Section and Notes
Economic Performance	DMA Disclosure on management approach	16-17	Overview of Company Operations
	G4-EC1 Direct economic value generated and distributed	16	Overview of Company Operations
	G4-EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change	21-22 43-45	Risk Management Climate Change and Energy Management
Procurement Practice	DMA Disclosure on management approach	24-27	Food Safety
	G4-FP1 Percentage of purchased volume from suppliers compliant with company's sourcing policy.	26	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.	40	Change in Consumer Behavior
Energy	DMA Disclosure on management approach	43-49	Climate Change and Energy Management
	G4-EN3 Energy consumption within the organization	46	Climate Change and Energy Management
	G4-EN6 Reduction of energy consumption	49	Climate Change and Energy Management
Emission	DMA Disclosure on management approach	43-49	Climate Change and Energy Management
	G4-EN15 Direct greenhouse gas emissions (scope 1)	47	Climate Change and Energy Management
	G4-EN16 Energy indirect greenhouse gas emissions (scope 2)	47	Climate Change and Energy Management
	G4-EN19 Reduction of greenhouse gas emissions	49	Climate Change and Energy Management
	G4-EN21 NOx, Sox, and other significant air emissions	81	Supplementary Information about CSR Key Indicators
Effluents and Waste	DMA Disclosure on management approach	50-51	Waste Management
	G4-EN22 Total water discharge by quality and destination	81	Supplementary Information about CSR Key Indicators
	G4-EN23 Total weight of waste by type and disposal method	51	Waste Management
Supplier Environmental Assessment	DMA Disclosure on management approach	24-27	Food Safety
	G4-EN32 Percentage of new suppliers that were screened using environmental criteria	26	Food Safety
	G4-EN33 Significant actual and potential negative environmental impacts in the supply chain and actions taken	25-27	Food Safety
Labor Practices	DMA Disclosure on management approach	58-62	Human Resource Development
	G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender and region	62	Human Resource Development
	G4-LA2 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	59	Human Resource Development
	G4-LA3 Return to work and retention rates after parental leave, by gender	59	Human Resource Development
Occupational Health and Safety	DMA Disclosure on management approach	63-66	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	64	Occupational Health and Safety
	G4-LA7 Workers with high incidence or high risk of diseases related to their occupation	66	Occupational Health and Safety

Material Aspects	DMA and Indicator	Pages	Corresponding Section and Notes
Supplier assessment for labor practices	DMA Disclosure on management approach	24-27	Food Safety
	G4-LA14 Percentage of new suppliers that were screened using labor practices criteria	26	Food Safety
	G4-LA15 Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	25-27	Food Safety
Supplier Human Rights Assessment	DMA Disclosure on management approach	24-27	Food Safety
	G4-HR10 Percentage of new suppliers that were screened using human rights criteria	26	Food Safety
	G4-HR11 Significant actual and potential negative human rights impacts in the supply chain and actions taken	25-27	Food Safety
Supplier Assessment for Impacts on Society	DMA Disclosure on management approach	24-27	Food Safety
	G4-SO9 Percentage of new suppliers that were screened using criteria for impacts on society	26	Food Safety
	G4-SO10 Significant actual and potential negative impacts on society in the supply chain and actions taken	25-27	Food Safety
Customer Health and Safety	DMA Disclosure on management approach	35-40	Change in Consumer Behavior
	G4-PR1 Percentage of significant product and service categories for which health and safety impact re-assessed for improvement	37-39	Change in Consumer Behavior
	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	35	Regulatory Change
	G4-FP5 Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards.	31-32	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.	37-38	Change in Consumer Behavior
	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.	37-38	Change in Consumer Behavior
	DDMA Disclosure on management approach	35-40	Change in Consumer Behavior
Product and Service Labeling	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	36	Change in Consumer Behavior
	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	35	Regulatory Change
	G4-PR5 Results of surveys measuring customer satisfaction	37	Change in Consumer Behavior
	DMA Disclosure on management approach	35-40	Change in Consumer Behavior
	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	35	Regulatory Change
Healthy and Affordable Food	DMA Disclosure on management approach	35-40 69-71	Change in Consumer Behavior Health Protection



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	Rules
1	Please refer to the total number of meeting from "Table of Numbers of Food Safety Meetings in 2016" on page 28.	28	Article 1, 1
2	Please refer to the number of notifications, number of times that tracking was required, rate of completed tracking and percentage of product categories affected from "2016 Food Safety Center Rapid Alarm (FSCRA) Numbers of Notification Table" on page 35.	35	Article 1, 1
3	In 2016, there were 6 complaints regarding unclear labeling. Each complaint was investigated by the Food Safety Committee. We carried out awareness training internally and completed the relevant optimisation tasks (Note 1) during the year before concluding the investigation. Note 1: Optimisation means to complete the improvement decided based on the discussion between the Food Safety Committee and departments which affected 100% of the products in the company.	28	Article 1, 1
4	As of the end of 2016, please refer to the professional certificates or licenses and the total number of employees who have earned professional certificates or licenses from "Table of 2016 Professional Certificates and Licenses" on page 29.	29	Article 1, 1
5	Please refer to the total number of production factories, number of factories inspected, percentage of factories inspected and products affected from "2016 Level 2 Inspection Result Table" on page 31-32.	31~32	Article 1, 1
6	Please refer to the the total number of regulation identification cases initiated in 2016 from "Regulation Identification System Flowchart" on page 34.	34	Article 1, 1
7	Mostly the regulations applicable to Uni-President are the Act Governing Food Safety and Sanitation and its Enforcement Rules.	34	Article 1, 2
8	Please refer to the provisions violated, main cause, penalty and corrective measures from "2016 Violation Cases and Corresponding Corrective Actions Table" on page 35.	35	Article 1, 2
9	Please refer to the ratio in 2016 from "Use of the paper packaging material certified by the Forest Stewardship Council (FSC)" on page 40.	40	Article 1, 3
10	Please refer to the progress of 84 certified product lines and the ratio of certified product produced of each product line to total product produced of each product line from "Annual Food Production Line Certification Table 1" on page 31.	31	Article 1, 4
11	Please refer to the ISO22000 and FSSC22000 received by each plant and certified items from "Annual Food Production Line Certification Table 2" on page 32.	32	Article 1, 4
12	Please refer to CSR report page 26 a. Onsite evaluation and the evaluated items of suppliers, ratios of onsite evaluations and results of onsite evaluations.	26	Article 1, 5
13	Since last year, onsite evaluations of overseas suppliers and foreign upstream raw material vendors of existing trading firms were added. Total of 147 suppliers were evaluated and all received passing score.	26	Article 1, 5
14	As of the end of 2016, we have completed the traceability implementation of 228 products in compliance with Regulations Governing Traceability of Foods and Relevant Products, which represent 46.91% of our entire product offerings (excluding animal and aquatic feed). All products that required implementation of traceability system based on regulations were 100% completed. Complete data from our traceability system has been uploaded to the Ministry of Health and Welfare's "Food Traceability Management System" (http://ftracebook.fda.gov.tw).	31	Article 1, 6

No.	Subject Matter Information	Pages	Rules
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.	31	Article 1, 6
16	Uni-President' s laboratories have passed the TAF and TFAD certification for 489 accredited items, including pesticide residues, animal drugs, heavy metals, plasticizers, microorganisms, preservatives and nutrient components.	30	Article 1, 7
17	Please refer to the accredited laboratories, Taiwan Food and Drug Administration (TFDA) accredited items and Taiwan Accreditation Foundation (TAF) laboratory accredited items from "Taiwan Food and Drug Administration a (TFDA) and Taiwan Accreditation Foundation (TAF) accredited items list" on page 30.	30	Article 1, 7
18	We have food safety laboratories in the Yongkang headquarter and Quality Control Laboratories in all of the general plants. Our laboratories are ISO17025 certified. We have also achieved both the Taiwan Food and Drug Administration (TFDA) and the Taiwan Accreditation Foundation (TAF) laboratory accreditations. Tests have been conducted for 204 major categories by the laboratory, including general physical properties, chemical properties and food safety factor-related test items (489 items in the following table) by Quality Management Division and Food Safety Center. The testing procedures do not only conform to TFDA/TAF accreditation requirements, but also to the referenced 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).	29	Article 1, 7
19	Please refer to the abnormality rate of finished product and raw material from "Table of Finished Product and Raw Material Abnormality Rate in 2016" on page 30.	30	Article 1, 7
20	Please refer to the food safety control expenses, as a percentage of the entity' s net operating revenue in the individual financial statements and expenditures on R&D and testing equipment from "Table of Food Safety Control Expenses in 2016" on page 30.	30	Article 1, 7
21	During 2016, we completed the auditing of 7 Affiliated companies, which are President Chain Store Corp., Uni-President Organics Corp., President Natural Industrial Corp. (Santa Cruz), President Pharmaceutical Corp., President Nisshin Corp., President Kikkoman Inc., and Tait Marketing & Distribution Co., Ltd. Please refer to "Food Safety System Evaluation Audit Item of Affiliated Enterprise Diagram" on page 33.	33	Voluntary
22	For 2016 Inspection performed by Quality Management Division, please refer to b. Inspection performed by Quality Management Division and results for numbers of suppliers inspected, numbers of inspection performed and types of defects found on page 27.	27	Voluntary
23	For 2016 Audits performed by the Food Safety Audit Team, please refer to c. Audits performed by the Food Safety Audit Team and results for numbers of suppliers audited, numbers of audited performed and types of defects found on page 27.	27	Voluntary
24	Please refer to the total number of training hours and the total number of trainees in 2016 from "Food safety education and training chart" on page 29.	29	Voluntary

Please refer to the page provided for each subject matter for its reporting criteria.



會計師有限確信報告

資會綜字第 16009017 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，就選定民國 105 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。本執業人員業已確信竣事，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 貴公司所選定民國 105 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」）詳列於 貴公司民國 105 年度社會責任報告書第 83 至 84 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，各確信標的資訊報導基準已於報告書內文載明。

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民國 105 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民國 105 年度社會責任報告書及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。此報告不對民國 105 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。

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
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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適用於合理確信案件者不同，其範圍亦較小。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  

中華民國 106 年 11 月 14 日



5th 五十榮耀  三品永續
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