

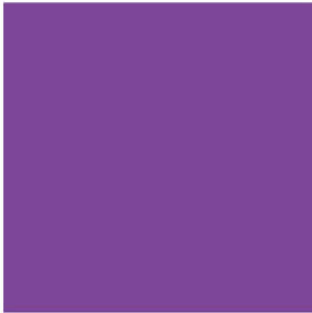


2017

CSR REPORT

Uni-President

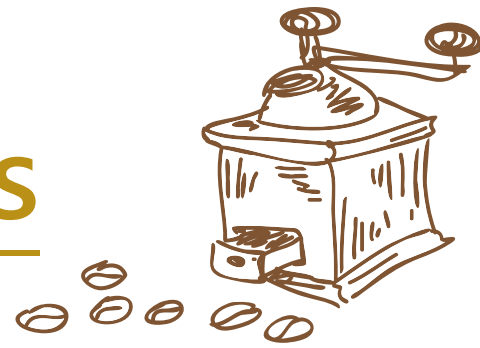
Corporate Social Responsibility Report








統一企業

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A Half Century of Glory – Sustainability through Morality, Branding and Taste



Chairman

羅智先



On December 22, 2017, we celebrated our 50th anniversary, and we have only our sincerest gratitude for everyone involved, including our beloved employees and their family; our shareholders, who we always keep in mind; our long-term partners; and last but not least, consumers who have stood by us over the years. With your encouragement and support, we have become the Uni-President Enterprises Corp. of today. Thank you for your timely suggestion and encouragement, driving us forward to attaining excellence. On that note, we are proud to say that our glories and achievements belong to all of you. Looking ahead, we will continue our endeavors with steadfastness and purpose in order to embrace the next golden 50 years of sustainable operations. While wishing ourselves a happy birthday, we also like to say thank you to each and every one of you from the bottom of our hearts for always being there.

Over the five decades since our establishment, we have grown and flourished from a flour producer into a corporation that serve the society closely; our networks extend to every corner of each market, and link to people's daily lives, and we are constantly implementing the essence of sustainable development in our daily operation. We are accountable for the products we manufacture and the services we render, so that each consumer will be given the highest quality experience through their purchase. We treat the health and welfare of our employees as one of our priorities, and we also work closely with our business partners to enhance food safety and awareness of the society. By managing environmental impact, we strive to contribute to the well-being of the environment, and we are always willing to lend a helping hand to those in need through our efforts in charity. Furthermore, we aim to foster health consciousness among the public to generate the greatest values for the society and our shareholders. With our products and services, we intend to convey the philosophy of integrity, compassion, tolerance, history and heritage, and an attitude towards life.

After a half century of incessant refinement, we have imperceptibly become an integral part of people's lives, their experiences and memories. Over the last five decades, we have strived to stay in tune with the pulse of the society and become accountable for our actions, because we aspire to share a better tomorrow with the society. We constantly remind ourselves that without the society's support and trust, all our accomplishments will be in vain, as society is the sole purpose of our existence. We are offered the opportunity to do great things because the society has faith in us to carry out our commitment. People will only be able to appreciate and acknowledge our values if we are willing to understand, fulfill and satisfy their needs. For the future, we will never stop envisioning how to build upon our expertise in production to elevate our standards in morality, brand and taste, as well as internalizing our thoughtful services on a deeper level, thereby enriching the cultivation, style and life experience of people. As Uni-President Enterprises Corp. and our group are ready for next 50 years, we invite you to join us on the next journey to sustainability.

Forging Ahead Steadfastly on our Journey to Corporate Sustainability



President

侯榮隆



Uni-President Enterprises Corp. has been operated for 50 years! Over the last half century, thanks to the collective endeavors of our employees, we have established a solid foundation for sustainable development. We are constantly striving for improvement, so we have stipulated targets on various aspects of corporate sustainability and continued to work toward these goals. In 2017, we have been ranked in top 5% in Corporate Governance Evaluation of Listed Companies for four consecutive years. In addition, we are among the top 10 constituent stocks of the FTSE4Good TIP Taiwan ESG Index and have been included in the FTSE4Good Emerging Index. In order to conduct more comprehensive integration of resources and devise our overall sustainability blueprint, we have officially formed the "Corporate Social Responsibility Committee" to continue driving forward our progress in sustainability management.

Faced with the most important issue of "food safety", we will continue to implement the supplier assessment system; besides managing food safety risks, we will assist our business partners to optimize their operation procedures. In relation to food safety, we have devoted resources to R&D, obtaining 47 food safety related patents. Furthermore, we have purchased the equipment to strengthen our examination capabilities. Besides self-management and the management of our upstream suppliers, we have also upheld the responsibility of resource sharing and maintaining food safety. In this regard, we have joined the "Food Safety Self-Management Alliance" formed by Public Health Bureau, Tainan City Government, Southern Taiwan University of Science and Technology and other food manufacturers, hoping to safeguard food safety in Taiwan through the alliance's integration of local resources.

Great labor relation and a safe work environment are our long-term goals, thus we strive to provide our employees with a better life and work environment. It is hoped that we can achieve sustainable prosperity via the collective endeavors of every employee.

Preserving a sustainable environment is one of the cornerstones of corporate sustainability. Therefore we have initiated various management projects to control greenhouse gases, wastes and water resources. In 2017, our greenhouse gas emissions were reduced by 1.97% compared to the previous year and we conserved 68,270 tons of water during the same period. Our waste recycling rate was 95.62%, and we tracked the progress of 61 shipments of wastes and recycled materials in the same year.

As far as social participation is concerned, the Uni-President Social Welfare and Charity Foundation and Taiwan Millennium Health Foundation will continue materializing our goals in public welfare – helping the underprivileged communities and promoting health and nutrition and preventive medicine. Moreover, we have proactively participated in 2017 Summer Universiade hosted by Taipei City, which is considered the greatest international sporting event ever to be hosted by Taiwan. In order to optimize the country's global exposure, we integrated our Group's resources to become the first official sponsor and partner of Summer Universiade. During the competition, we supplied the organizers with goods, materials and promotional resources to fulfilling our social responsibilities as a corporate citizen.

We are constantly contemplating how to offer consumers products and services that will satisfy them and touch their hearts. Our sound performance in corporate sustainability will have a positive influence on the society and strike a chord in our stakeholders' hearts. Let us continue on the journey towards sustainable development with confidence, constancy, and courage.

2017 Key Achievements

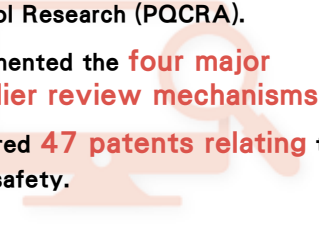
An Enterprise Built on Integrity

1. **Top 20** International Taiwanese Brands of 2017.
2. Named on **Top 5% companies** in Corporate Governance Evaluation for the **consecutive fourth year**.
3. Won the **Silver Prize** at the 10th TCSA **Corporate Sustainability Reports**.
4. Established the **CSR Committee**.
5. Consolidated net income reached NT\$59,965 million, **153% higher than the previous year**.



A New Era for Food Safety

1. Awarded the **Golden Medal for the Contest Group** at International Convention on Quality Control Circles (ICQCC) held by the Association of Pioneer Quality Control Research (PQCRA).
2. Awarded the **Golden Tower Award and the Silver Tower Award** at the 30th Taiwan Continuous Improvement Award organized by Corporate Synergy Development Center.
3. Awarded the **Distinguished Award, Excellence Award, and Honorable Mention Award** at the 30th Taiwan Continuous Improvement Award organized by Corporate Synergy Development Center.
4. Won the **Gold Prize** at the 40th National Q.C. Circles Gold and Silver Awards Conference organized by the Association of Pioneer Quality Control Research (PQCRA).
5. Honored the **Excellence Award** at the 201st and 202nd National Quality Control Conference Announcement held by the Association of Pioneer Quality Control Research (PQCRA).
6. Implemented the **four major supplier review mechanisms**.
7. Acquired **47 patents** relating to food safety.



Preservation of Environmental Values

1. The Xinshi Complex won the **Silver Award at the Energy Conservation Benchmark Awards** organized by the Ministry of Economic Affairs.
2. The Hukou Plant **passed ISO50001 certification** for the energy management system.
3. Energy conservation projects **reduced 4,433 tonnes CO2e**. GHG emissions **reduced by 1.97%** compared to the previous year.
4. The annual average rate of **electricity conservation** of all complexes was **2.17%**.
5. Total water conservation was about **68,270 tonnes**, equivalent to the volume of **27** standard swimming pools.
6. Waste **recycling rate 95.62%**.



Building a Healthy and Happy Workplace

1. Selected as the **top-one** enterprise in commodities manufacturing industries from the **“Top 20 of Most Popular Employers among the New Generation”** by Cheers Magazine.
2. The Zhongli Plant and the Xinshi Complex won the **2017 Outstanding Performance in Occupational Safety and Health Award** from the Ministry of Labor.
3. Signed the third **collective bargaining agreement**.
4. **99%** of employees are members of UPEC Trade Union.



Creating a Healthy and Happy Tomorrow

1. Won the **Social Inclusiveness Award** at the 10th TCSA Taiwan Corporate Sustainability Award.
2. Promoted the Group Meal Program to **500** elderly beneficiaries.
3. Made in-kind donations to **20** counties and cities to **12,000** beneficiaries.
4. Donated beverages for school lunch of **96** elementary schools in remote areas.
5. Organized the Preventive Medicine Seminar for the seventh year, with **2,470 participants**.
6. Millennium i-Health attracted **over 20,000** users, accumulating **150,000** measurement records by upload.



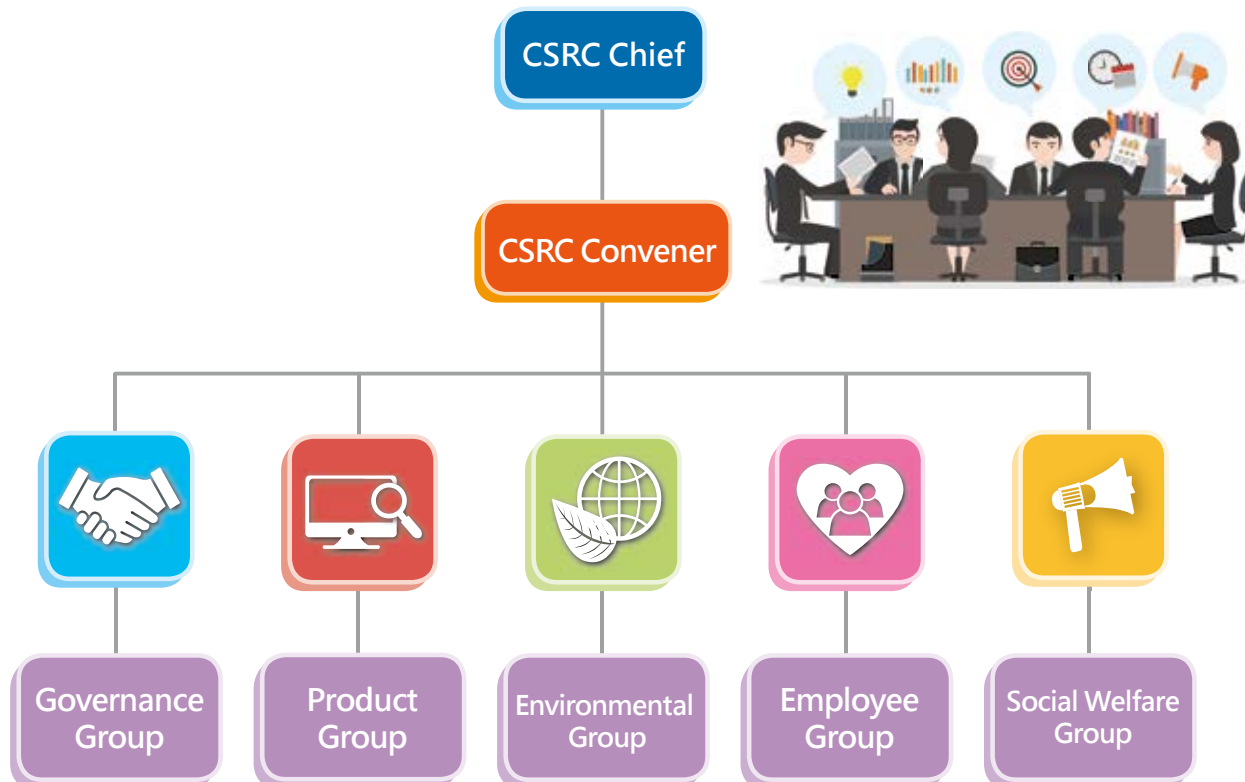
Sustainable Management



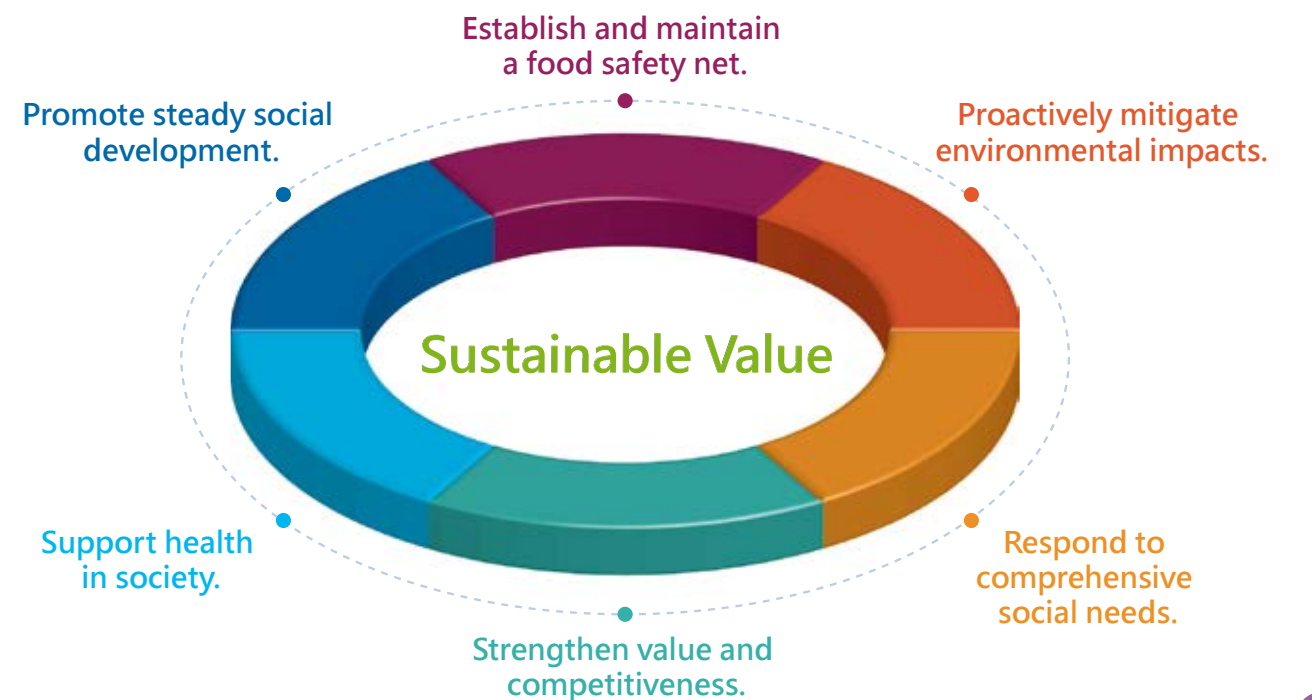
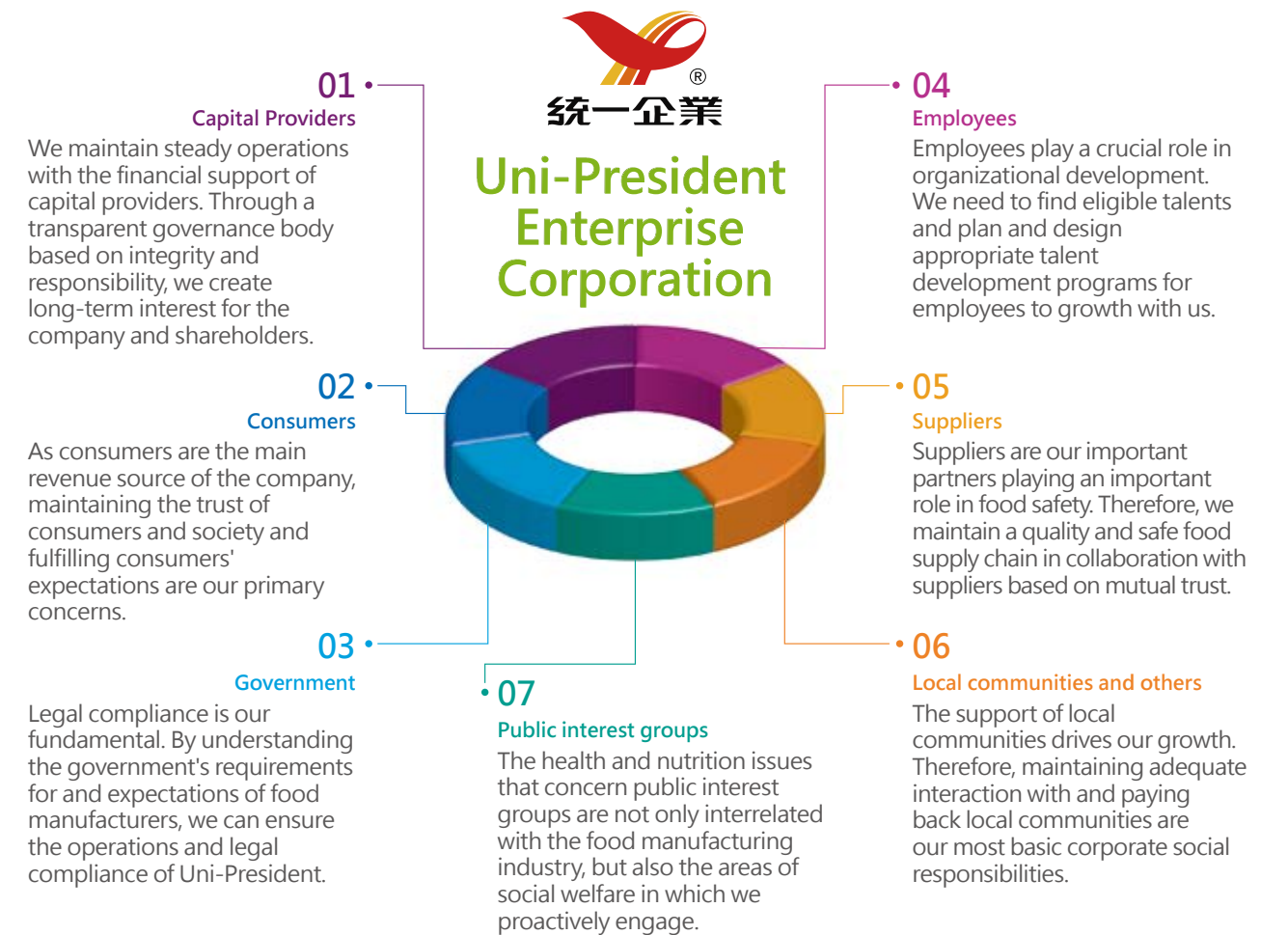
Sustainable Management Unit

In a globalized and technological business environment, we realize the need for enterprises to fulfill social responsibilities. Therefore, we will progressively implement social responsibilities within the organization with respect to the directions and objectives specified in the Uni-President CSR Code of Practice. In 2017, we officially established the Corporate Social Responsibility Committee (CSRC) chaired by the company's president, with the vice president as the convener and the heads of functional groups as committee members. Under the CSRC there are five functional groups : governance, product, environment, employee, and social welfare groups, with the head of each group serving as committee members assisting in interdepartmental communication.

The CSRC holds a committee meeting half-yearly to establish the sustainability policy, draw up the key performance indicators (KPIs) and objectives of each functional group, and approve the plans and review the work performance of each group. When material aspects are determined after discussions, the chief or convener of the CSRC will report to the chairperson to ask for comments and decisions. Each functional group operates independently to draw up the sustainable policy, implement programs and projects, control and follow up their progress, and consolidate results for reporting to the CSRC. The overall performance of material CSR aspects is the responsibility of the head of each related direct business unit or functional group. Material CSR aspects will also form part of the follow-up and evaluation.



Sustainable Values Created for Stakeholders by Uni-President



Material Aspects 2017

Understanding and giving appropriate responses to the needs and expectations of stakeholders are key factors affecting the sustainable development of enterprises. Therefore, we identified stakeholders and analyzed material aspects in terms of the three steps below. In 2017 we conducted a survey on aspects that concern stakeholders. After identifying material aspects, we made concrete responses and disclosed our improvement plans in this report.

Step 1 Identification and prioritization

01

Identifying stakeholders

Based on the following principles, we identified seven stakeholder groups :

- Significance of stakeholder influence on Uni-President.
- Uni-President's dependency on stakeholders
- Capital providers • Consumers • Government • Employees
- Suppliers • Local communities and others
- Public interest groups



02

Identifying material aspects

A total of 15 related aspects were identified after internal evaluation and screening based on the organization situation confirmed by a comprehensive evaluation of the future vision, sustainability strategy, impacts on the value chain, GRI G4 aspects, and aspects that concern worldwide food manufacturers.



03

Analyzing the significance of concern of material aspects

After selecting representative respondents from the seven stakeholder groups identified, we surveyed the significance of their concern about the 15 related aspects with a questionnaire, and 50 copies and responses were distributed and collected.



04

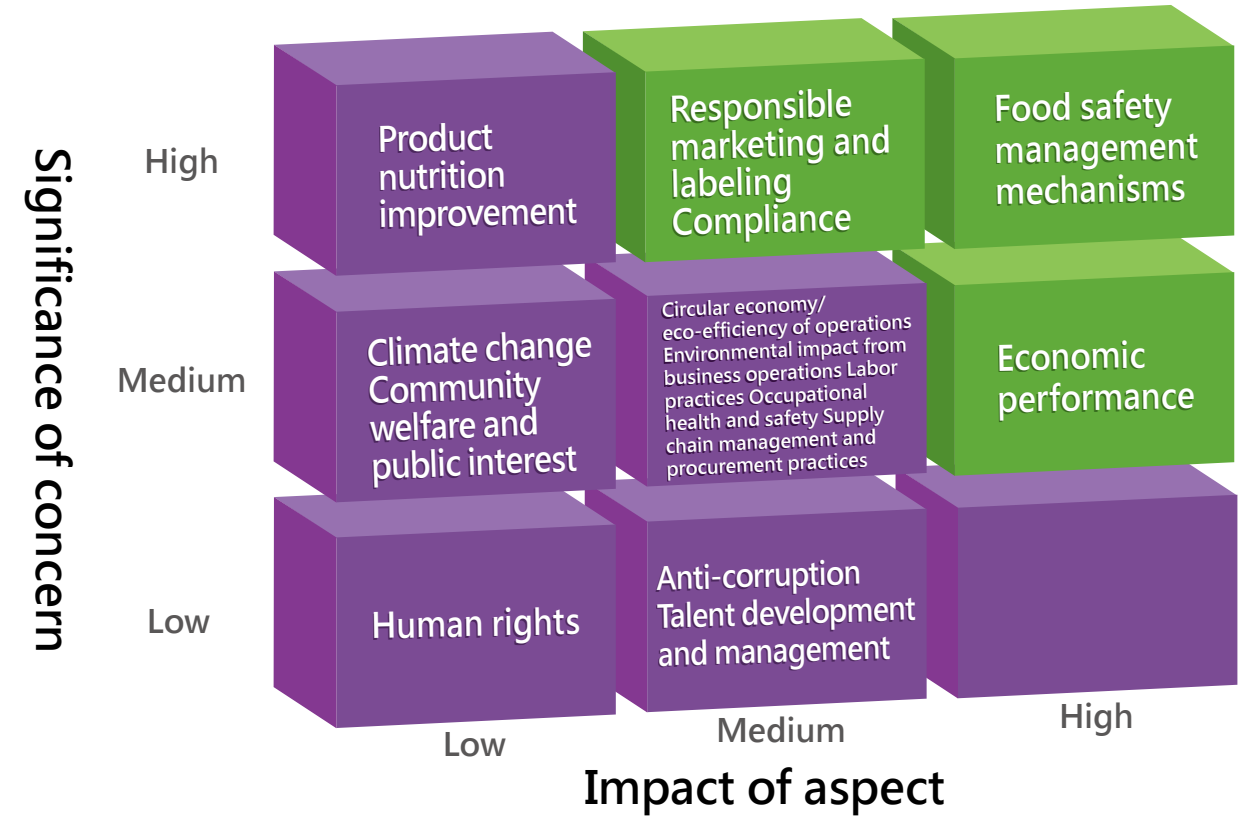
Evaluating the impact of material aspects

After evaluating the impact of these 15 related aspects, the management and the responsible units of respective aspects determined four material aspects.

- Economic performance • Responsible marketing and labeling
- Food safety management mechanisms • Compliance



After completing the above steps, we identified the material aspects for 2017 as follows :



Aspect	Aspect Contents
Economic performance	Financial information regarding organizational operations, expenses and income, and financial assistance from government
Anti-corruption	Assessed risk of corruption and policy and action for anti-corruption
Circular economy/eco-efficiency of operations	Consumption and recovery of materials, energy, and water
Climate change	Impact of climate change, GHG emissions and reduction
Environmental impact from business operations	Status of emissions of ozone-depleting substances, NOx, and SOx and discharge of effluents and waste and their management.
Labor practices	Employment and benefits
Human rights	Assessments relating to risk in human rights and actions taken.
Occupational health and safety	Actions to maintain OHS and employee communication
Talent development and management	Talent development program and performance
Community welfare and public interest	Communication and assessment of the impacts and development of business activities on local communities
Supply chain management and procurement practices	Policy for new supplier management, including assessment standards.
Food safety management mechanisms	Assessment of the impacts of products on consumer health and safety, food safety management systems, food safety training, product tracking and traceability, food safety laboratory.
Responsible marketing and labeling	Clear labeling of correct contents to promote consumer health and positive influence.
Product nutrition improvement	Response to the nutrition appeals of consumers.
Compliance	Circular economy, environmental and social related laws and regulations

Step 2 Validation

After analyzing the materiality of aspects, the management confirmed various material aspects, and individual responsible groups assessed the completeness of aspects, aspects against the scope, aspect boundaries, and the time to report in order to meet and respond to the material information and performances that concern stakeholders. Each department produced this report with respect to the principles of completeness, responsiveness, and stakeholder inclusiveness to ensure that the information regarding material aspects are actually disclosed in the report.

Material aspects	Within the organization		Outside the organization						G4 Aspects	Corresponding sections and significance to organization
	Uni-President Enterprise Corporation	Employees	Capital providers	Consumers	Suppliers	Government	Local communities	Public interest groups		
Economic performance	V	V			V				Economic performance	Overview of company operations
Food safety management mechanisms	V	V	V	V	V	V	V	V	Customer health and safety	Food safety
Responsible marketing and labeling	V	V	V	V		V	V	V	Marketing communications	Marketing and labeling
Compliance	V		V		V			V	Compliance	Legal change

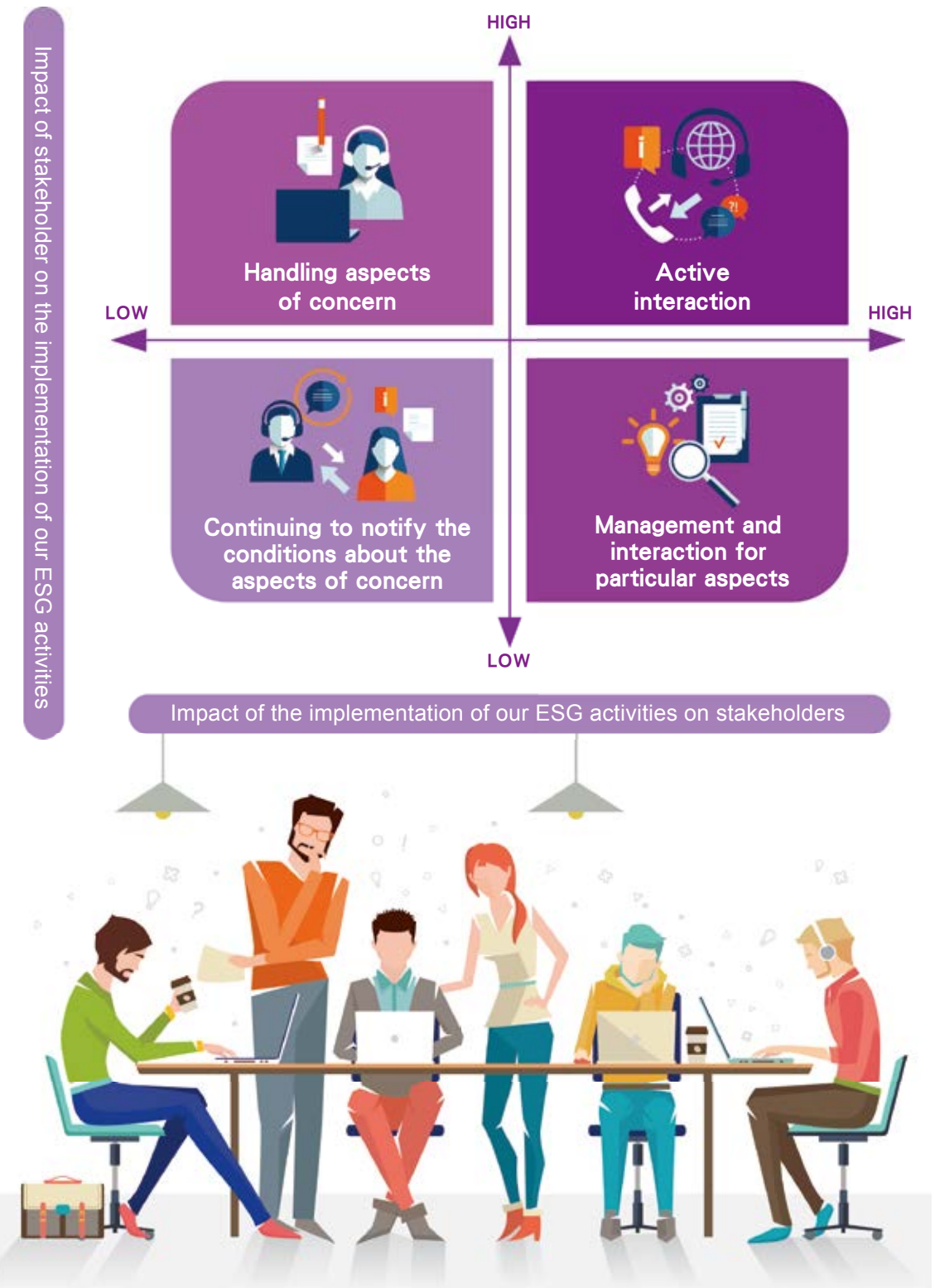
Step 3 Review

After completing the report, departments continue to examine and review the report to ensure that the information and performance contained in this report are not inappropriately or unfaithfully presented. Departments also referred to the review outputs for the reference of the next report.










Stakeholder engagement





Based on the seven stakeholder groups identified, we reviewed the significance of mutual impacts between stakeholders and the organization's environmental, social and governance (ESG) activities to design and define the method and frequency of engagement with each stakeholder group based on its characteristics.



With respect to the stakeholder survey results, the aspects that concern stakeholders and the methods of stakeholder engagement are tabulated below :

Stakeholders	Aspects concerned	Frequency and method of communication
 Capital providers	<ul style="list-style-type: none"> • Food safety management mechanisms • Responsible marketing and labeling • Compliance-legal 	<ul style="list-style-type: none"> • Annual general meeting (AGM) of shareholders • Irregular investor conferences • Disclosure of material information as prescribed by competent authorities • Publishing financial statements/annual reports/ CSR reports periodically • Disclosure of information on the corporate website
 Consumers	<ul style="list-style-type: none"> • Food safety management mechanisms • Responsible marketing and labeling • Product nutrition improvement 	<ul style="list-style-type: none"> • Corporate website and brand marketing network • Loyal Customer Service Center (0800 helplines and e-mail) • Periodic publishing of CSR reports
 Government	<ul style="list-style-type: none"> • Labor practices • Food safety management mechanisms • Responsible marketing and labeling 	<ul style="list-style-type: none"> • Regular compliance audits • Support for philanthropic activities/initiatives • Assistance in the formulation of related regulations • Periodic publishing of CSR reports
 Employees	<ul style="list-style-type: none"> • Economic performance • Labor practices • Occupational health and safety • Food safety management mechanisms • Responsible marketing and labeling 	<ul style="list-style-type: none"> • Announcement of management policies, rewards, punishments, and changes • Regular labor-management communication meetings/ labor unions • Training center/internal recruitment/job rotation • Periodic Welfare Committee meetings and publishing of financial statements • Periodic publishing of Uni-President Monthly and CSR reports • President's mailbox • Internal food safety hotline
 Suppliers	<ul style="list-style-type: none"> • Economic performance • Anti-corruption • Supply chain management and procurement practices • Food safety management mechanisms • Compliance-legal 	<ul style="list-style-type: none"> • Irregular communication meetings • Evaluation, plant visit and guidance mechanism/ audit management • e-Procurement system notices • Supplier grievance channels • Periodic publishing of CSR reports
 Local communities and others (e.g. academic and rating organizations)	<ul style="list-style-type: none"> • Circular economy/eco-efficiency of operations • Environmental impact of operations • Food safety management mechanisms • Responsible marketing and labeling • Product nutrition improvement 	<ul style="list-style-type: none"> • Participation in external ratings • Seminars • Communication over the corporate website/ brand marketing network • Periodic publishing of CSR reports
 Public interest groups	<ul style="list-style-type: none"> • Environmental impact of operations • Community welfare and public interest • Food safety management mechanisms • Responsible marketing and labeling • Product nutrition improvement • Compliance-legal 	<ul style="list-style-type: none"> • Organization and participation in charitable activities • Emergency assistance/education/nutrition projects for vulnerable groups • Periodic publishing of CSR reports/Uni-President Monthly/ Foundation website and annual reports

UN Sustainable Development Goals (SDGs)

SDG	Goals Relating to Uni-President	Corresponding Sections	Strategy and Practice of Uni-President
SDG 1 End poverty in all its forms everywhere 	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	<ul style="list-style-type: none"> • Emergency assistance from the Social Welfare and Charity Foundation. • In-kind donation to the social affairs bureaus of 20 counties and cities to help families in emergency.
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 less than 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	<ul style="list-style-type: none"> • Providing nutritional lunch and beverages under the Nutrition Project. • Canteen dining accompaniment for the elderly. • Forming the Food Safety Self-Management Alliance with external organizations. • Acquiring Health Foods certification. • Developing products for groups with different nutrition needs.
SDG 3 Ensure healthy lives and promote well-being for all at all ages 	3.d Strengthening early warning and risk reduction in all countries and the capacity in national and global health risk management, particularly in developing countries.	Building a Healthy and Happy Workplace / Creating a Healthy and Happy Tomorrow	<ul style="list-style-type: none"> • Organizing contractor occupational safety educational seminars. • Health conferences and seminars. • Establishing the Millennium Health Station. • Promoting related activities, including National Health Day, 89 Waist Measurement Day, Health to Campus. • Developing no/low sugar and low salt products.
SDG 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all 	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	<ul style="list-style-type: none"> • Offering scholarships and grants to students in remote areas. • Arranging teachers and materials for after school programs in remote areas. • Providing talent empowerment for people with disabilities. • Providing talent empowerment for schools in remote areas. • Empowering Outstanding University Students from Low-Income Family Program.

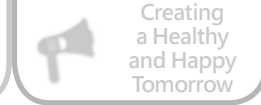
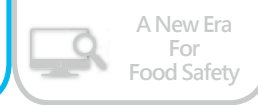
SDG	Goals Relating to Uni-President	Corresponding Sections	Strategy and Practice of Uni-President
SDG 5 Achieve gender equality and empower all women and girls 	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life. Offering opportunities for participating in the decision-making and leadership of all levels.	Building a Healthy and Happy Workplace	<ul style="list-style-type: none"> Offering equal pay for the same job regardless of gender.
SDG 6 Ensure availability and sustainable management of 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	<ul style="list-style-type: none"> Establishing a water condition response team and a water restriction response plan. Promoting water conservation projects to enhance water-use efficiency. Planning the stormwater harvesting system in all new factory buildings.
SDG 7 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	<ul style="list-style-type: none"> Implementing energy reporting and voluntary GHG inventory. Establishing energy conservation strategies and targets to reduce GHG emissions. Introducing renewable energy, including solar energy and wind power.
SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all 	8.5 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.	Building a Healthy and Happy Workplace	<ul style="list-style-type: none"> Implementing campus recruitment and industry-academia partnership. Offering equal pay for the same job regardless of gender.

SDG	Goals Relating to Uni-President	Corresponding Sections	Strategy and Practice of Uni-President
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	<ul style="list-style-type: none"> Implementing the environmental management system to make continual improvement. Investing in and upgrading environmental equipment. Establishing targets for waste and effluent quality. Reducing packaging materials. Promoting the use of Forest Stewardship Council (FSC) certified paper packaging materials.
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 the human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	Preservation of Environmental Values	<ul style="list-style-type: none"> Establishing a water restriction response plan. Establishing the Natural Disasters Response SOP and drilling emergency response regularly.
SDG 15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and 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	<ul style="list-style-type: none"> Reducing packaging materials. Promoting the use of Forest Stewardship Council (FSC) certified paper packaging materials.

1

An Enterprise Built on Integrity

- Operations Overview
- Corporate Governance
- Risk Management



An Enterprise Built on Integrity

1. Operations Overview

1.1 Company profile

• Name of organization	Uni-President Enterprises Corporation
• Date established	August 25, 1967
• Location of headquarters	No. 301, Zhongzheng Road, Yanxing Village, Yongkang District, Tainan City
• Total assets	NT\$ 177,945,064,000
• Authorized capital	NT\$ 56,820,154,000
• Regions of operations	Asia and the Americas
• Number of shareholders	113,668 persons ¹



1.2 Business performance

With a well-experience management team, a steady profit model, and a risk control mechanism, we grew continuously and gave an outstanding performance in the 2017 Taiwan Top 2000 conducted by CommonWealth Magazine. We were ranked in the top 10 in the manufacturing industries, the only food manufacturer on the list.

We will continue to focus on quality improvement, product optimization, and value creation.

Please visit the Market Observation Post System (MOPS) to retrieve our consolidated and individual financial statements for details regarding our 2017 financial performance. Individual financial performance is summarized as follows :



*Audited by PwC Taiwan

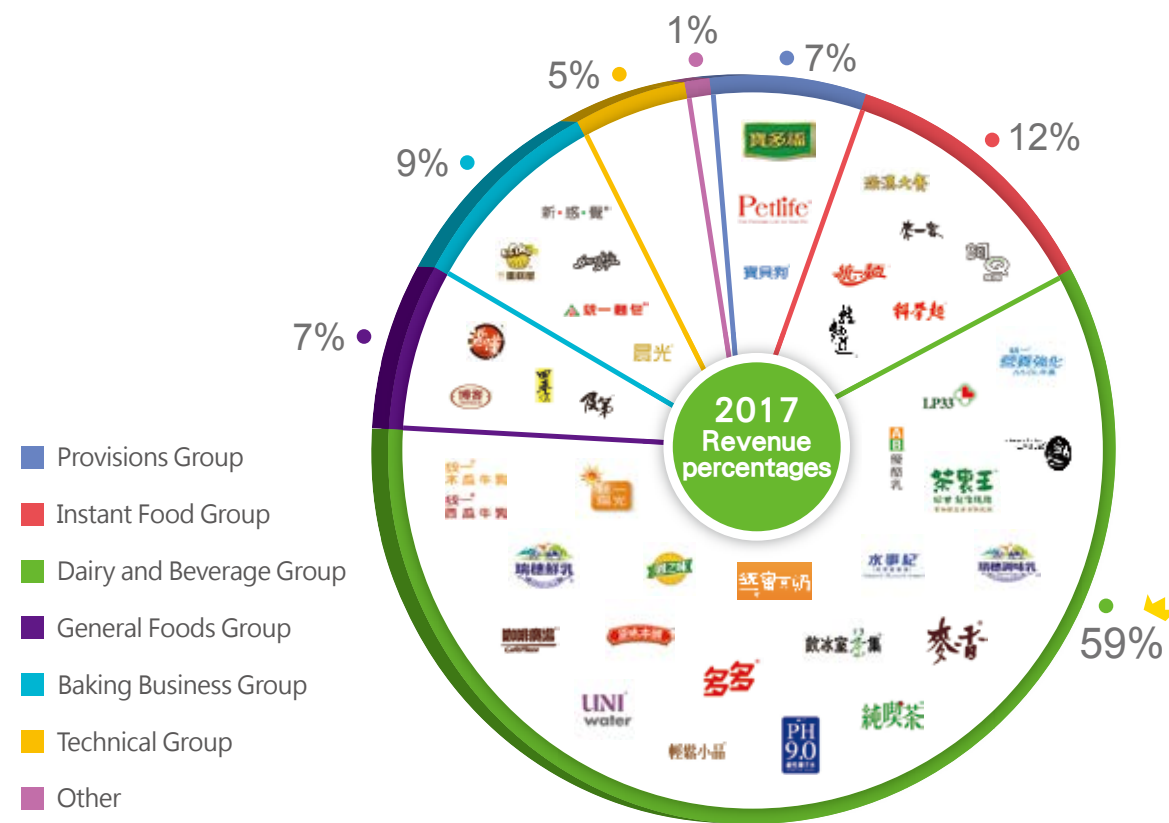
Note 1 : By the ending date of the stock transfer before AGM 2018 (2018.4.22-2018.6.20)



1.3 Tax governance

Apart from making profit, it is the responsibility of enterprises to pay taxes honestly to promote the local economic development in the location of operations. In consideration of profit, financial burdens, and corporate image, proper tax governance is required. Since Uni-President has been established, we have been adhering to the concept of co-existence and co-prosperity with society to pay taxes honestly to fulfill our obligations as a corporate citizen. To cope with international trends, ensure legal compliance, and increase value for investors, we established the Uni-President Enterprises Corporation Tax Policy in 2017. Our approaches for tax governance include honestly reporting and paying tax, assessing and handling tax risk, ensuring honest communication and information transparency. The tax policy is available for download from our website at : (<https://www.uni-president.com.tw/#>)

1.4 Principal products and their revenue percentages



1.5 Advocacy on external organization initiatives

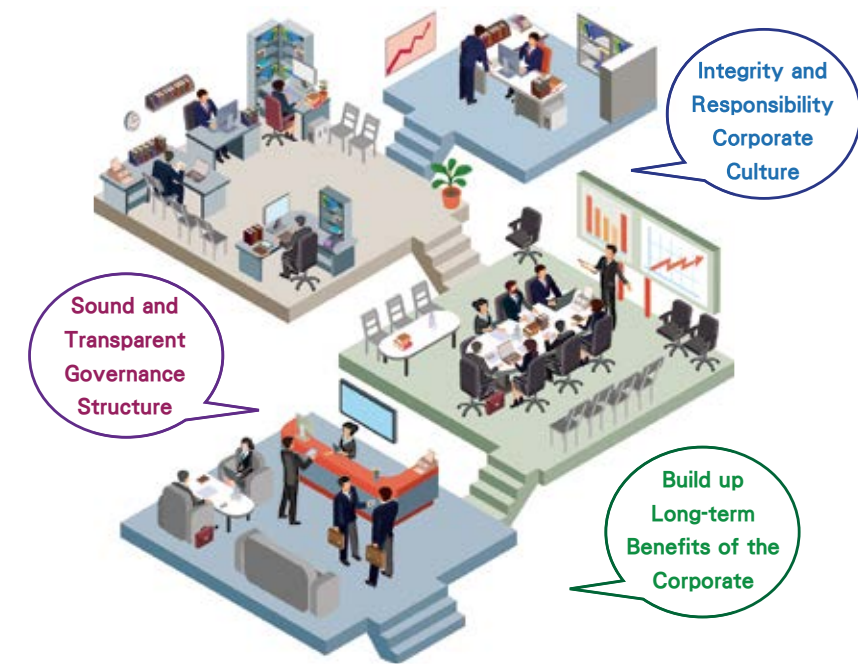
We actively participate in related external business associations, such as the Chinese National Association of Industry and Commerce, Taiwan (CNAIC), Straits Economic and Cultural Interchange Association, Taiwan Institute of Directors, Cross-Strait CEO Summit, Strait Exchange Foundation, Business Council for Sustainable Development of Taiwan, Taiwan Quality Food Association, Taiwan Fermenting Food Industry Association, and Taiwan Flour Mills Association, we raise suggestions and advice for discussions during meetings.

Director 20 seats
Supervisor 3 seats

2. Corporate Governance

2.1 Why is corporate governance important?

In recent years, corporate governance has become an organizational indicator that deeply concerns domestic and overseas capital markets. In the international capital market, the Asian Corporate Governance Association (ACGA) and the Credit Lyonnais Securities Asia (CLSA) surveyed 11 Asian markets and published the CG Watch (by ACGA) and ratings report (by CLSA) every year. Domestically, the Financial Supervisory Commission (FSC) established the Corporate Governance Roadmap and evaluated the governance performance of listed companies every year to help domestic enterprises implement corporate governance.



2.2 Corporate governance at Uni-President

Uni-President proactively address social expectations and are committed to implement core corporate philosophy. We create long-lasting profit for the company and shareholders by maintaining the well-established and transparent corporate governance body, building a corporate culture of integrity and responsibility, complying with laws and regulations and implementing our social responsibilities.

2.2.1 Governance framework

Adhering to the corporate motto : three Goods and One Fair (good quality, good credit, good service, and fair price), we have established our management philosophy upon Integrity, Diligence, Innovation, and Progress for the Future. While good credit is the result of ethical management. By combining ethics and integrity, we proactively promote transparent operations to maintain the rights and interests of stakeholders.

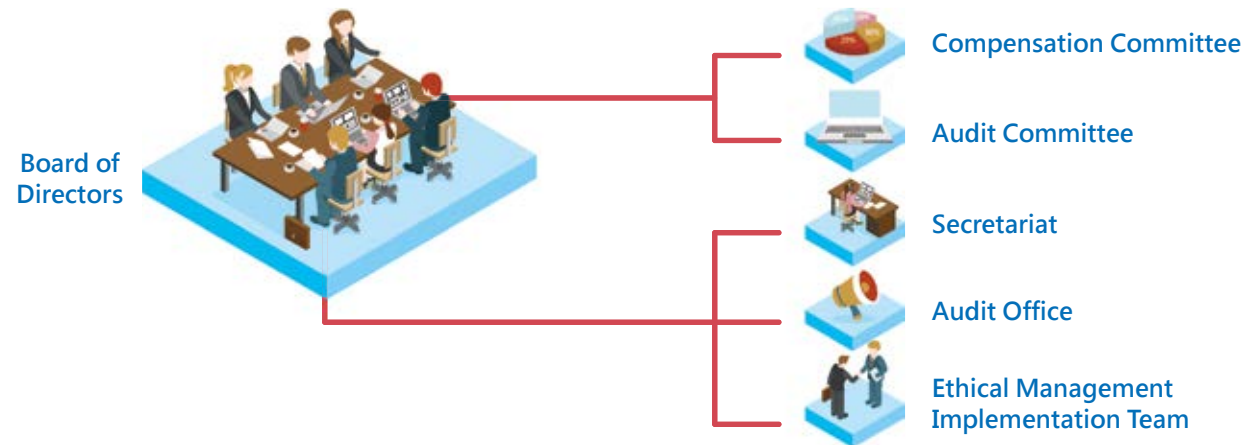
To establish a healthy governance mechanism, we implement governance according to the following principles :

1. Timely disclosure of material information.
2. Virtuous interactions with checks and balances between the board of directors and the management team.
3. Maintenance of a regular number of seats for independent directors.
4. Establishment of an audit committee and assurance of the independence and fairness of accountants.
5. Establishment of a compensation committee to strengthen governance and optimize the remuneration system for directors and managers.



6. Well-defined dividend policies.
7. Resolution of individual proposals and use of e-voting for the meeting of shareholders to ensure shareholders fully exercise their rights.
8. Abidance by the corporate governance best practice principles, upholding ethical management, and implementation of the internal audit system.

Governance Framework



a. Board of Directors (BOD)

With respect to the Articles of Incorporation, BOD has 13 members, including ten general directors and three independent directors, and 4 are female (including one independent director). The professional backgrounds of BOD members cover chemical engineering, industrial management, economics, marketing, and financing. Between January 1, 2017 and April 30, 2018, nine board meetings were held by BOD, with an average director attendance rate of 86.32%. Regarding the background of each director, please refer to our 2017 Annual Report for details. The annual report is available for download at : <https://www.uni-president.com.tw/invest/index.html>

b. Compensation Committee

On behalf of the BOD and in terms of professionalism and objectivity, the Compensation Committee faithfully carries out its duty to "establish and periodically review the policy, system, standards, and structure of performance evaluation and compensation of directors and managers" and "periodically assess and determine the remuneration for directors and managers" and makes recommendations for discussion and resolution. Based on its expertise, the Compensation Committee assesses the remuneration of members of the highest governance body and higher-level managers based on the organization's operational performance and the social and environmental impacts of the organization's business activities, in order to ingrain our corporate integrity and culture to pursue sustainable development. Between January 2017 and April 2018, the Compensation Committee held four committee meetings, and the actual attendance rate of the convener and committee members was 91.7%.

c. Audit Committee

The Audit Committee aims to assist the BOD in supervising the quality and integrity of implementation of accounting, auditing, and financial reporting processes and finance control. In addition to abiding by the organizational regulations, the Audit Committee carries out its duties according to Article 14-5 of the Securities and Exchange Act and assists BOD in improving the quality of the organization's accounting, financial reporting, and internal control operating procedures. Between January 2017 and April 2018, the Audit Committee held nine committee meetings, and the actual attendance rate of the convener and committee members was 96.3%.

d. Secretariat

The Secretariat administers and convenes the general meeting of shareholders, BOD (board) meeting, Audit Committee meeting, Investment Management Committee meetings, and their re-election and operation.

e. Audit Office

The Audit Office plans, establishes and implements the annual audit program, including the audit items, based on the outputs of risk assessment to provide a reference for assessing the organization's internal control system. The Audit Office also submits the worksheets and related data to complete the audit report. The directions and foci of the audit shall match the organizational vision and strategic development. The Audit Office shall also help improve and raise the level of governance.

f. Ethical Management Implementation Team

The Ethical Management Implementation Team is responsible for implementing and supervising the ethical management policy and preventive actions, gathers and reviews the performance of ethical management of related units, and reports the performance to the BOD every year. Currently, the team has established related policies including the Ethical Corporate Management Best Practice Principles, the Procedures for Ethical Management and Guidelines for Conduct, and the Regulations for Management of Social Sponsorship and Donation Review. The team has also established and implemented the standard operating procedure, guidelines for conduct, disciplinary actions for violations, and the grievance mechanism. In external activities, we specify the ethical conduct terms in the contracts signed with counterparties to reinforce recordation of the ethical conduct of transaction counterparties. We have also established communication channels and reporting mechanisms to protect informants against improper treatment or retaliation after reporting unethical practices. After accepting a report, we will investigate the cause(s) in detail and implement improvement plans. In 2017, no case involving corruption, bribery, ethical management, or other codes of conduct or political contributions were reported.

In 2017, there were 96 audit reports relating to ethical management. Improvement plans and preventive actions for 58 reports have been proposed and implemented. The Audit Office will continuously tracks the improvement.



2.2.2 Timely disclosures of material information

We adhere to openness and transparency to timely disclose both financial and non-financial information.

- (1) Financial information : We publish financial statements in Chinese and English every quarter and disclose them on MOPS. Annual reports, handbooks for the annual general meeting of shareholders (AGM), and AGM minutes are prepared in both Chinese and English to facilitate retrieval for domestic and foreign investors.
- (2) Non-financial information : Non-financial information is prepared with respect to the GRI Sustainability Reporting Guidelines and the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies. Apart from disclosing the Chinese version on MOPS, an English version is posted on the corporate website to facilitate shareholder retrieval. Please see more on our website : <https://www.uni-president.com.tw/CSR/index.html>.
- (3) Others : Board resolutions and organizational rules and regulations (e.g. Articles of Incorporation and Director Election Regulation) are published in both Chinese and English versions on our corporate website at the same time for user retrieval.

3. Risk management

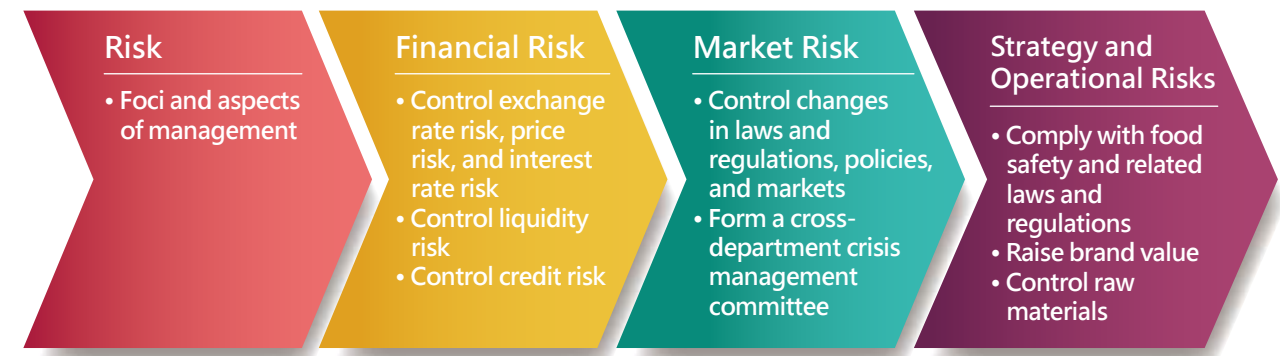
3.1 Importance of risk management

According to the 2018 PwC Taiwan Business Leaders Survey Report, supply chain disruption is the business threat that concerns Taiwan business leaders. According to Global Risks Report 2018, environmental risk is the topic that worries global experts. Following the ongoing and rapid innovation of business and technology, risks that enterprises encounter also become more comprehensive and difficult to predict. Therefore, enterprises today must take risk management proactively and seriously when facing different kinds of threats and challenges. Apart from avoiding difficulties that may occur in operations, these difficulties may enable enterprises to turn situations into opportunities, in order to pursue sustainable development.



3.2 Risk management

At Uni-President, risk management includes the understanding, identification, analysis, and assessment of potential risks of each unit. Appropriate actions will be selected to control and settle risks, and to further supervise and improve our risk management plan. In order to effectively control risks at all times, we carry out central management on separate levels based on characteristics and impacts of the risk.



3.2.1 Financial risks

Including exchange rate risk, price risk, interest rate risk, liquidity risk, and credit risk. Through proper planning, apart from ensuring there is sufficient capital to support operational needs, we maintain a committed credit limit of undisbursed loans. Based on the defined internal loan policy, we manage and analyze the credit risk of each new customer before setting the terms and conditions of payment and requesting delivery. In addition, we control price changes through careful assessment of each investment activity. Please refer to pp. 261-264 of the 2017 Annual Report for more about the management policy, risk assessment, responsive strategy, and quantification of risk exposure.

3.2.2 Market risk

In general, each BU and functional unit establishes and implement various strategies based on their duties and authorities, and adoptive measures are taken after analyzing and assessing legal, policy, and market changes. In addition, the Public Affairs Office and the head of each BU will form a crisis handling committee to control and handle the potential market risks and crises.

3.2.3 Strategy and operational risks

By continuously following up the operational performance of each department and brand, and based on market competitions and consumer behavioral changes, we timely adjust the direction of strategy to reduce operational risk to match strategies with the corporate vision and achieve the operational goals. The aspects of risk affecting operations and the management mechanism are described as follows :

- (1) Complying with food safety laws and regulations : Food safety research and regulation, food safety test and implementation, process control, and crisis handling.
- (2) Raising brand value : Brand core value consolidation, brand power enhancement, brand identification protection, and campaign control.
- (3) Controlling raw materials : Procurement risk assessment, and supplier management, etc.



2

A new Era for Food Safety

- Food Safety
- Legal Change
- Marketing and Labeling



A new Era for Food Safety

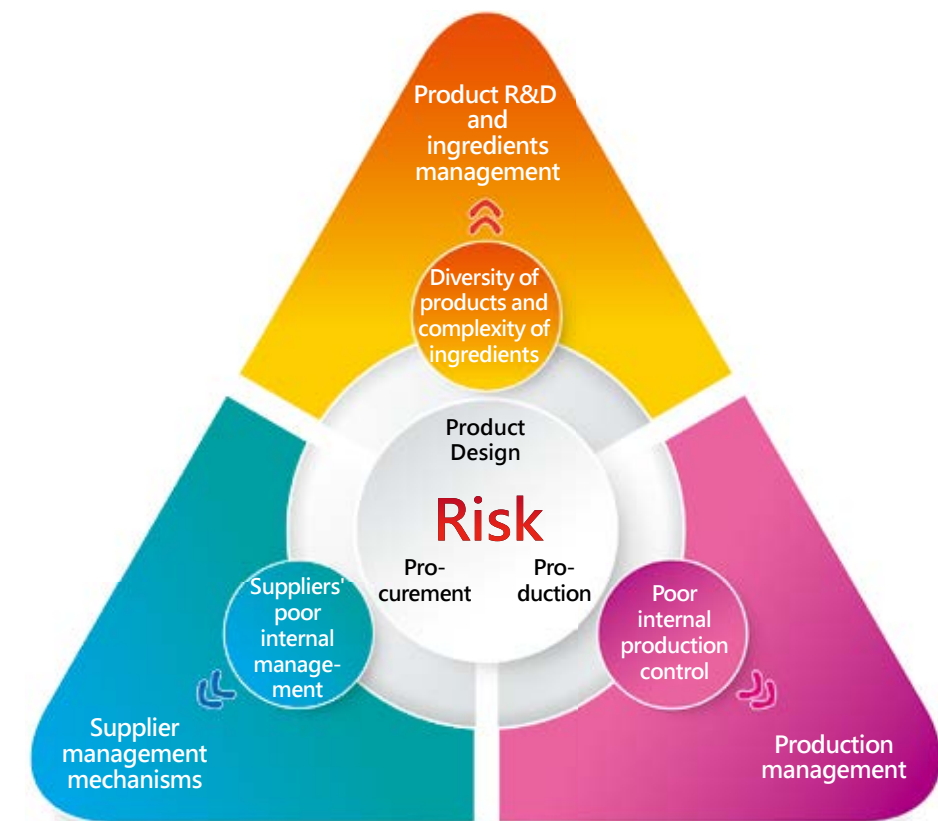
1. Food Safety

1.1 Why is food safety important?

Food safety incidents have broken out one after another in recent years. In result, consumers have lost their faith in food manufacturers and the food industries have faced unmeasurable damage and impacts. We thus realized that strengthening food safety mechanisms and rebuilding faith in consumers and society is our prime concern. With rising expectations on the food industries from society and consumers, "No Food Safety, No Uni-President" has become our prime mission.

1.2 Risk and management

To locate the sources of food safety, we start with value chain analysis to identify potential risk factors and implement strict control.



1.2.1 Food safety organization and culture

The governance framework and organizational culture are the fundamentals for risk control. Therefore, we have established the Food Safety Committee as the highest governance body for food safety. We also set up the food safety hotline to encourage all employees to pay attention to food safety and reflect the response instantaneously. In addition to Uni-President itself, we audited affiliates in order to shape a food safety culture for the group.

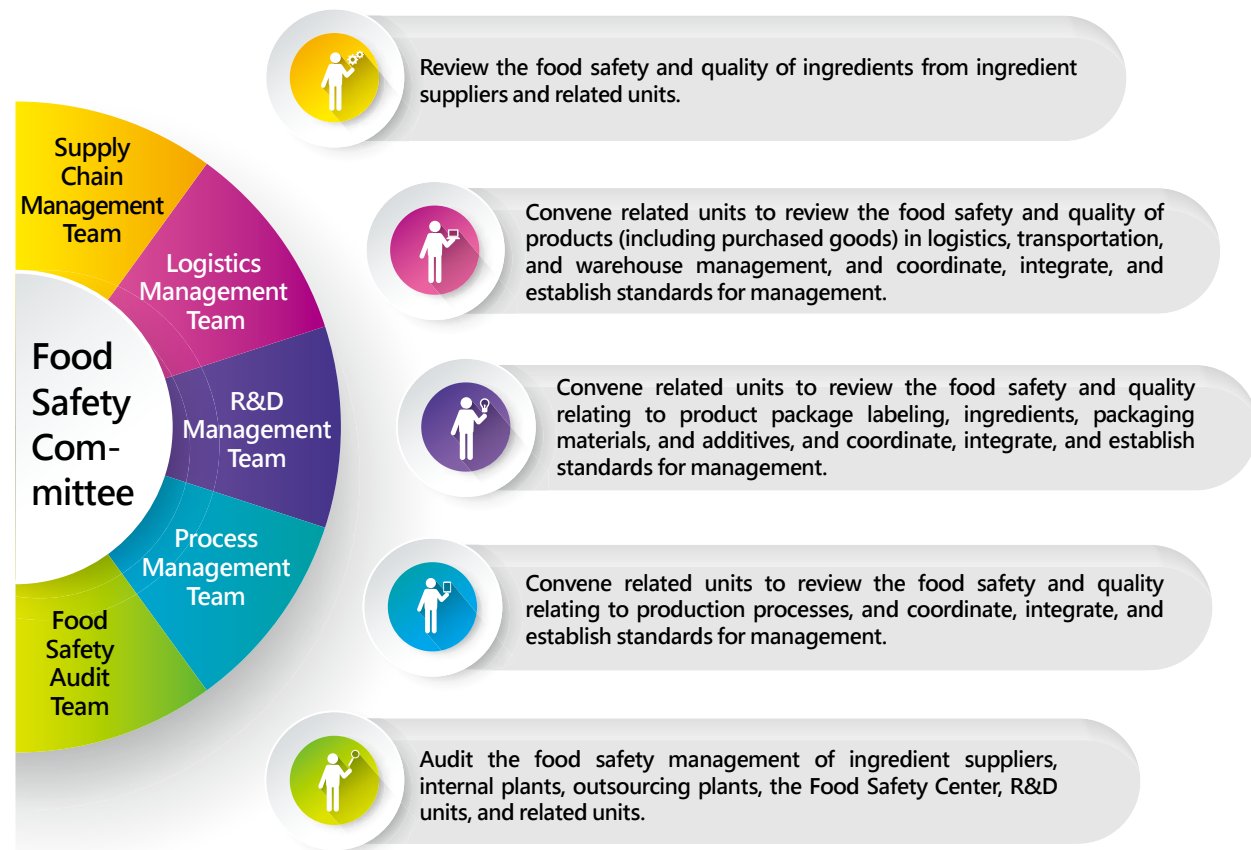


a. Food Safety Committee

The Food Safety Committee reviews and integrates food safety and quality within the group. The chairperson of Uni-President is the convener of the committee and appoints a deputy convener, with the head of the Food Safety Center, Procurement Department, Logistics Group, Central Research Institute, Technical Group, each business unit, Food Audit Team, and Public Affairs Office as members. The Food Safety Committee holds a meeting at least once a quarter to review and resolve matters relating to food safety and quality management of all units of Uni-President and all affiliates within the group. The committee also holds the group affiliates food safety committee meeting at least once a year to integrate and coordinate the systems and practices of food safety and quality of all affiliates within the group. There are five teams under the Food Safety Committee. Each may hold a meeting as necessary every month to review matters relating to food safety and quality within its responsibility and report such matters to the Food Safety Committee as necessary to review and resolve them.

In 2017, the committee held 34 food safety meetings (including one Southeast Asia food safety meeting). The significant resolutions affect 100% of the products within the company.

Teams and Responsibilities of the Food Safety Committee



b. Food Safety Hotline

To ensure product safety and the accuracy of label contents, we have established Employee Participation in Product Safety Measures to encourage employees to report any concerns regarding advertising, labeling, ingredients, and legal inconsistencies of current Uni-President products over the hotline or the mailbox. The Audit Division will process these reports before the Food Safety Committee summons related units to conduct an investigation. Then, the responsible units will recheck and take respective actions based on the significance of each report. We also protect and reward employees reporting the information. Currently the maximum reward is up to NT\$5 million. With respect to all products sold by the Company, one employee feedback case through the food safety hotline was reported in 2017. The content of feedback was involved with product ingredient labeling. Investigations by the related personnel of the Food Safety Committee determined that no threats misled consumers and the product label complied with related regulations, and no optimization, improvement, or follow-up was required.

c. Audit of Affiliates

Affiliates within the Uni-President Group cover the entire food industry chain, including ingredients and materials importers, food product manufacturers, and retail channels. Therefore, we hope to promote food industry development with a consistent food safety management mechanism across the group. At the beginning of each year, the Food Safety Center establishes the annual audit program of affiliates and audits affiliates with the Affiliate Food Safety System Evaluation Sheet. In 2017, the seven affiliates audited included President Chain Store Corporation, Uni-President Organics Organization, President Natural Industrial Corporation, President Pharmaceutical Corporation, President Nisshin Corporation, Kikkoman Inc., and Tait Marketing and Distribution Co., Ltd.



In 2017, we enhanced food production and emergency handling management and included it as an evaluation item. When the score of an evaluation item is below 5 (the maximum point), this item will be considered as an audited defect. We will continue to follow up when improvements are completed.



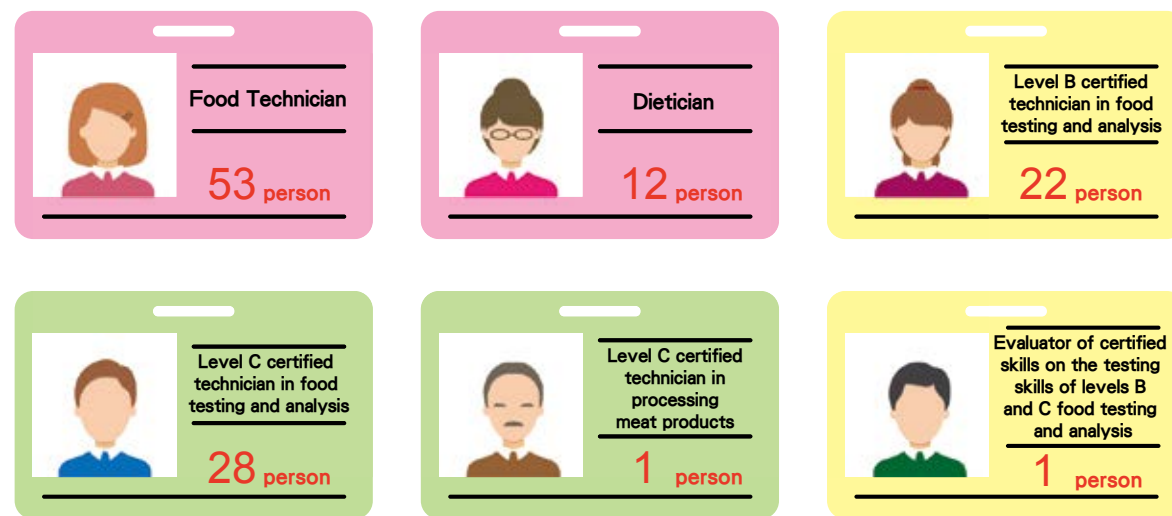
1.2.2 Food safety expertise

The food safety protection system depends on the concerted effort of all Uni-President employees. Therefore, apart from continuously improving our own expertise and cultivating food safety talents, we optimize lab capacity through hardware and software upgrade. Furthermore, we proactively participate in the Food Safety Self-Management Alliance to expand Taiwan's food safety protection network.

a. Food safety professionals

We respect food safety professionals and encourage employees to improve food safety expertise. We have established the Rewards and Allowances for License and Certificate Acquisition. Employees acquiring food-related licenses or certificates may enjoy an allowance. This policy applies to all Uni-President employees (covering all food types).

2017 Statistics on Professional Licenses and Certificates



b. Food training and education

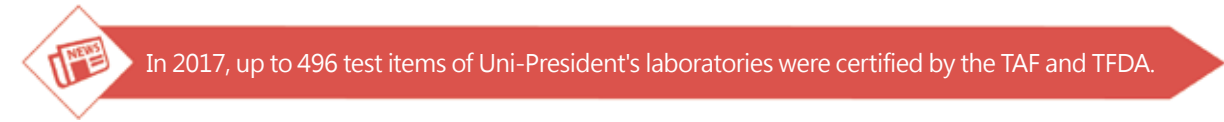
To raise the food safety awareness and enrich food safety knowledge of employees, we persistently offer courses relating to food safety and hygiene management and food inspections.

Food Safety Training and Education in 2017

	2017
Total training hours	47,414
Number of participants	19,477



c. Food safety inspection capacity



At Yongkang Headquarters, we spent NT\$1 billion to build the Food Safety Building, and completed and started operations in January 2017. Apart from accommodating our Food Safety Laboratory of the Food Safety Center, we have designed a comprehensive laboratory space and planned access. Each General Factory is also equipped with QC laboratories to perform food safety tests. In 2017, the QC and Food Safety Laboratory complied a total of 206 categories of practical testing items (excluding the test items for test projects commissioned by external customers) for ingredients, materials, and finished products. These include the general physical, chemical and food-safety-related test items. Some methods of testing have been certified by the Taiwan Food and Drug Administration (TFDA) or the Taiwan Accreditation Foundation (TAF). In addition, tests and inspections are conducted with respect to the methods specified by the Ministry of Health and Welfare and Bureau of Standards, Metrology & Inspection or internationally accepted test methods (e.g. AOAC).



▲ Food Safety Laboratory of the Food Safety Center ▲ Food Safety Laboratory of the Food Safety Center

TAF and TFDA Certification Acquired by the Food Safety Laboratory in 2017

	Food Safety Laboratory of the Food Safety Center	QC Laboratory ¹				
		Yongkang QC Lab	Xinshi QC Lab	Zhongli QC Lab	Yangmei QC Lab	Hukou QC Lab
TAF (ISO17025)	🏆	🏆	🏆	🏆	🏆	🏆
TFDA	🏆	🏆	🏆			

Note 1 : The laboratory of the Zhongli QC Lab acquired TFDA laboratory certification in April 2018, and the Yangmei QC Lab and Hukou QC Lab are expected to acquire TFDA laboratory certification by December 2018.



We persistently purchase equipment to enhance inspection capacity. In 2017, we purchased equipment with adulteration identification functions, expanded the pesticide and animal drug inspection database, and developed new pesticide test items.

List of TFDA- and TAF-Certified Items

Laboratories	TFDA-Certified Items	TAF- Certified Items
Food Safety Laboratory of the Food Safety Center	<ul style="list-style-type: none"> Chloramphenicols (4 items) Nitrofurantoin metabolites (4 items) Antioxidants (11 items) 	<ul style="list-style-type: none"> Beta agonists (20 items) Chloramphenicols (4 items) Aflatoxin (5 items) Nitrofurantoin metabolites (4 items) Antibiotics and their metabolites (16 items) Tetracyclines (7 items) Plasticizers (18 items) Heavy metals (19 items) Pesticides (314 items) Ionophore coccidiostats (5 items)
QC Laboratory (Yongkang/Xinshi/Zhongli/Yangmei/Hukou)	Microorganisms (9 items)	<ul style="list-style-type: none"> Microorganisms (30 items) Toxins (1 item) General ingredients (8 items) Preservatives (17 items)

Anomaly Rate of Finished Products and Ingredients/Materials in 2017

Anomaly Rate ²	2017
Finished Products	0.06%
Ingredients/Materials	0.45%



Food Safety Management Expenses in 2017

Food safety management expenses ³	NT\$350.7 million
As a percentage of the entity's net operating revenue in the individual financial statement	0.89%
Expenditures on R&D and testing equipment ⁴	NT\$77.6 million

d. Food Safety Self-Management Alliance

Adhering to resources sharing and joint maintenance of food safety, we have participated in the Food Safety Self-Management Alliance co-organized by the Tainan City Public Health Department, Southern Taiwan University of Science and Technology, and other food industries to integrate local power. We irregularly offer intermittent training and awareness education activities, policy and legal consultation, food safety guidance, and information exchange, and establish a food testing resources sharing platform.

Note 2 : Anomaly rate = Number of anomalies/total number of tested pieces

Note 3 : Expenses included the expenditures used by units of the Food Safety Center, including examination fees, salaries, laboratory expenditures, and depreciation.

Note 4 : Expenses included the food safety testing equipment of the Central R&D Institute, Food Safety Center, and Technical Group.

1.2.3 Product R&D and ingredients management

In a highly industrialized era, the quantity of ingredients and additives increases uncontrollable food safety risks in products. Therefore, product R&D and ingredient management have become the first line of food safety risk control.

a. R&D policy

In consideration of food safety risks and the rise of health and environmental awareness in the public, we have established our R&D policy in coordination with the focus on operational strategy. To comply with food safety regulations and maintain environmental protection at the same time, we reduce the additive uses and implement marketing-oriented R&D to ensure consumers eat happily and safely.

b. R&D capacity

To enhance R&D capacity, we actively cultivate R&D talents and create products and technologies that connect with the market through technology development projects and external collaboration. We also acquire national patents and certification.

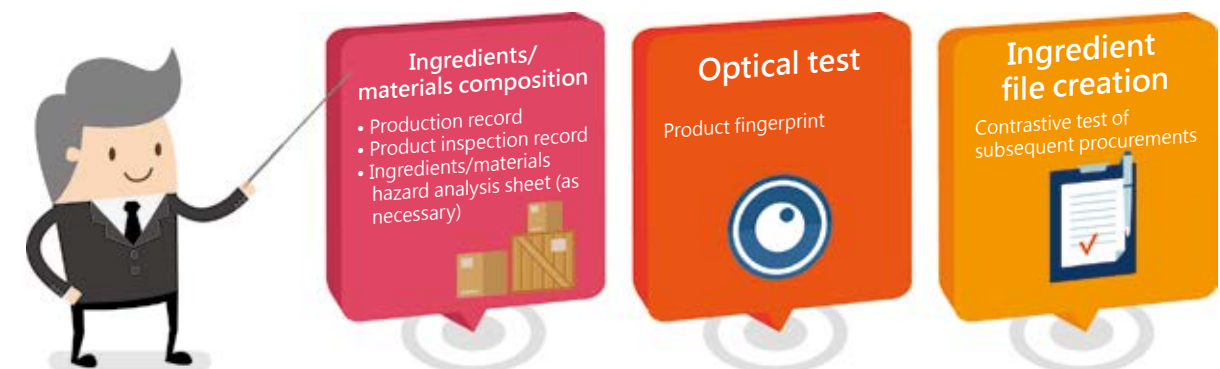
List of Patents Related to Food Safety and Production Sites Obtained by 2017

	Food safety	Production site
Number of patents	47	22
R&D purpose	<ul style="list-style-type: none"> Avoidance of food safety adulteration Ingredients/materials control Prevention of impurities in terminal products. Process improvement. 	<ul style="list-style-type: none"> Process onsite control Establishment and labeling of safety protection facilities. Plant ESH monitoring

c. Ingredients/materials control

We adopt source management, establish the adulteration identification process, and team up with related internal departments to ensure the safety and steady supply of ingredients and materials.

Adulteration identification process established to prevent food adulteration



1.2.4 Supplier management mechanisms

A supply chain was built upon mutual trust with suppliers in the past. After many food safety incidents, however, it is necessary to re-construct Taiwan's food supply chain. We have also established the supplier management policy and various audit mechanisms. In 2018, we established the Supplier Code of Conduct and published it on the internal supplier procurement system for all suppliers to understand and comply with our safety and ethical requirements for products. We also encourage suppliers to request their suppliers to accept and practice the Code.

Supplier management policy

- Ingredients and materials must be procured from suppliers qualified by the evaluation team.
- Suppliers must complete registration on the Food Merchant Registration System implemented by the government.
- Suppliers of food ingredients and suppliers of packaging materials that have direct contact with food must pass the certification of the ISO 22000 and FSSC 22000 food safety management system.
- A procurement contract must include CSR terms requiring compliance with ethical, legal and public requirements in business operations, considerations of the social and environmental impacts of suppliers, and the right to terminate or rescind the contract at any time for violation of the CSR policy.

Audit mechanism

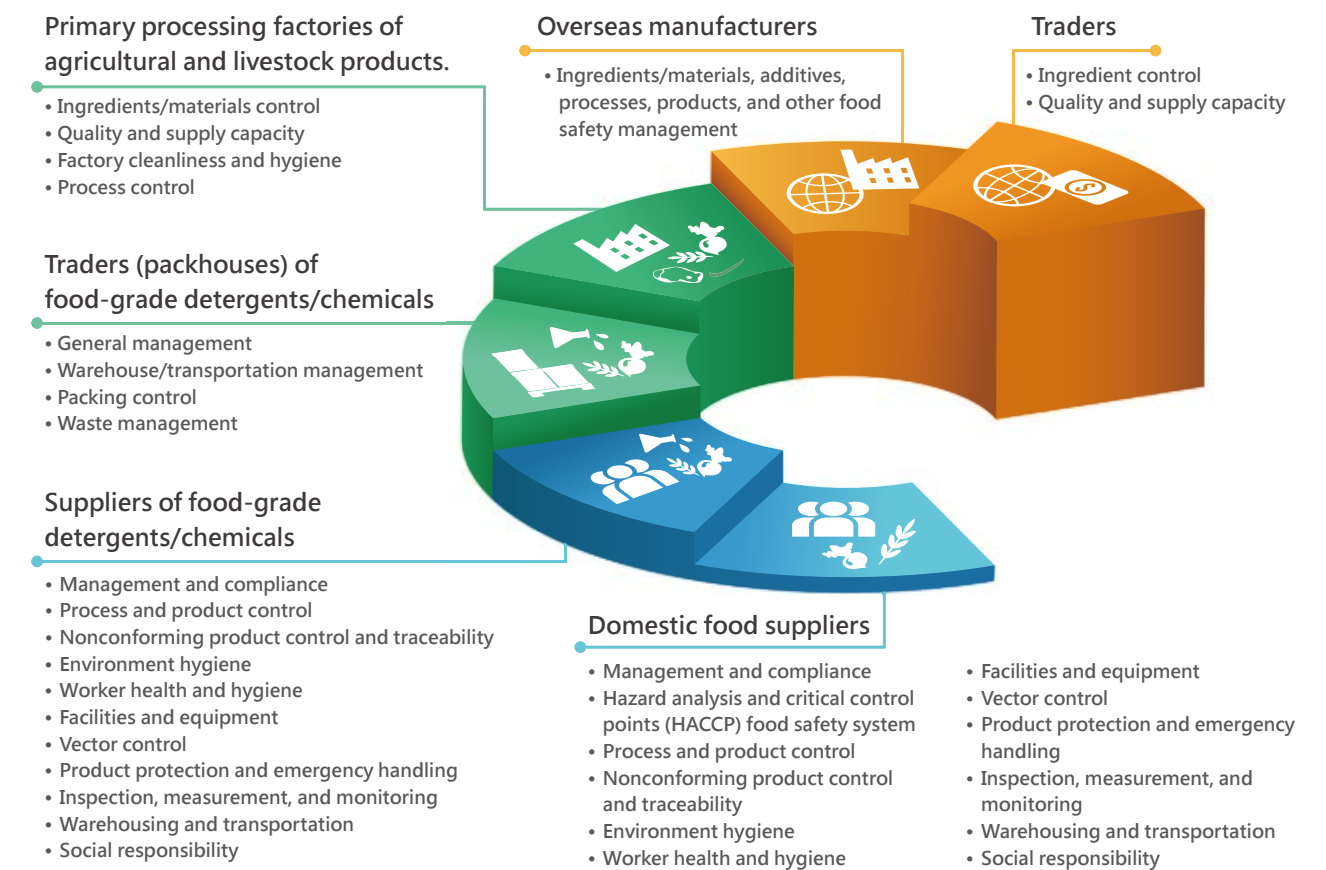
To optimize the audit mechanism and to raise the level of reporting, the Food Audit Team, previously under the Food Safety Center, became an independent unit in 2017 to directly report to the President's Office. After the system change, the supplier review mechanism falls into the following four parts based on the risk level:

Audit Mechanism	Purpose	Target	Regular/ Intermittent
Document review	Scrutinize if the supplier practices meet our requirements	Suppliers of unprocessed agricultural, livestock and aquatic ingredients	Irregularly
Onsite evaluation	Scrutinize if the supplier practices meet our requirements.	1. Domestic food suppliers ⁵ 2. Primary processing factories of agricultural and livestock products. 3. Traders 4. Overseas manufacturers 5. Traders (packhouses) of food-grade detergents/chemicals	Determine the audit frequency by risk level
Visit on ingredients/materials suppliers	Maintain ingredient quality	• Domestic food suppliers	Irregularly
Audit by the Food Safety Audit Team	Audit for specific purposes	• Primary processing factories of agricultural and livestock products • Traders	Irregularly unannounced audits.

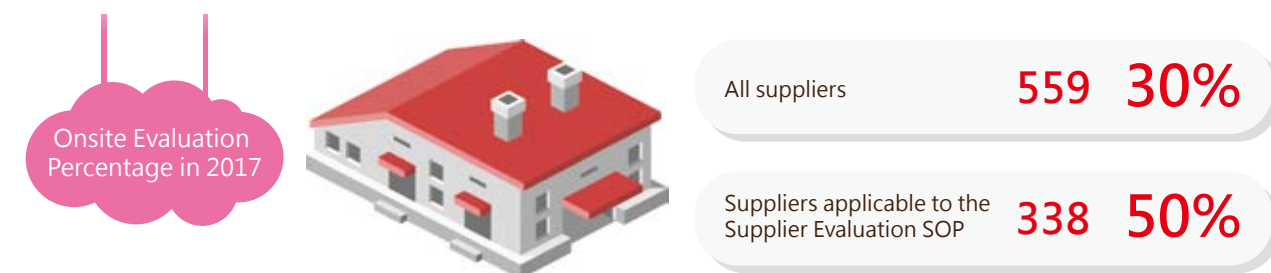
a. Onsite evaluation

We have established the Supplier Evaluation SOP⁶ and set different evaluation items based on the risk level of different suppliers as shown below:

Supplier Evaluation Items



In 2017, there were 559 suppliers⁷, in which 169 suppliers applicable to the Supplier Evaluation SOP completed onsite evaluation, namely 30% evaluation completion rate. The passing grade is 60 marks or above. Suppliers must receive this score and have a clean record of severe defects⁸ to become qualified. Only one supplier failed the evaluation.



Note 5 : including packaging suppliers that do not have direct contact with the food or products
 Note 6 : Established in accordance with the Good Hygienic Practice and Regulations on Food Safety Control System.
 Note 7 : Food suppliers having transactions in 2017 included suppliers not covered by the Supplier Evaluation SOP, such as raw milk suppliers (dairy farms), suppliers of packaging materials having no direct contact with foods, wheat suppliers that import wheat independently, and outsourced factories.
 Note 8 : For example, whether the Food Safety and Hygiene Management System fails or whether foods have immediate safety hazards but immediate improvement is possible.



After the evaluation, suppliers are requested to fill in the Ingredients/Materials Suppliers Onsite Guidance and Improvement Follow-Up Form and report the improvement of defects within one week. Suppliers not listed in the qualified supplier list after the review must wait for at least one year before they are valid for re-applying for a new supplier evaluation, including an onsite evaluation. However, suppliers punished (administrative fines) for violation of related laws and regulations will be rejected for a re-evaluation.

The onsite evaluation of all overseas suppliers was completed in 2016, and all were qualified. With respect to the risk control principles, onsite evaluation was replaced by document review or onsite evaluation of the warehouse of traders in 2017. Onsite evaluation of overseas suppliers will be planned and implemented as necessary in the future.

b. Visit on ingredients/materials suppliers

The Food Safety Audit Team and the QC Section of the Food Safety Center will visit ingredients/materials suppliers together. Suppliers are classified into three grades based on the causes of ingredient/material anomalies, and different management approaches are planned. The Food Safety Audit Team will visit Grade 1 and 2 suppliers, while the QC Section will visit Grade 3 suppliers.

Policies/Regulations	Target	Inspection	Outcomes	Improvement/Closure
Ingredients/Materials Suppliers Guidance Regulations established according to the Good Hygienic Practice Regulations and the Regulations on Food Safety Control System.	Suppliers of ingredients/materials rejected by IQC for nonconformities or suppliers of ingredients/materials (excluding dairy farms) with anomalies found during manufacturing	<ul style="list-style-type: none"> Ingredients/Materials Suppliers Intermittent Audit and Management Checklist Audit of the conformity of ingredients & materials/processes/finished products/others. Defects: Failing any one of the inspection items. 	<ul style="list-style-type: none"> In 2017, the Food Safety Audit Team audited 46 suppliers in 72 visits. In 2017, the QC Section audited 59 suppliers in 95 visits. Process management was the main cause of defects. Corrections of all defects were completed by January 9, 2018. 	<ul style="list-style-type: none"> Completed the Ingredients/Materials Suppliers Onsite Guidance and Improvement Follow-Up Form within one week.

c. Audit by the Food Safety Audit Team

Policies/Regulations	Topic	Outcomes	Improvement/Closure
The Supplier Production Audit and Level 2 Ingredients/Materials Traceability Inventory Regulations established according to the Food Traceability System	Temperature management audit, vector prevention and control audit, expiration management audit, ingredient/material foreign matters prevention audit	In 2017, the Food Safety Audit Team audited 324 suppliers onsite in 903 visits. Good Hygiene Practice (GHP) was the main defect.	<ul style="list-style-type: none"> Completed the follow-up form within one week. Corrections were all completed by January 30, 2018.

1.2.5 Production management

We have passed the certification of HACCP (Hazard Analysis and Critical Control Points), CAS (Certified Agricultural Standards), ISO 9001 (Quality Management System), TQF (Taiwan Quality Food), ISO 22000 (Food Safety Management System), and FSSC 22000 (Food Safety System Certification). In 2016 we began to implement FSSC 22000, an ISO-22000-based mechanism with higher standards and accredited by the Global Food Safety Initiative, and planned to increase the number of plants for certification progressively within three years, in order to connect to the world with higher standards.

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

In 2017, The percentage⁹ of Uni-President products acquired ISO22000 or FSSC22000 certification reached 98.31%¹⁰. Please refer to the annex "ISO 22000 and FSSC 22000 Certification Item by General Factory in 2017" for details of the product certification items of individual plants.

b. Self-management

Food factory management: We have established the Internal Food Factory Quality Audit SOP based on GHP to implement a three-level management audit mechanism to reduce food safety risks and find opportunities for process optimization to make food process hygiene management in place in all plants.



2017 Level 2 Audit Results

Total number of food manufacturing factories, A	23
Number of audited food manufacturing factories, B	23
Proportion between the number of audited factories and impacts on products, A/B	100%

2017 Level 3 Audits Results

Total number of food manufacturing factories	23
Number of food manufacturing factories spot-checked by the Technical Group	10

Feed factory management: We have established the Internal Quality & Food safety Audit SOP based on ISO 9001 and ISO 22000 to audit feed factory management. We have only one feed factory. The internal audit was completed in 2017, with an execution rate of 100%.

Note 9 : Food product certification percentage = number of certified food products/ total output of food products (unit: discrete unit of each product)

Note 10 : As the Hukou Food Factory and Hukou Bakery Plant acquired FSSC22000 certification in April 2017, the 2017 food product certification proportion was below 100%.



c. Food safety risk monitoring and audits

In 2017, the Food Safety Audit Team initiated the food safety risk monitoring and audit on internal factories, outsourcing plants, and QC. The focuses of the audit included GHP management, equipment maintenance management, warehouse management, and other general management. By the end of 2017, a total of 46 factories were inspected in 409 audits, and all audited defects have been corrected.

d. Establishment of the traceability system

Food traceability refers to the appropriate recordation of processes including procurement, processing, shipping, and so on in the quality management system. It must also comply with the regulatory and customer requirements. Identification information regarding the product will be based on its final lot number. At the end of 2017, the traceability of a total of 205 products was completed with reference to the Regulations Governing Traceability of Foods and Relevant Products, accounting for 43.16% of all Uni-President food products (excluding feeds for livestock and aquatic animals). The traceability system of all product and electronic receipts were also 100% completed as per to the legal requirements. Related data has been uploaded to the Food Traceability Management Information System (must Trace) of the Ministry of Health and Welfare (<http://ftracebook.fda.gov.tw>). Other products¹¹(excluding feed for livestock and aquatic animals) traceability data is documented either in writing or electronically, and has been established to keep track from ingredient procurement at the upper level to the shipping of finished products to customers at the lower level.



2. Legal change

2.1 Why is legal change important?

Given the varieties of food laws and regulations and their frequent changes, it is more difficult for food manufacturers to ensure legal compliance, as legal changes accelerate. As a result, unintended awareness of legal changes may cause financial losses from product returns, and even goodwill damage. To Uni-President, legal compliance is a basic requirement and for which we earn trust from consumers and society.

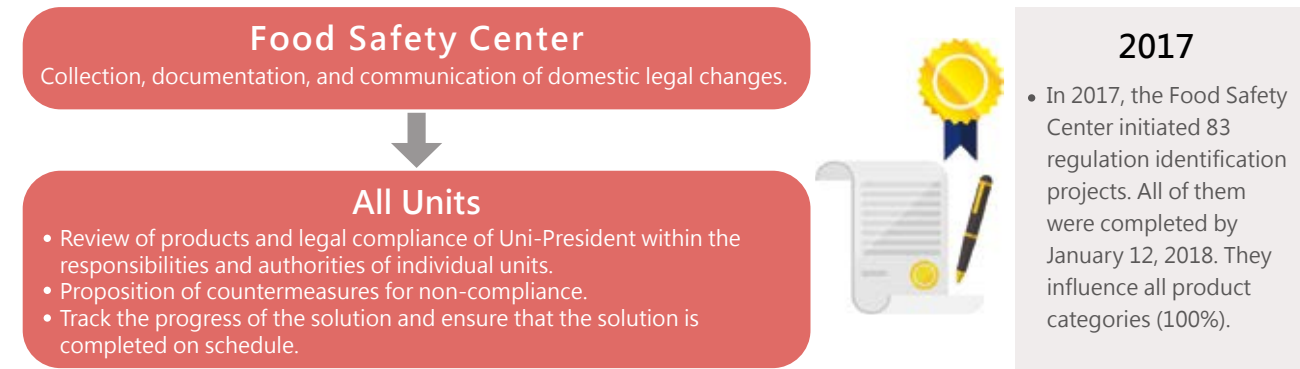
2.2 Risk and management

To timely respond to legal changes, we have thus established the Product Legal Change Management SOP to keep pace with legal changes through the collaboration of all units, so as to ensure that the safety, hygiene, and quality of products comply with the legal requirements and prevent damage to consumer health and organizational goodwill.

Potential risks	We have also established the following management measures to cope with potential risks.
Failure to timely capture legal/ industry changes.	<ul style="list-style-type: none"> Regulations identification system Food Safety Center Rapid Alarm (FSCRA) System
Prevention of violation recurrence.	<ul style="list-style-type: none"> Project management of violation cases

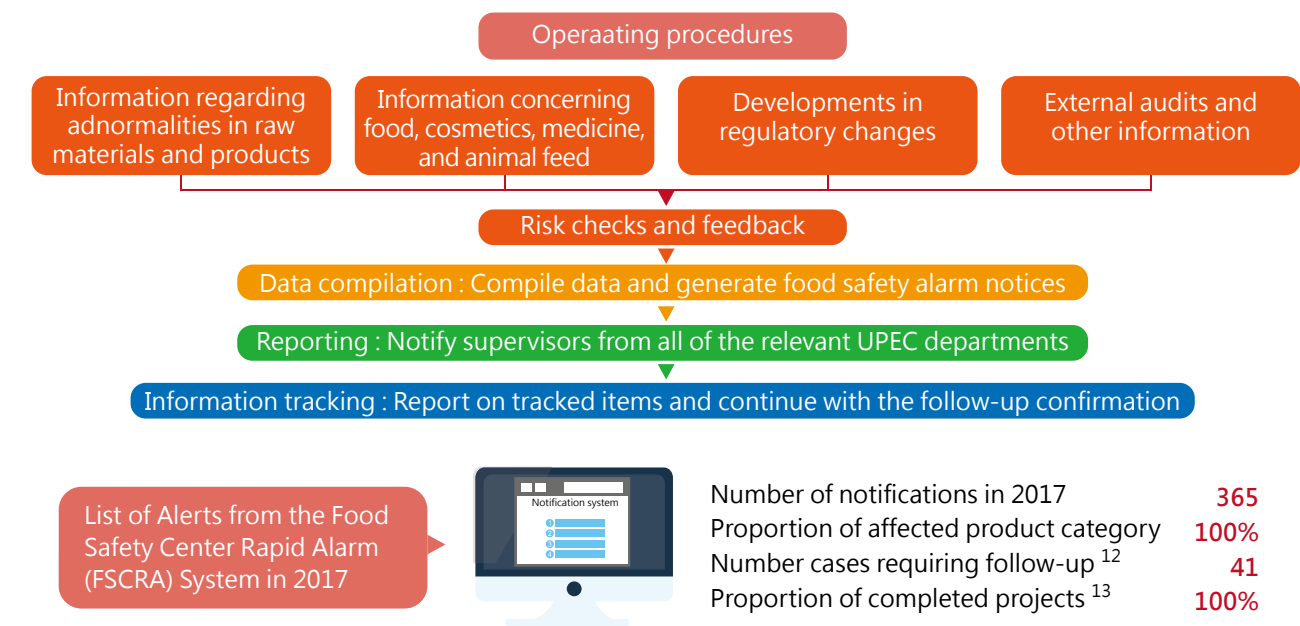
2.2.1 Regulations identification system

Regulation identification generally refers to the determination of the need to take countermeasures against legal changes of the safety, hygiene, quality, and test methods of all Uni-President products.



2.2.2 Food Safety Center Rapid Alarm (FSCRA) System

We have built the Food Safety Center Rapid Alarm (FSCRA) System to gather the following information relating to products of Uni-President Group every day and timely notify respective responsible units. With FSCRA, related units can take advance or prompt countermeasures to optimize management of food, cosmetics, drugs, and feeds safety.



In 2017, the FSCRA successfully tracked the radioactive substance excess information of blueberry products from France from food safety news of foreign media. Therefore, we voluntarily sent the extracyan-I ingredient (blueberry family) to the Atomic Energy Council (AEC) for inspection. According to an AEC oral report, cesium levels, a radioactive substance, in the specimen exceeded the limit. On November 24, AEC and TFDA performed a sampling inspection of the "Eye and Brain Protection Capsules" (保明智膠囊). The results showed that the product complies with the law. Although the product complies with the law, to further protect the rights and interests of consumers, we decided to take a preventive recall and made an announcement that consumers who had bought the product may request a refund at the Santa Cruz store or Loyal Consumer Service Center hotline to make refund arrangements.

Note 11 : Other products are products with a traceability system not established in accordance with the legal requirements.
 Note 12 : Information unrelated to industrial trends and quality is not followed up or inventories.
 Note 13 : Number of follow-up projects completed by the end of January 2018.



2.2.3 Project management of violation cases

The Act Governing Food Safety and Sanitation and its enforcement rules proclaimed by the Taiwan Food and Drug Administration, Ministry of Health and Welfare, are the major laws and regulations applicable to Uni-President products. Please visit the TFDA website (<https://consumer.fda.gov.tw/Pages/List.aspx?nodeID=518>) for details regarding related laws and regulations.

In 2017, one non-compliance case was reported. To prevent the recurrence of any violations, we studied the root cause and developed and implemented corrective actions.

List of Violation Cases and Countermeasures in 2017

Root cause	Punishment	Offense	Corrective action
Label content non-compliance on the exterior package of the Uni-President Apricot Kernel Drink.	Recall for corrections by the time limit, and a fine of NT\$30,000.	Article 22-1, Act Governing Food Safety and Sanitation	Established the management principle of label content consistency.

No non-compliance of label contents has recurred after the said correction.

3. Marketing and labeling

3.1 Why are marketing and labeling important?

In addition to CSR, the concept of "responsible consumption" has surfaced in recent years. Responsible consumption refers to the selection products that support environmental protection and prevent or resolve social problems. Therefore, how to create product value with our core capacity and market and communicate with integrity to let Uni-President be the first choice of consumers have become one of our sustainable development goals.

3.2 Risk and management

To eliminate product information misunderstandings and accurately focus on consumer needs, we have established stringent regulations to govern product labeling and after-sales service. In addition, we respond to the appeal to health and environmental protection through the R&D of packaging materials and products.

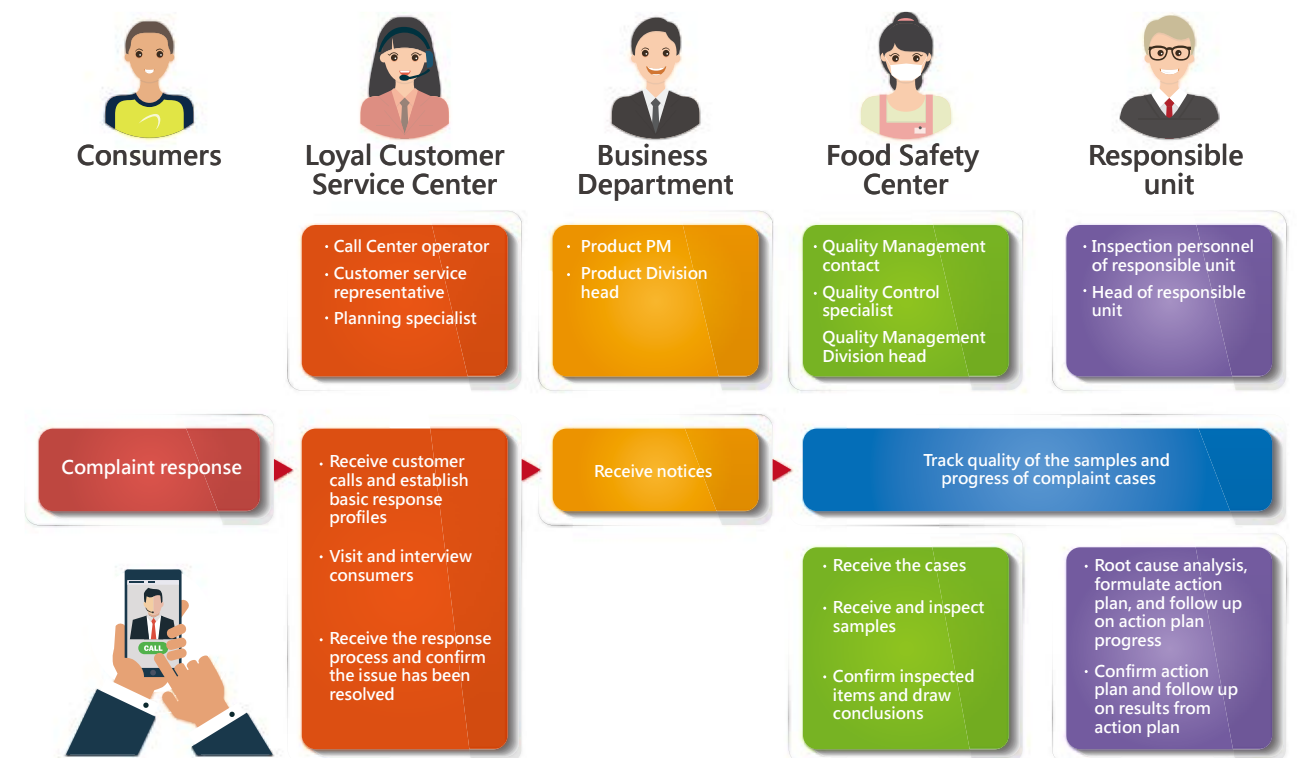
Potential risks	We have also established the following management measures to cope with potential risks.
Consumer's non-understanding of product information	<ul style="list-style-type: none"> Establishment of package label review mechanism Provision of product inquiries and services through the Loyal Consumer Service Center
Difficulty in capturing consumer needs	<ul style="list-style-type: none"> Response to the health and nutrition appeals of consumers Response to the GMO ingredients concerns of customers. Response to the environmental responsibility concerns of consumers.

3.2.1 Establishment of package label review mechanism

A product label provides customers with first-hand product information. Adhering to information transparency and non-exaggeration, we maintain the national regulation as the minimum standard to label all ingredients used in a product and have established the Package Labeling Review SOP to review the diction of package labels and advertisements for all package labels, so as to provide consumers with the correct information of the product and prevent misunderstandings.

3.2.2 Provision of product inquiries and services for consumers

Through various channels (0800 hotlines, corporate website, service email, and retailer feedback), the Loyal Consumer Service Center provides consumers with product inquiries and service, aiming to "proactive consumer contact within one hour from calling and closure of general customer complaints with 24 hours". We also gather the using comments from consumers and convert constructive recommendations into optimization actions through systematic management.



After closing a customer complaint case, the Loyal Consumer Service Center will perform a satisfaction survey on the consumer's feedback regarding the service personnel, so as to improve and provide better services.



Satisfaction Score

2015
94.52

2016
96.04

2017
96.02



We received retailer feedback about the difficulty in expiry date identification of the boxed Imperial Sausage. In the follow-up, the project team found that both the printing and expiry date on the box are in a darker tone, making it difficult to identify the expiry date. Therefore, we decided to make a new plate and adjust the location of the expiry date printing. The correction was completed in October 2017 for consumers to easily identify the expiration date.

Before improvement

Improved

3.2.3 Response to the health and nutrition appeals of consumers

While health has become a mainstream appeal to consumers in recent years, based on the Citizen Nutrition Guide published by the Health Promotion Administration of the Ministry of Health and Welfare, we make constant improvement of products that favors consumers. We also develop functional health foods with a taste more acceptable by the public, so as to let consumers maintain health while enjoying Uni-President products.

a. Sugar

We persistently develop sugar-free and low-sugar tea drinks and soymilk products. The EROS yogurt series launched in 2017 also introduce sugar-free products. There are 15 no-sugar-added products so far as to provide consumers with more options.

Sugar-free or no additional sugar products



b. Salt

In recent years, we have been reducing the sodium contained in our instant noodle products. Currently, the sodium contained in each pack has been reduced to below the adult daily intake of 2,400mg recommended by the Health Promotion Administration of the Ministry of Health and Welfare. Meanwhile, the sodium content of about 37 items (accounting for 77% of all instant noodle products) is below 2,000mg each pack, below the daily sodium reference value of 2,000mg set by the Food and Drug Administration of the Ministry of Health and Welfare.



c. Health Food Mark

Currently, we have 21 products certified for the Health Food mark. Their health benefits include improving gastrointestinal functions, regulating lipidemic levels, reducing body fat formation, adjusting the body to reduce allergic reactions, boosting immunity, and regulating blood sugar levels.



d. Nutritional needs of different consumer groups

In SDG2: End hunger, achieve food security and improved nutrition, the nutritional needs of adolescent girls, pregnant and lactating women and older persons is a special focus. In response to population aging, low fertility, and high dining-out rate problems in Taiwan, nutrition supplementation has become an important issue. Therefore, we began developing products relating to gastrointestinal health and adjustment for the allergic reactions and so on. In 2017, we prepared to launch the health food—U-best series.



Ruisui Special Low Temperature Pasteurized Fresh Milk was elected as an elderly-friendly food in 2017.



3.2.4 Response to the GMO ingredients concerns of customers

We have been reducing the use of GMO ingredients since the past few years. No GMO ingredients are used in our products that favor by consumers, such as soymilk and soy sauce. Over 600 products, GMO ingredients are only used in two food oil. However, no genetically modified segment exists after high processing, and products comply with the GMO label regulations in Taiwan.

3.2.5 Response to the environmental responsibility concerns of consumers

In addition to quality and safety, we do care about the environmental impacts, such as packaging materials and carbon footprint, of our products. After all, product environmental responsibility is our commitment for consumers and response to the UN SDG12- Ensure sustainable consumption and production patterns.

a. Reduction of packing materials

Under the premises of food hygiene and safety, we constantly look for solutions that can reduce packaging materials. Apart from reducing procurement quantity to effectively reduce costs, we can reduce terminal waste output with source reduction. Therefore, we have established the Packaging Materials Team to assess the feasibility of using eco-friendlier or reducing packaging materials for current products every year.

Optimal bottle weight for PH9.0
Previously, we used a 35g pre-form bottle for PH9.0. With the oxygen transmission rate (OTR) and pH value, we found that 30g was the optimal bottle weight without affecting content quality. In 2017 we saved PET consumption by 205 tonnes/year¹⁴

From double layer to single layer for instant noodle containers
Except for the President Instant Noodle and Dabutie series, we used to use double-layered containers for most instant noodle products. With certified paper and the thickness of PE lamination thickness, we verified the insulation performance, paper bowl strength, and blockage factor with scientific data in this project. In 2017, we used single-layered paper bowls for Ah-Q (1,100ml) and One More Cup (560ml) products to save paper consumption of about 306 tonnes/year¹⁵.

Note 14 : Calculated at an annual sale of 41 million bottles in 2017.

Note 15 : Calculated at 24 million bowls for Ah-Q and 50 million bowls for One More Cup in 2017.

b. Use of paper packaging materials certified by the Forest Stewardship Council FSC™

The 17 SDGs include objectives for terrestrial ecosystems - advocating the sustainable management of forests by 2020. To response it, we use FSC™-certified xylem fibers on the aluminum foil package of the Malt Aroma (麥香) and the Pure Tea (純喫茶). In 2017, the amount of FSC™-certified materials procurement accounted for 41.5% of the total procurement amount of paper packaging materials. Through FSC™'s strict forest certification process, it is possible to achieve sustainability in management and a balance in the use of wood.



In 2017, the amount of FSC™-certified materials procurement accounted for 41.5% of the total procurement amount of paper packaging materials

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
- Water Resource
- Environmental Impacts from Business Operations



Preservation of Environmental Values

Natural environment and corporate sustainability are dependent of each other, particularly in the food manufacturing industry as many raw materials we use are natural resources on the earth. It is necessary for us to pay extra attention to environmental issues and the environmental footprint of our products. As environmental issues are comprehensive and closely related to production and business operation, we have established the Uni-President Environmental Policy as the highest principle of environmental management. For risks requiring proactive management, including climate change and energy, water, and environmental impacts of operations, we have designed more elaborate management approaches to reinforce and focus on the control of respective risks.

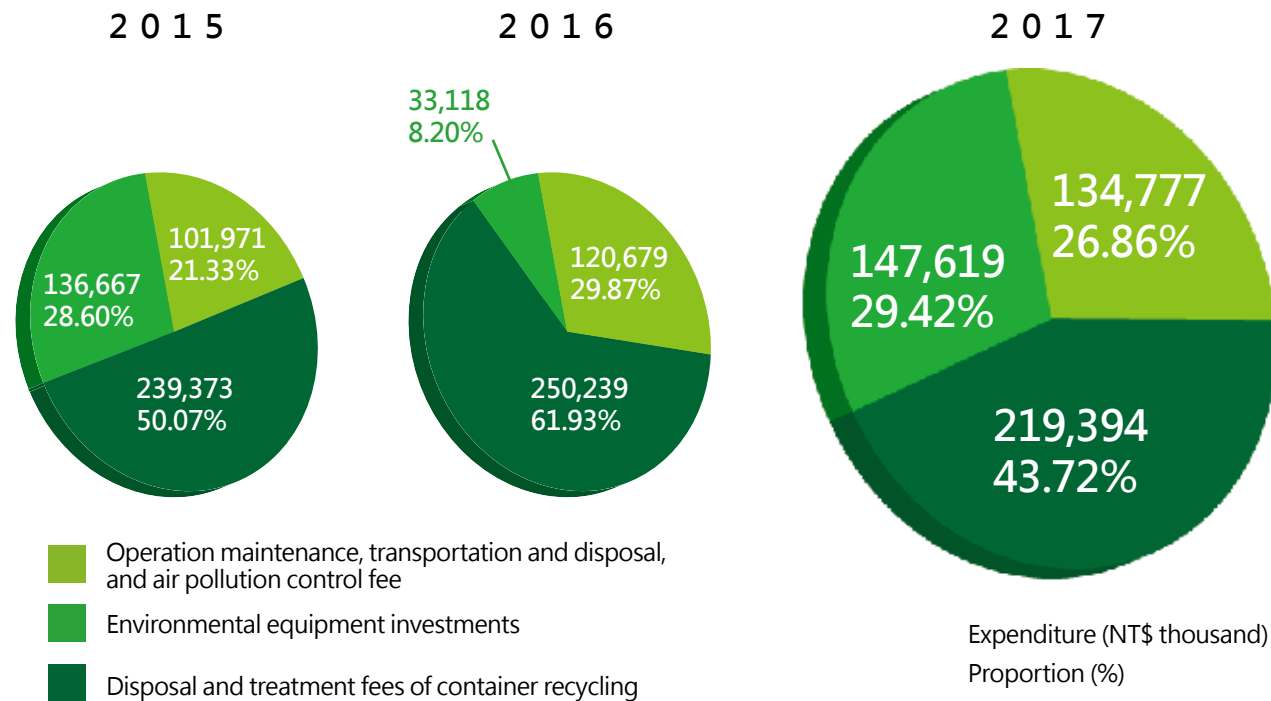
Uni-President Environmental Policy

- 01 To comply with the Legal**
 To comply with the government and international environmental laws and regulations and topics that concern stakeholders, we have established various environmental regulations. Supervisors of all levels should set an example and carry out their supervision duty to ensure compliance with environmental laws and regulations.
- 02 Pollution prevention**
 We implement source management right at the product development stage to implement waste reduction, energy conservation, waste to resources, recycling, clean production, and green logistics and transportation, in order to reduce carbon emissions and mitigate ecological and environmental impacts. We also establish the environmental management system (ISO-14001), implement greenhouse gases (GHGs) inventory (ISO-14064-1), and quantify and communicate the carbon footprint of products (PAS2050 or ISO-14067).
- 03 Green procurement**
 By establishing a green procurement mechanism, implementing supply chain management, and prioritizing green material procurement, we help suppliers reduce wastage and pollution.
- 04 Performance management**
 We establish objectives for environmental improvement, implement active and passive performance indicator management, improve management performance, and disclose relevant information regularly.
- 05 Communication mechanism**
 We establish communication and consultation channels and communicate our environmental policy to all members within the organization and stakeholders for them to understand their responsibilities. We also disclose environment-related information, raise the environmental awareness of stakeholders, and make improvements based on the opinions of stakeholders.
- 06 Continual improvement**
 We make continual improvement by popularizing environmental training, raising the awareness of employees, carrying out the environmental management system and regulations, and implementing systematic management.



In 2017, we invested up to NT\$501,790,000 in environmental management, which is 24.19% more than the last year, to improve mainly the equipment of the wastewater treatment plant. We also made significant performance in energy conservation, emissions reduction, water conservation, waste reduction, and raw material reduction. The table below shows our environmental performance.

2017 Environmental Expenditures and Equipment Investments



2017 Energy Conservation and Waste Reduction Performance¹

Item	2017 Performance
GHGs	Electricity and fuel: Reduced 5,448 tCO ₂ e Saved NT\$30,936,000
	Electricity conservation: Reduced 7,604,000 kWh Saved NT\$23,574,000
Energy conservation	Crude oil and diesel: Reduced 22 kL Saved NT\$303,000
	Natural gas: Reduced 544,000m ³ Saved NT\$5,418,000
Water conservation	Reduced 6,827,000 tonnes Saved NT\$1,727,000
Materials reduction	Lighter packaging materials: Reduced 205 tonnes of PET plastics
Waste reduction	Wastewater COD (chemical oxygen demand): Reduced 654,000 tonnes equivalent (reduction rate of 98.01%)
	Waste to resources: Up to 95.62%

Note 1 : The boundary of performance statistics reported this chapter covers the First Yongkang General Factory, the Second Yongkang General Factory, the Xinshi General Factory, the Taichung General Factory, the Yangmei General Factory, the Zhongli General Factory, and the Hukou Park.

1. Climate Change and Energy Management

1.1 Why are climate change and energy management important?

At the end of 2015, all 195 UN members signed the indicative Paris Agreement at the 21st Conference of the Parties of the UNFCCC to set targets for global change mitigation. However, the PwC Low Carbon Economy Index 2017² announced by PwC indicated that while the current decarbonization rate has doubled that of 2000, it is still less than half of the decarbonization rate required for limiting the temperature of global warming by 2° C, the main target of the Paris Agreement. Therefore, governments and enterprises are urged to take aggressive actions to resist climate change. As a food manufacturer, we rely on raw materials and energy resources, which cause direct GHG emissions at the same time. Apart from our own operational risk management and responses to stakeholders, and further to contribute to climate change mitigation, we implement climate change and energy management and establish performance evaluation mechanisms.

1.2 Risks and management

According to The Global Risks Report 2017³, extreme weather events have become the most potential risk and cause the most impact. This suggests that enterprises will be facing increasingly frequent and severe physical risks. In addition, the regulations, laws, and policies derived from climate change and the transitional risks of the low-carbon transformation in the market are also climate-related risks that concern us. We have thus proposed corresponding management measures.

Potential risks of Uni-President	Management measures established to cope with potential risks
Transitional <ul style="list-style-type: none"> Greenhouse Gas Reduction and Management Act Energy Administration Act Renewable Energy Development Act Procurement cost rise due to raw materials shortages Possibility of duties levied on fossil fuel imports 	<ul style="list-style-type: none"> Energy reporting and voluntary GHG inventory Implementation of the ISO 50001 Energy Management System Formation of an energy management team for close monitoring of energy consumption Introduction of renewable energy, including solar energy and wind power. Attempts to increase the proportion of the local procurement of raw materials Lighter packaging materials to reduce the carbon footprint of products Establishment of energy strategies and targets to reduce GHG emissions
Physical <ul style="list-style-type: none"> Extreme weather events, such as droughts or floods 	<ul style="list-style-type: none"> Equipping all new factory buildings with the stormwater harvesting system. Establish the water rationing response plan Establish natural disaster response SOPs and implement emergency response drills.

Note 2 : Low Carbon Economy Index (LCEI) published by PwC UK on October 30, 2017

Note 3 : The Global Risks Report (2017 12th Edition) published by the World Economic Forum

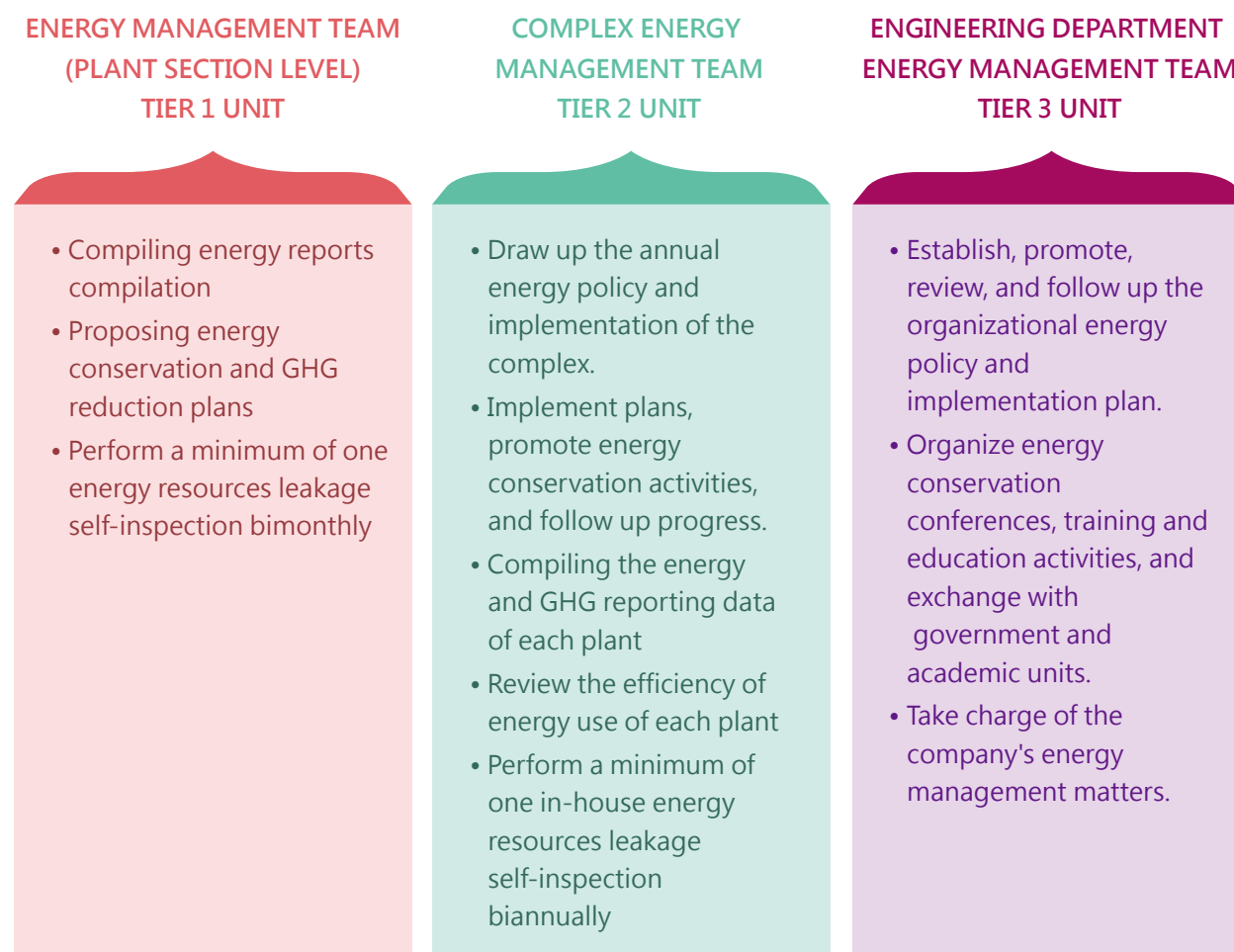


1.2.1 Energy and GHG management mechanisms

We have established a cross-department energy management team with respect to the Energy Management Implementation Regulations. Formed by the members of each General Factory and engineering department, the team aims to promote all energy-related work within the Company and holds a meeting biannually. Apart from drawing up policies, objectives, and implementation plans of energy management, the team investigates and exchanges energy issues. Through a graded management system, each level of the team carries out its duties including plan implementation, periodic follow-up and review, and improvement. To implement energy management in a more organized way, we have set the Hukou Plant as a demonstration plant, which passed the third-party certification of the ISO 50001 energy management system (EnMS) in October 2017. Other plants will implement EnMS progressively based the onsite assessment.

In addition, to understand the volume of GHG emissions, we have specifically established the GHG Reduction Management Committee to set up an implementation team at each General Factory, and establish the GHG management and internal verification SOP with respect to ISO-14064-1 to perform full-scaled inventory every March.

Graded Management Framework of Energy Management Team



1.2.2 Targets for GHG reduction and energy management

To control the global average temperature rise within 2° C is the target set in the Paris Agreement. As each country sets its expected contribution target, in 2015, besides announcing the volume of voluntary emissions reduction at 20% less than the 2005 emissions standard by 2030, the government promulgated the draft of the control target for phase I in 2017 : GHG reduction at 2% less than the base year 2005 by 2020. In support of the national and global policies, we set short-term and long-term targets for the GHG reduction and energy management. The short-term target focuses on plant management, and the long-term target stresses on total volume control.

Targets and Status of GHG Reduction and Energy Management

Targets		2017	Achievement
Short-term target	Reduce a minimum of 2% less than the previous year for carbon emission intensity for each General Factory (the 2017 plant average target was 113.91 tCO ₂ e/MT production)	116.5t CO ₂ e/MT production	97.73%
	An annual electricity conservation rate at a minimum of 1% ⁴	2.17% ⁵	V
Long-term target	Reduce to 80% (189,221.6 tCO ₂ e) of the 2005 emissions volume ⁶ by 2020.	152,438 t CO ₂ e	V
	85% of steam is generated by the natural gas boiler	87.51%	V

1.2.3 Reduction action

To achieve the long-term reduction target, we progressively replace fuel oils with low-pollution natural gas. Along with the annual energy conservation plan, we implemented energy conservation measures in 2017, saving an estimated amount of NT\$36,258,000/year and setting off 4,433 tCO₂e/year. The chiller system optimization project of the Dairy Product Factory of the Yangmei Plant, the chiller energy conservation (for the dough freezing process) project of the Zhongli Bakery Plant, and the process backwater system energy conservation project of the Madou Bakery Plant are representative energy conservation projects. The Xinshi General Factory also won the Silver Award at the 2017 Energy Conservation Benchmark Award Competition organized by the Ministry of Economic Affairs.

Note 4 : Annual electricity conservation rate is the value obtained from dividing the annual electricity conserved by the annual electricity conserved plus the previous-year's electricity conserved.

Note 5 : The 2017 annual electricity conservation rate of all General Factories was above 1%, and the combined electricity conservation rate was thus 2.17%.

Note 6 : 2005 annual carbon emissions were 236,527 tCO₂e



Representative Energy Conservation Projects

Project	Improvement Measures	Estimated Performance		
		Energy Conservation Rate(%)	Bill Saved (NT\$ million)	tCO ₂ e reduced
Chiller System Optimization Project of the Yangmei Plant	<ol style="list-style-type: none"> 1. Replaced the lower efficiency main process chillers (Nos 1 and 2) with high-efficiency flooded chiller units. 2. Reviewed the load and occupancy of processes and aircon chillers and renewed the chiller system piping and the control system, and monitored and adjusted the chiller on/off to enhance system efficiency, reduce unit water consumption of chiller systems operating at high load, and recorded operation information and anomaly data. 	41.60	1.22	208.53
Chiller Energy Conservation at the Dough Freezing Process Project of the Zhongli Bakery Plant	Replaced the NO2 backwater unit with a high-efficiency flooded chiller unit 120RT with one fixed frequency and one variable frequency control model to operate the unit at the variable frequency mode at low load in order to reduce operation costs.	38.80	0.97	150.40
Process Backwater System Energy Conservation Project of the Madou Bakery Plant	<ol style="list-style-type: none"> 1. Replaced the lower efficiency F backwater unit with a high-efficiency backwater unit (using eco-friendly coolant) 2. The eco-friendly R134a is the most common type of coolant in handling units in Taiwan. As this coolant must be used in warm backwater units (-18° C), we replaced it with the R507 eco-friendly coolant. 	38.90	0.46	78.33
Meat Plant CD1 and CD2 Freezing System Optimization and Energy Conservation Improvement Project	We combined two unit systems using the 120HP dual unit (one fixed frequency and one variable frequency) design. When the load and the storage temperature are high, the fixed frequency unit will turn on automatically. When the temperature reaches the default temperature, the unit will shut down automatically to control the performance of the freezing system.	39.00	1.52	258.88



▲ The chiller system at the Yangmei Dairy Product Plant.



▲ Chiller of the dough freezing process of the Zhongli Bakery Plant.



▲ Process backwater system of the Madou Bakery Plant.



▲ Meat Plant CD1 and CD2 freezing system.



▲ Plant Manager Dong of the Xinshi General Factory receive the Silver Award earned by the General Factory at the 2017 Energy Conservation Benchmark Award Competition organized by the Ministry of Economic Affairs.



1.2.4 Energy and GHG management performance

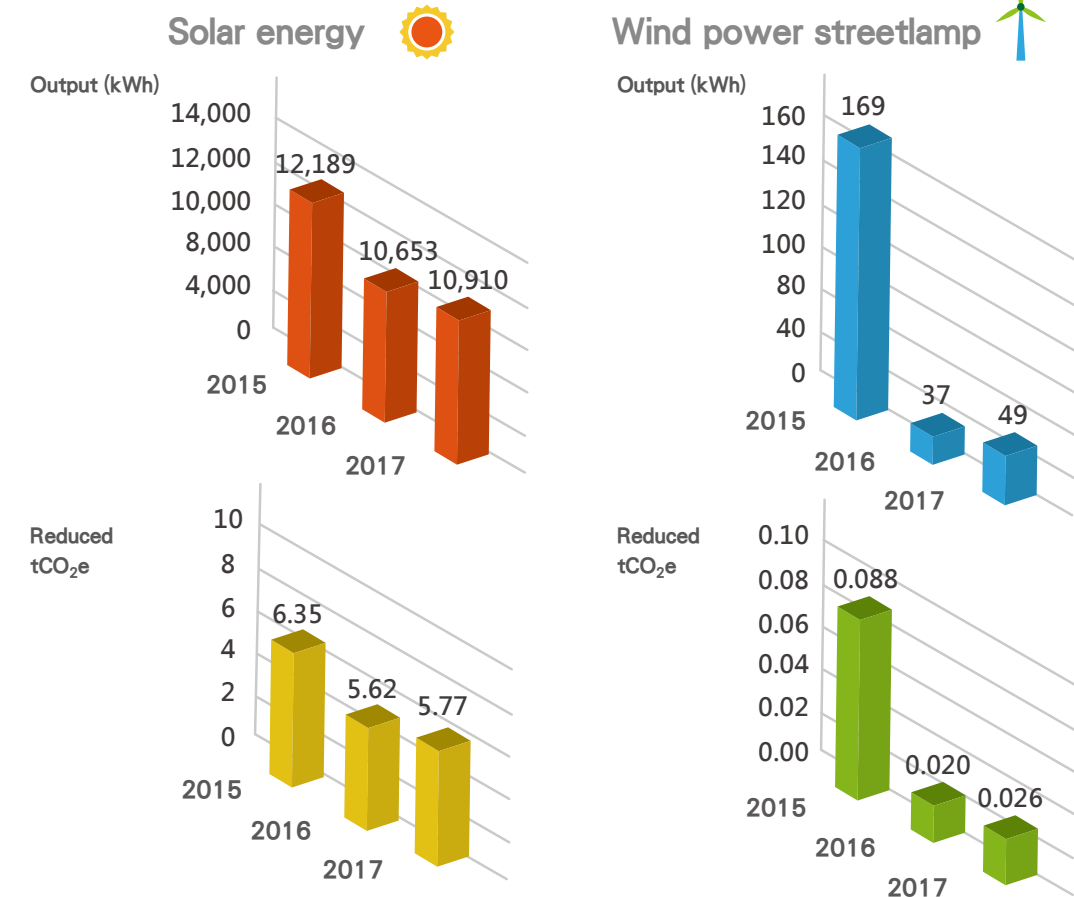
In 2017, electricity was the main type of energy used, then natural gas and fuel oils. The 2017 energy consumption was 554,321,385 Mcal, 1% less when compared to 2016. In addition, to reduce the indirect GHG emitted from electricity use, we are considering the feasibility of replacing electricity with solar energy along with wind power streetlamps. Since the development of renewable energy in 2010, we have generated 97,176kWh of green power to reduce emissions by 51.44 tCO₂e by 2017.

Status of Energy Consumption in the Last 3 Years

Type of Energy(Unit)	2015	2016	2017
Electricity (thousand kWh)	162,943	181,961	181,303
Fuel oil (kL)	5,936	3,211	2,298
Diesel (kL)	650	618	561
Biodiesel (kL)	1.36	2.60	2.39
Petroleum (kL)	150	144	145
Natural gas (NG) (thousand m ³)	14,206	18,160	18,878
Liquefied petroleum gas (LPG) (kL)	7	12	11



Renewable Energy Generation ⁷



The inventory shows that our 2017 emissions were 152,438 tCO₂e, 1.97% less than that of 2016. The intensity of GHG emissions was 116.50 tCO₂e/MT production, 6.27% higher than that of 2016, and only the annual carbon reduction target at 97.73% was achieved. This is because of the product focus strategy, causing an output reduction. The energy team has reviewed General Factories failing to achieve the target and adjusted the target based on the actual performance over the years.

Direct and Indirect GHG Emissions ⁸

	Unit	2015	2016	2017	Increase (decrease) rate in last two years
Scope 1	tCO ₂ e	57,990	59,419	56,544	-4.84%
Scope 2	tCO ₂ e	84,893	96,075	95,894	-0.19%
Combined CO ₂ emissions	tCO ₂ e	142,883	155,494	152,438	-1.97%
Emission intensity	tCO ₂ e/MT production	112.86	109.63	116.50	6.27%

Note 7 : As the Bureau of Energy had not announced the emission factor of the year during the statistics period, the emissions per kWh of electricity was calculated with the factor announced in the previous year. For example, emissions in 2017 were calculated with the 2016 factor at 0.529 kgCO₂e/kWh.

Note 8 : As the Bureau of Energy had not announced the emission factor of the year during the statistics period, the emissions per kWh of electricity were calculated with the factor announced in the previous year. For example, emissions in 2017 were calculated with the 2016 factor at 0.529 kgCO₂e/kWh.



2. Water Resource

2.1 Why is water resource important?

As a food manufacturer, we need to use a large amount of water, either directly or indirectly. Therefore, our water dependency is very high. Despite its rainfall abundance, the condition of water resources is undesirable in Taiwan, and climate change has complicated water resources management. To demonstrate proactive risk management and to correspond to our climate change commitment, we have made water resources an important environmental aspect and have planned a well-established management approach for implementation.

2.2 Risk and management

Water resource risks can be classified into the legal aspect and natural disasters. The risks identified in 2017 and their countermeasures are as tabulated below.

Potential risks of Uni-President	Management measures established to cope with potential risks
<p>Legal</p> <ul style="list-style-type: none"> Impacts of new legislation/regulations relating to water resources (such as the water surcharge) 	<ul style="list-style-type: none"> Continue to monitor legislative changes and trends Establish water condition response teams to closely monitor water consumption and water condition in all areas. Acquire green building certification for all new factory buildings. Plan and implement clean production
<p>Natural disasters</p> <ul style="list-style-type: none"> Increased possibility of rainstorms and floods Increased possibility of water shortages. 	<ul style="list-style-type: none"> Establish natural disaster response SOPs and implement emergency response drills. Establish and implement an effective water conservation strategy and enhance the water recycling rate. Equipping all new factory buildings with the stormwater harvesting system. Establish the water rationing response plan

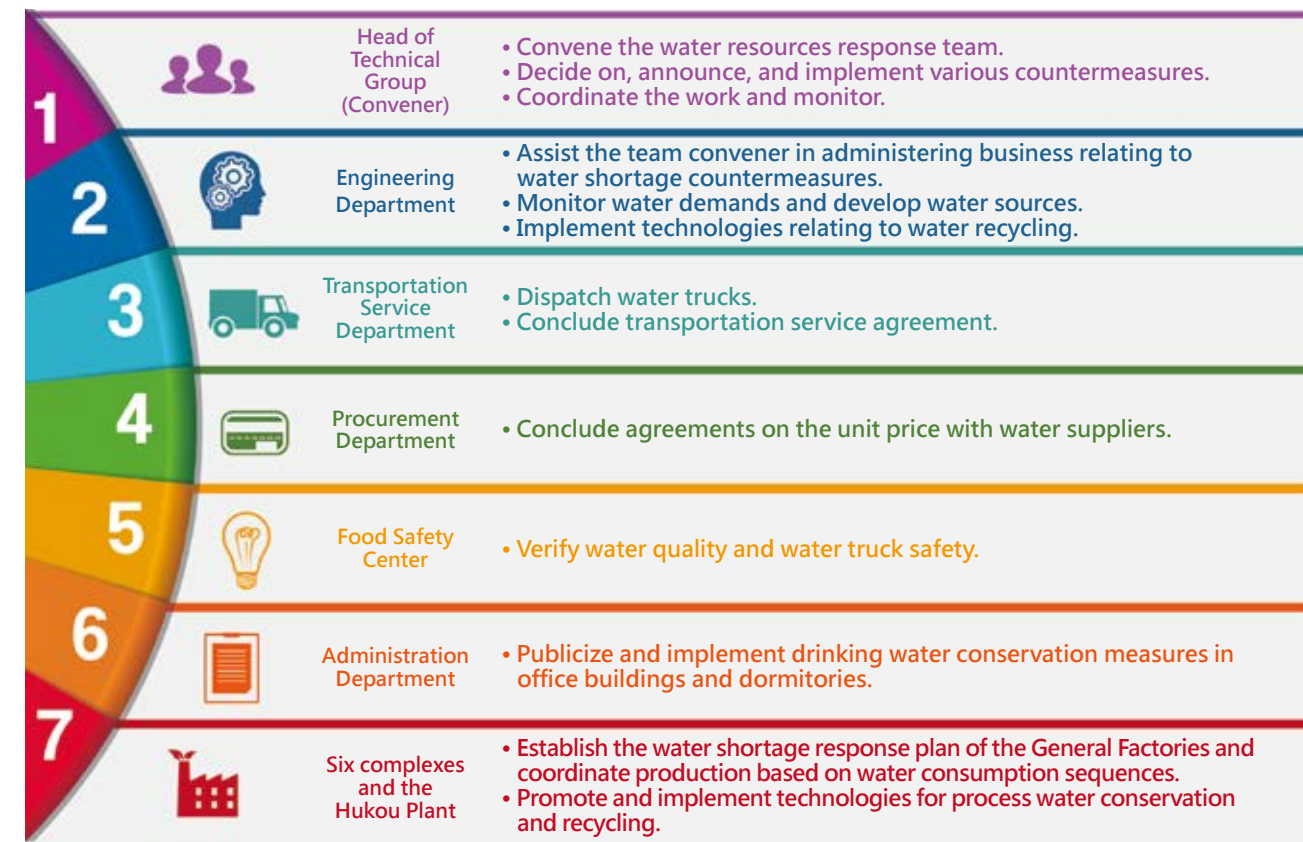
2.2.1 Mechanisms for water resources management

Water resources management is implemented through the same graded management framework for energy management. Periodic meetings are held to discuss issues relating to water resources, policies are drawn, and water conservation performance is reviewed.

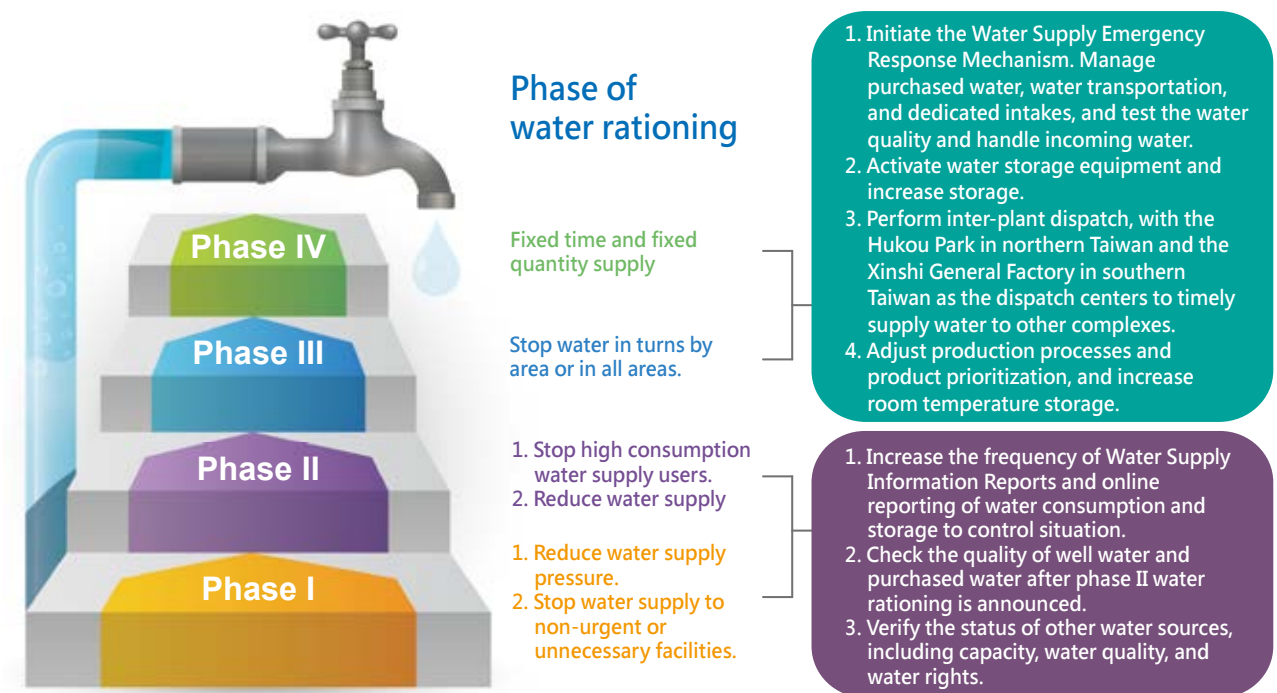
Every month the water condition response team of the Engineering Department announces the water condition information announced by the Water Resources Agency on the intranet and sends the Water Consumption Report to related units. Each plant also registers its water consumption and water storage status on the intranet to track and monitor the status of water resources systematically. In addition, the frequency of reporting and tracking increases along with the stress status of water conditions to keep track on water conditions at all times.

To prevent losses from water shortages and to take precautionary actions, we have established the Water Resources Response Team with the head of the technical group as the convener to integrate the related units and assign duties and draw up the contingency plan to reinforce the coordination of members and the operation of the emergency response team. We also sign procurement contracts with water suppliers, set the reasonable transportation fee with water transporters, and effectively control transportation to secure water supply in water shortages. When water supply is difficult, we initiate related countermeasures according to the phases of water rationing announced by the government to minimize operational losses caused by water shortages.

Frame and Division of Labor of the Uni-President Water Resources Response Team



Water Shortages Countermeasures of Uni-President



2.2.2 Water conservation action

By implementing the water conservation projects in 2017. We saved about 68,270 tonnes of water, equivalent to the volume of 27 standard swimming pools. Major water conservation projects in 2017 are tabulated below : In reclaimed water of all plants in 2017, a total of about 50,250 tonnes of water was reclaimed from steam condensate, RO wastewater, and water recycled from processes, with a reclamation rate of about 1.18%.

Water Conservation Projects in 2017

Project	Improvement Measures	Water Saved (thousand tonnes)
Food Air Purifier Water and Energy Conservation Optimization Project of the Hukou Plant	Changed the water circulation pump of the air purifier scrubber from manual control to ball switch control for water replenishment.	11.02
Xinshi Beverage Plant I : Recycling of effluents from fixed-time discharge of the RO filtering system	Reduced the fixed automatic flush/ discharge length of the RO filtering system from 4 minutes per hour to 4 minutes every 6 hours.	24.97
Xinshi Dairy Product Plant I : Sterilization water reduction	Replaced soft water cooling equipment of the 10-tonne pipe sterilizer with cooling towers using circulatory cooling.	12.54
Xinshi Dairy Product Plant I : Regulation of soft water consumption	Used water reclaimed from sterilization heat exchange and the rinse process in CIP for cleaning upon completion of production.	6.14
Xinshi Dairy Product Plant II : Reduction of energy consumption in sterilization, bottling, and box assembly.	Coordinated production processes between production and marketing departments - Saturday off - and reduce basic energy consumption on production days.	2.27

In addition to the water conservation projects, we regularly publicize water conservation through different ways to incorporate water conservation with planning, design, production, and office life. We also apply the graded management of energy management to the water recycling for self-management and data collection. Our water conservation measures include :

Water source cultivation

Stormwater : Equip all new factory buildings with the stormwater harvesting system to harvest stormwater for use by the cooling tower and toilet flush.

Aircon condensate : Reclaim condensate to the clear water system or for replenishing cooling tower water.

Source improvement of water for production

Select low-water-consumption machines and establish the Water Consumption Balancing Chart to control the reasonable consumption of machines in each plant for the reference of calculating plant water reclamation rates and water conservation rates.

Process water recycling

Extend the scope of water reclamation to all equipment condensate for recycling and wastewater reduction, such as steam condensate reclamation, RO wastewater reclamation, and finished product iced water reclamation.

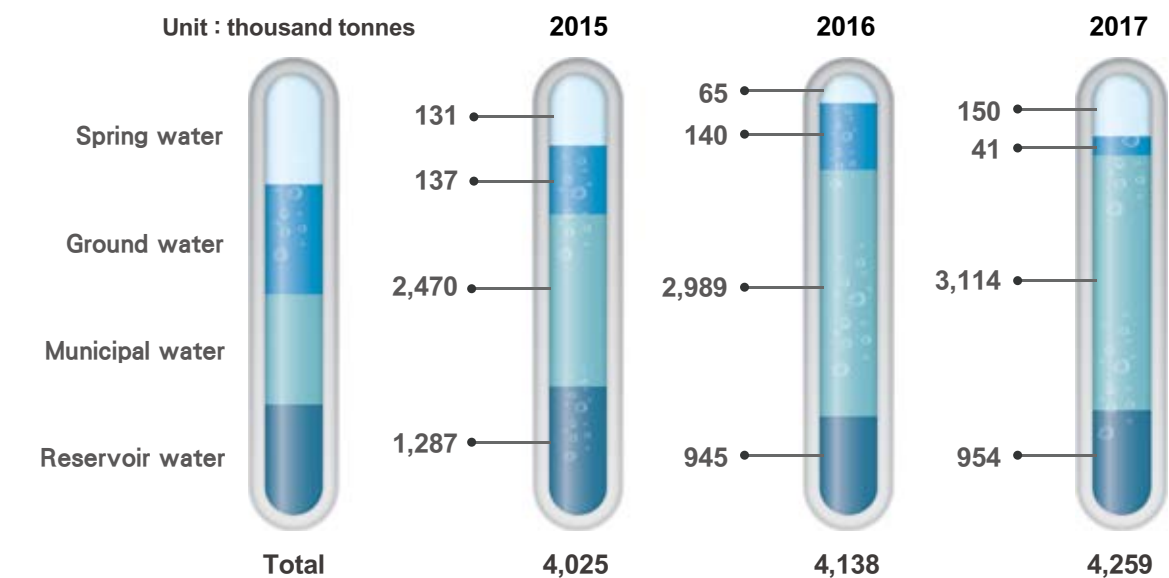
Reclamation of end-of-pipe wastewater

Intermittently check the discharge water quality during operations based on the wastewater characteristics of machines for effective treatment and reclamation at the wastewater treatment plant. For example, acidic and alkaline wastewater from production will be reclaimed as secondary water to the clear the water system or cooling tower after treatment and monitoring.

2.2.3 Performance of water resources management

In 2017, our plants in Taiwan consumed 4,259,000 tonnes of water, 1.1% more than that of 2016. This is mainly because the output of high-water-consuming products (dairy products) increases by 1.24% YoY. We will continue to enhance water use efficiency to mitigate impacts on water consumption driven by production output.

Water Consumption



3. Environmental impacts from business operations

3.1 Why are environmental impacts from business operations important?

From the amendment of the Water Pollution Control Act in 2015 and the Waste Disposal Act in 2016 to the passage of the amendment draft of the Air Pollution Control Act in 2017, the amendment history of air, water, and waste pollutions has manifested the government's increasing concern about environmental governance. In addition, these amendments have reflected the Taiwanese people's expectation for higher-standard quality of living and natural and environmental protection. As Uni-President is a food manufacturer, apart from providing consumers with safe and healthy foods, we spare no effort to mitigate the environmental impacts caused by the wastewater, waste, and air pollutants generated from our operations based on our ethical management protocol: Quality, Brand, and Taste and the spirit of co-existence and co-prosperity with society. We also participate in external conferences and collaborate with related organizations to maintain self-optimization.

3.2 Risks and management

The risks of environmental impacts from operations include compliance and market presence. The risks identified in 2017 and their countermeasures are summarized as follows:

Potential risks of Uni-President		Management measures established to cope with potential risks
Legal	<ul style="list-style-type: none"> Water Pollution Control Act Waste Disposal Act Air Pollution Control Act 	<ul style="list-style-type: none"> Implement the environmental management system and make continual improvement. Conduct internal and external audits. Invest in and upgrade environmental equipment. Establish waste and effluent quality standards. Acquire green building certification for all new factory buildings.
Reputation	<ul style="list-style-type: none"> Stigmatization Deterioration of relationships with local communities. 	<ul style="list-style-type: none"> Continuous engagement with stakeholders. Training, education, and publicity of environmental protection.

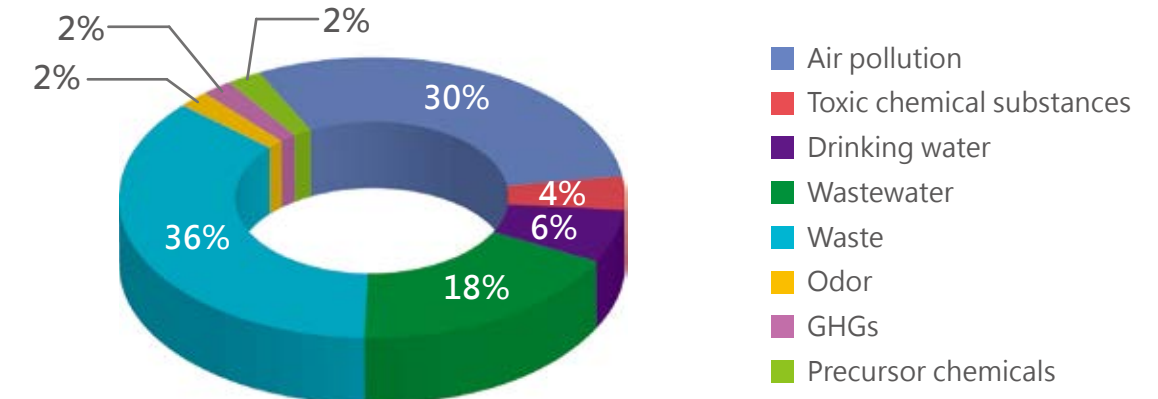
3.2.1 Environmental management mechanism

We split the Environmental Protection Section from the ESH Office in 2016 and turned it into a dedicated environmental protection department to strengthen environmental management, which is included as an important operational performance. The duties of the Environmental Protection Section include coordination with government policies, establishment of the organizational environmental policies and approaches, and supervising and implementing risk management and pollution prevention management.

To achieve systematic management and integrate environmental management as part of routine operations, we apply the Plan-Do-Check-Act (PDCA) model for effective system management to set annual targets to make continual improvement of environmental performance. Currently, all Taiwan General Factories have passed the certification of the ISO 14001 environmental management system. Apart from performing external verification to ensure the management system is effectively implemented, we conduct an internal audit biannually to review the performance of pollution prevention and make corrections for any defects detected.

In 2017 we found 50 defects in the environmental audits. The distribution of these defects has been as shown in the figure below. The improvement of five defects in air pollution, wastewater, and waste has not been completed. All of them involve the change of emission/discharge permits, which will be completed progressively by Q4 2018.

Distribution of Environmental Audit Defects in 2017



To resolve the most important defect type—waste—we self-discipline ourselves with the Waste Management Act. Apart from sorting and management, it is necessary to dispose of and treat waste according to the SOP. Every year we implement the Waste and Recyclable Materials Flow Tracking Project with the GPS system to enhance waste and Recyclable Materials flow tracking and report to the waste report system of the Environmental Protection Administration. Waste with resource value will be recycled innovatively to effectively reduce waste and environmental burdens.

Waste to Resources Project 2017

Project	Description	Weight
General Waste to Resources Improvement	We used to treat the slag screened by the rotary screening machine at the Yongkang Plant as waste. Then, we turned it into resources (composting) as plant slag.	20.76 tonnes
Scrap Document Treatment Project	The Yangmei Plant used to incinerate scrap documents. Then, it adopted the water destruction method to recycle them into waste paper raw materials.	7.19 tonnes

In addition to post-pollution management, we prevent pollution at the source through education, publicity, and green building certification. Every month, the Environmental Protection Team publishes the Environmental Newsletter communicating the latest environmental information, legislation trends, environmental knowledge, and organizational policies. In addition, the team invites external experts and scholars to offer environment-related training and education every year. In 2017 the team invited the Environmental Protection Bureau of Kaohsiung City to discuss cases relating to the Soil and Groundwater Pollution Remediation Act to raise the environmental awareness of employees and promote internal exchange and communication. At the beginning of planning of the newest Hukou Park completed in 2016, we designed the plant based on eco-friendliness, with features including the ecological pond, green plantation, water reclamation, green building materials, and energy-efficient boilers and equipment. The food plant passed the Green Building Label certification of the Taiwan Architecture and Building Center in February 2018 and it's estimated that the restaurant will acquire certification in September 2018. It is estimated that the operations of the Hukou Park will reduce environmental impacts.





▲ Training and education of cases relating to the Soil and Groundwater Pollution Remediation Act



▲ The Hukou Food Plant that passed Green Building Label certification.

3.2.2 Targets

To reduce the quantity of waste in final treatment, we established the “waste recycling rate” as a key performance indicator (KPI) of waste treatment. In addition, we have set the “chemical oxygen demand (COD) average intensity” as a KPI for the effluent quality of wastewater. Both KPIs were 100% achieved in the last three years.

Waste Management Targets and Achievements of Uni-President

	2017 年	Achievement
Annual waste recycling rate above 95.5%	95.62%	V
Annual COD average intensity below 70mg/L	42.59mg/L	V

3.2.3 Performance of environmental management in operations

a. Waste output

Currently, waste produced in each plant is classified into three classes : non-hazardous waste—general waste and recyclable waste, and hazardous waste—organic experimental liquid waste. In 2017, the waste output was 36,488 tonnes of non-hazardous waste, and the recycling rate was 95.62%. In 2017, we tracked a total of 33 waste and recyclable waste contractors up to 61 times, and no illegal act was reported.

Waste Management Statistics

Waste Type	Item	Treatment	Unit	2015	2016	2017
Non-hazardous waste	General waste	Incineration	tonnes	1,415	1,651	1,598
	Recyclable waste	Recycling	tonnes	33,445	35,130	34,891
	Waste recycling rate		%	95.94	95.52	95.62
hazardous waste	Organic experimental liquid waste	Distillation recycling	tonnes	1.95	1.93	1.84

Flow Tracking Record of Waste and Recyclable Waste in 2017

Item	Number of tracked contractors	Number of tracks	Focus of audit	Results
Waste	24	51	Disposal records, treatment methods, and flow description.	Normal
Recyclable Waste	9	10	Disposal records, treatment methods, and flow description.	Normal
Total	33	61	-	-

b. Wastewater Discharge

In 2017 the total wastewater discharge of all plants was 3,114,000 tonnes, with a trend to decline over the past three years. COD average intensity was 42.6 mg/L, far lower than the target at 70 mg/L.

Wastewater Discharge in 2017

Pollutant	Unit	2015	2016	2017
Discharge volume	tonnes/year	3,279,947	3,232,004	3,114,307
COD average intensity	mg/L	39.4	35.7	42.59
COD equivalent reduction	tonnes/year	7,408.9	6,474.0	6,544.0
COD equivalent reduction rate	%	98.28%	98.25%	98.01%

c. Air pollutant emissions

In 2017, the total air pollutant emissions were 45.7 tonnes, 54.8% less than last year. Such a huge reduction is attributed to the replacement of crude oil boilers with gas boilers.

Air Pollutant Emissions in 2017



Unit : tonnes/year

TSP		SOx		NOx		VOCs	
2015	4.2	2015	59.6	2015	45.4	2015	0.5
2016	0.8	2016	53.1	2016	39.8	2016	7.6
2017	0.9	2017	18.5	2017	21.4	2017	5.0

d. Violations of regulations

One violation resulting in a fine of NT\$105,000 was reported in 2017. We have enhanced management, monitoring, and inspection afterwards to prevent its recurrence.

Plant	Law offended	Case	Punishment	Improvement
Xinshi Plant	Water Pollution Control Act	When the Environmental Protection Bureau audited the wastewater treatment plant of the Xinshi Plant on April 6, 2017, they found that we had not applied for the permit for the discharging wastewater from rinsing the waste gas scrubber to the waste treatment facility unit.	A fine of NT\$105,000	<ol style="list-style-type: none"> We demolished the scrubber June 2, 2017 and completed the piping for the waste gas discharge pipes to the roof at the end of June 2017. We arranged staff to patrol odors detected in the perimeters every day. We promoted the three-level audit project of environmental parameters in 2018 to prevent environmental offenses.



4

Building a Healthy and Happy Workplace

- Human Resources Development
- Occupational Health and Safety



Building a Healthy and Happy Workplace

1. Human resources development

1.1 Why is human resource development important?

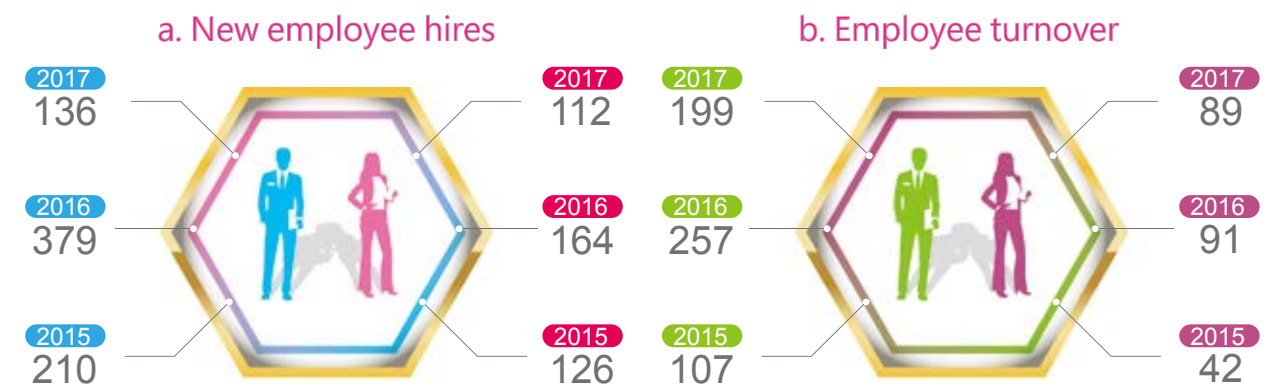
With respect to the IMD World Talent Report 2017 published by the Institute for Management Development (IMD) at Lausanne in Switzerland, Taiwan was ranked 23rd among all 63 countries or regions rated and the 3rd in Asia. However, Taiwan's ranking in either the retention or the attraction of talents was rather low, causing a significant influence on Taiwanese enterprises for the long run.

In addition to being the most important partners, we believe that employees are the bedrock enabling organizational transformation and growth. Hence, employee recruitment and cultivation are very important to us. By finding eligible talents through diversified channels, designing robust training courses for talents in different areas, planning a well-arranged welfare system and two-way communication channels, we enable employees to help one another and grow together, while helping Uni-President to ingrain itself and burgeon, in order to engage in continual optimization and achieve sustainable development.

1.2 Risk management for human resources development

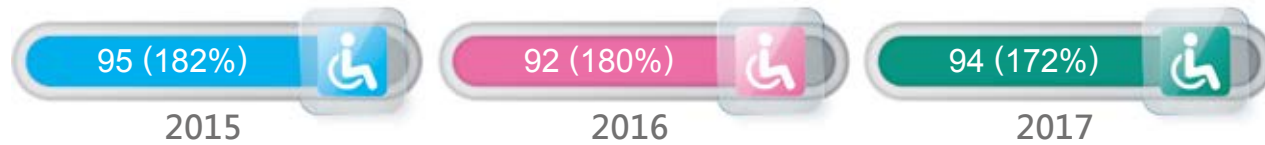
2017 was our 51st anniversary. The glory of the past half a century should be attributed to all Uni-President employees who have been working with us. After all, they are and will always be one of the most important assets of Uni-President. Facing the risk of recruitment and retention of talents, we recruit eligible talents through diversified channels, such as the corporate website, campus recruitment activities, and industry-academia partnerships. In terms of pragmatism and long-term operations, from corporate visions, corporate missions, and corporate tasks to strategy implementation, we plan learning maps of different levels for core, professional and management competencies and based on the physical, mental, spiritual, and organizational development needs, and the organizational development goals for "character", "brand", and "taste". In addition, we offer employees rich learning resources and a workplace and environment to demonstrate their talent, hoping employees can make continual improvement and demonstrate their expertise, in order to attract, develop, and retain more talents.

1.2.1 Human resources profile



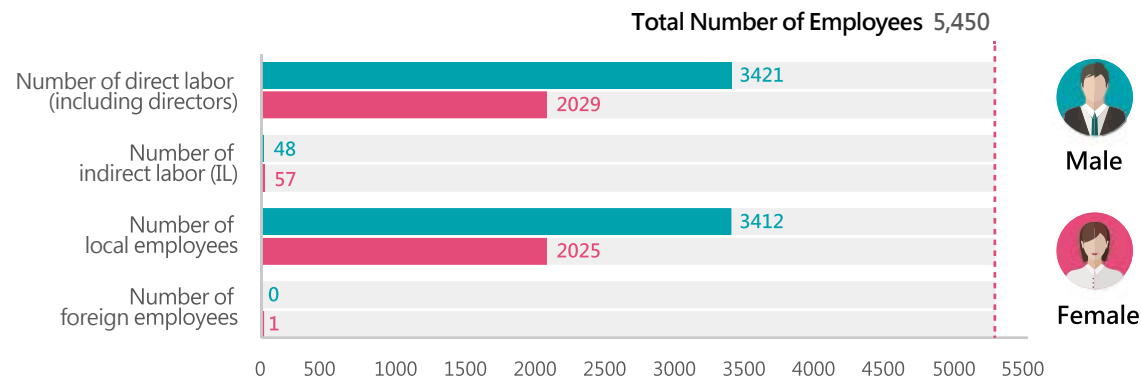
c. Employees with disabilities

Note : The percentage of the total number of employees/statutory number of employees



d. Workforce distributions

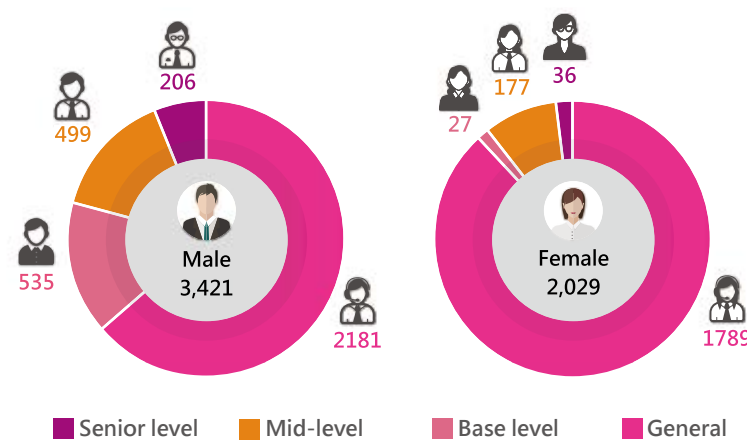
Types and genders of employees



Age and gender distributions of employees

Year	2017		Total Number of Employees
	Male	Female	
Aged below 30	420	226	646
Aged 30-50	1,612	1,323	2,935
Aged above 50	1,389	480	1,869
Average service length	18.69		

Position and gender of employees



1.2.2 Diversification of talent recruitment and cultivation

In 2018, we were ranked Top 1 in the commodity manufacturing industry amongst the Most Admired Top 20 Enterprises in the New Generation by Cheers magazine. This honor suggests that our outstanding operational performance and efforts to build a well-established talent training system have earned the recognition of youth and made Uni-President their prime choice.

In talent recruitment, apart from emphasizing expertise, we specifically focus on personal traits, such as teamwork, learning ability, job commitment, loyalty, and professional ethics, hoping to recruit talents with both outstanding performance and excellent character.

In talent development, we ask for specialization and systematically draw up our talent development map in terms of pragmatism and long-term operations. We also build well-planned talent development plans based on the corporate visions, corporate missions, and strategy implementation. For effective human resources

management, we have planned and designed comprehensive and robust training programs to further cultivate talents and ensure that the learning is being implemented back at work.

Our talent development system comprises three foci: on-the-job training, off-the-job (collective) training, and mind-and-body inspiration. Training in 2017 was implemented in three aspects: discipline and habit, innovation and sharing, and value creation. Furthermore, through job rotation, multiple exposures, and assignment of important duties and challenges, we aimed to cultivate employee potential, equip them with multiple specialties and adaptability skills, and broaden their mind and visions, hoping to develop talents with expertise and leadership abilities and match their career development with organizational development.

Three aspects of talent development in 2017

In order to achieve the organizational development goals for "character", "brand", and "taste", we offer comprehensive training programs, including the Officer General Education, Management Assistant Training, Marketing Elite Training, Internal Instructor Training, Operations and Management Seminars, and Arts and Humanities Seminars. By combining learning diversity with well-established e-learning systems and standard operating procedures (SOPs), we design robust training courses with the analysis-design-development-implementation-evaluation (ADDIE) model and implement fundamental training in routine work for employees to accumulate competencies in different areas. We aim to develop holistic talents to drive organizational growth and lead continuous optimization.



Zhi Wang, 11th MA Class

As I recall the first day on my arrival at Uni-President, I remember how the chairman encouraged us: "Uni-President is like Disneyland, there are all kinds of treasures awaiting you to uncover." Over the past six months, I really felt the training program of Uni-President was fantastic and carefully planned! Internally, each business unit (BU) is like the company's market investigator and explorer. Externally, from subsidiaries in Shanghai, China to Thailand, as Taiwan's leading enterprise, Uni-President has the vision of think globally, act locally for its overseas deployment strategy. After visiting each affiliate, we can have the sense that the group's resources are fully integrated! Based on different competencies, the Education and Training Center enhances our soft and hard skills in every aspects. Moreover, the X-Camp's canoeing activity challenges our courage and teamwork. The training for debate, presentation, and copywriting strengthens our logical thinking and verbal expression. The aesthetics and package design training enables us to turn our ideas into reality. We are grateful to Uni-President for training us over the past six months. In the future, we will keep going and use what has been learned to find our life and career directions at this Uni-President Disneyland.



In 2017, we invested a total of NT\$23.73 million in employee learning resources, which was equivalent to NT\$4,364 per employee. The average training length for male and female employees was 35.8 hours and 30.1 hours respectively.

Employee Training Hours in 2017¹

2017	Male		Female		Total number of hours	Total number of persons
	Number of hours	Number of persons	Number of hours	Number of persons		
General	49,649.5	21,494	36,800.5	14,354	86,450.0	35,848
Base level	35,668.0	11,566	11,110.0	1,912	46,778.0	13,478
Mid-level	27,352.5	8,092	11,499.5	3,358	38,852.0	11,450
Senior level	9,577.5	3,321	1,631.5	565	11,209.0	3,886
Total	122,247.5	44,473	61,041.5	20,189	183,289.0	64,662

1.2.3 Welfare system

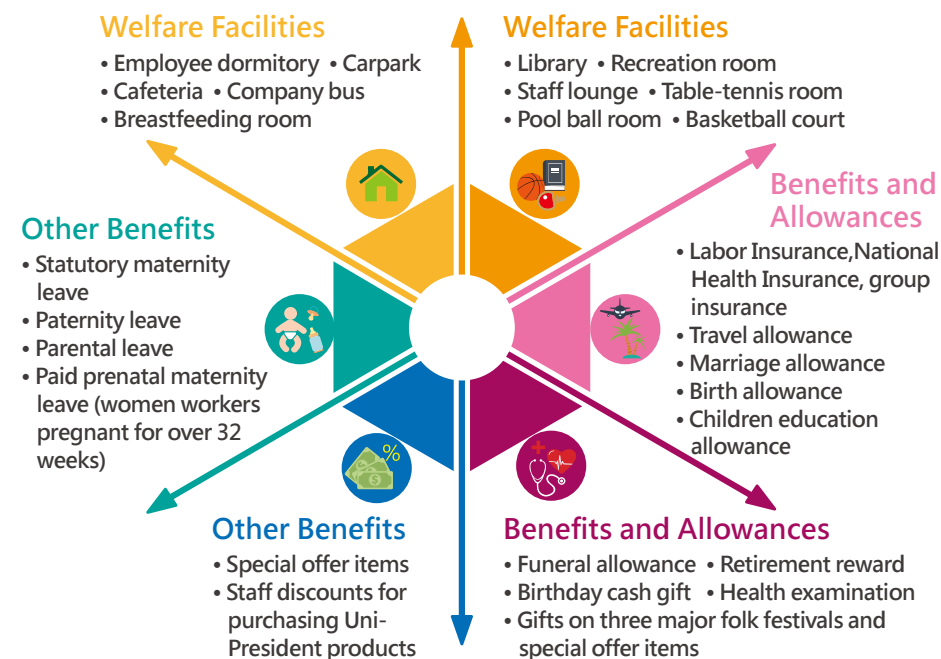
We have established a competitive market remuneration system to provide employees with a better life and a better work environment. In 2017, we were a constituent of the TWSE RAFI[®] Taiwan High Compensation 100 Index for four consecutive years. In addition, we review salary differentiation and the market salary standard on a regular basis to ensure employee interests are protected.

a. Remuneration

At Uni-President, employees enjoy equal pay for the same job regardless of gender. In 2017, the average salary of direct labor was NT\$52,512 each month, which was 2.387 times of the minimum wage in the same period and 1.579 times of the monthly average salary of Taiwan's food manufacturing industry in the same period².

b. Employee welfare

In addition to a wage above the industry average, we introduce comprehensive welfare policies to employees, with hardware and software facilities and activities covering food, clothing, accommodation, transportation, education, and entertainment, in order to take care of employees in all aspects and build a happy workplace.



Note 1 : As some training courses were co-organized with affiliates or external units, only a very small number of training hours of affiliates or external units were disclosed

Reinstatement after parental leave

Item	Male/Number of Persons	Female/Number of Persons	Total
Actual number of employees applying for parental leave of absence in 2017 (A)	4	28	32
Estimated number of employees reinstating after parental leave of absence in 2017 (B)	4	22	26
Actual number of employees reinstating after parental leave of absence in 2017 (C)	4	18	22
Actual number of employees reinstating after parental leave of absence in 2016 (D)	5	21	26
Number of employees continuing service 12 months after reinstating from parental leave of absence in 2016 (E)	5	20	25
Reinstatement rate (C/B)	100%	82%	85%
Retention rate (E/D)	100%	95%	96%

1.2.4 Employee rights and interests

We recognize, support and abide by the UN Universal Declaration of Human Rights (UDHR) and the UN Global Compact and the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization. We also observe labor laws and regulations and tolerate no harm of the dignity and human rights or discrimination of any form against employees, maintaining fair and dignified treatment within the organization and outside of the organization. In 2017, we established the human rights policy for the reference of maintaining human rights. Furthermore, we pay special attention to issues relating to human rights, including the ban on child labor and forced/compulsory labor, the right to freedom of association, non-discrimination, no bullying or harassment, and provision of a safe, hygienic, and healthy work environment.

In 2017, no discrimination, hiring of child labor, infringement of human rights (including the infringement of human rights by security guards), forced/compulsory labor, restriction on the right to freedom of association, or exploitation of the rights and interests of employees was reported.

Note 2 : DBGAS Salary Survey, retrieved from <http://win.dgbas.gov.tw/dgbas04/bc5/EarningAndProductivity/QueryPages/More.aspx>



1.2.5 Communication channels

At Uni-President, we establish sound labor-management interaction to protect employee rights and interests through comprehensive two-way communication channels, such as the trade union general assembly, the sexual harassment prevention hotline, the performance appeal mechanism, the labor-management meeting, the punishment/reward appeal procedures, the suggestion email, various activities, and internal publications.



Trade union general assembly

We proactively maintain the freedom of assembly and the freedom of speech of employees. The trade union has been established for four decades. By the end of December 2017, the union had 5,388 members, accounting for 99% of all employees. The union is established to protect labor human rights, strive for member benefits, improve the work environment, assist with organizational operations, and establish perfect labor-management communication channels.

Since the trade union was established, no labor-management dispute has been reported, and problems will be adequately discussed between labor and management to work for a consensus. In November 2017, we signed a new three-year collective bargaining agreement with the trade union to protect and strive for the rights and interests of employees and to promote organizational development to ensure Uni-President's sustainable development and prosperity.

Grievance channels

To protect employee rights and interests, we have established an official grievance mechanism and well-designed and stringent investigation and review procedures. This mechanism includes the sexual harassment prevention hotline, the performance appeal mechanism, and the punishment/reward procedures. In addition, we have established various communication channels, such as periodic labor-management meetings, inviting labor representatives to attend sales meetings. After receiving a grievance, we will immediately address the grievance and enhance the efficiency and effectiveness of two-way communication.



Communication through activities and communication

In addition to the above channels, we improve labor-management interaction and enhance the organizational cohesion and organizational commitment of employees through various activities. For example, a culinary competition can reawaken employees to uphold the spirit of and belief in food safety, relax their mind and body, and develop their work dedication and professional ethics. In addition, we commend employees with outstanding performance by announcing their names on the notice board of each plant and Uni-President Monthly to encourage them to recommend management, improvement, and optimization plans, in order to promote labor-management interaction and exchange.



Golden Bill : Gifts for employees on our 50th anniversary

2017 marks the 50th anniversary of Uni-President. To celebrate this big day, we specially designed and ordered an exclusive gift to express our gratitude to our 100,000 employees, hoping that this small gift could leave a wonderful memory for our employees.

This exclusive gift was an elaborately made gold bill presented to 100,000 employees of all organizations at home and abroad within the group. Each bill contained one-gram of fine gold of 999.9 millesimal fineness. According to the gold passbook price of the Bank of Taiwan, each gram of gold was about NT\$1,200. That is, we spent over NT\$100 million on the gift, and this amount was unprecedented in the last 50 years.

The totem on this note was designed by Chairperson Shirley Kao of the Uni-President Beauty Business Unit. On this gold bill, there are four symbolic buildings of the Uni-President Group: the Uni-President International Tower, the Dream Mall, and the silo and office building of Uni-President Headquarters in Yung Kang, Tainan. Apart from symbolizing the different milestones of Uni-President over the past 50 years, these four buildings demonstrate the vigor of the group's business diversity.

For the next 50 years of Uni-President, Chairperson Zhi-xian Luo has proposed the idea of "We are for life, the life for our 50th", in order to become an enterprise with great morality, brand, and taste through continual optimization and improvement.

In order to express our gratitude to over 100,000 employees at home and abroad within the group, each employee was given one gold bill. We hope that this gift is memorable and has a permanent collection values. How much we spend is less important, our gratitude is priceless.



2. Occupational health and safety

2.1 Importance of occupational health and safety

Occupational health and safety (OHS) plays an important part in the national labor protection system. A hygienic environment is a prerequisite to ensure labor safety and maintain productivity. Given that strengthening OHS is key to enhancing production and work efficiency, improving labor health and well-being, and advancing social progress and prosperity, we build a work environment that keeps employees away from worries and enables them to work joyfully. We also constantly care about, pay attention to, and take care of employees and work partners.

2.2 OHS and risk management

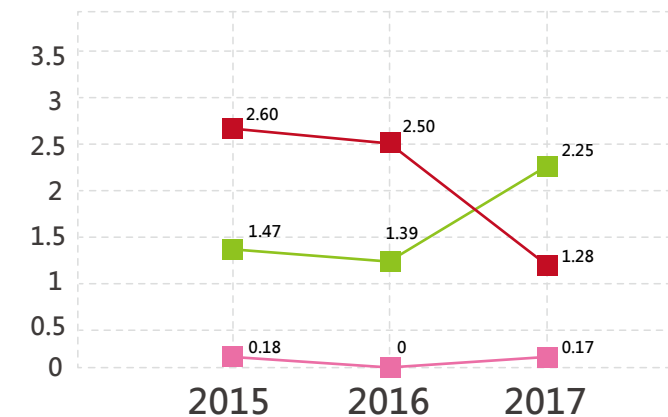
Each Uni-President plant has passed the certification of the Occupational Health and Safety Assessment Series (OHSAS) one after another. Through systematic health and safety management and health care implementation management, and continuous OHS education and training and case analysis, we enable employees to practice OHS at work and encourage them to make voluntary improvement proposals. We also arrange employee health examinations to analyze potential work-related hazards, enhance employee OHS awareness, and promote their personal health. Apart from taking care of employees' health, we are concerned about the health and safety of community enterprises. Through sharing, interaction, and exchange with smaller plants, we help them build a safe and comfortable work environment and strengthen social health and well-being.

2.2.1 Occupational Health and Safety Assessment Series (OHSAS)

Through the annual production management diagnosis meeting, we enable each unit to report the performance and exchange experience of OHS management and review their achievements and defects, in order to achieve technology improvement and optimization. Apart from constantly implementing safety observation, OHS management, danger pre-recognition and recognition calling, industrial safety responsible zone audit and management, industrial safety cross-audit and upper management safety supervision, we promote the industrial safety and health mark, OHSAS 18001, and CNS 15506 (formerly TOSHMS) certification in Yongkang, Xinshi, Yangmei, Zhongli, Taichung General Factories, and Hukou Park.

An OHS management system is implemented through the identification; assessment and control of hazard factors to reduce the hazard risk on employees and improve the enterprise safety culture through systematic and continuous operation.

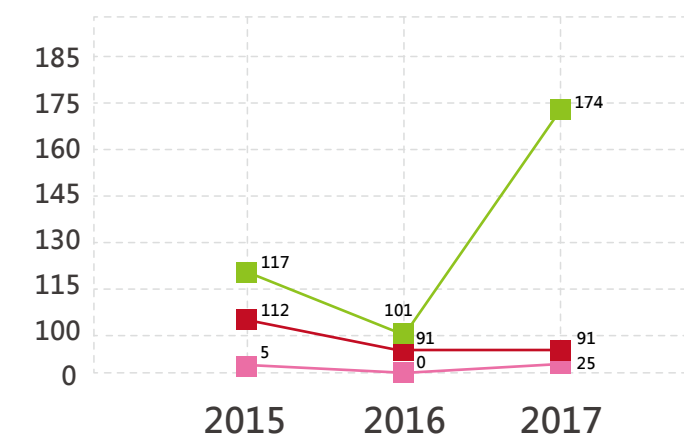
Disabling injury frequency rate (FR)



- Nationwide
- Food manufacturing industry
- Uni-President

FR
= number of injuries/
total hours worked*10⁶

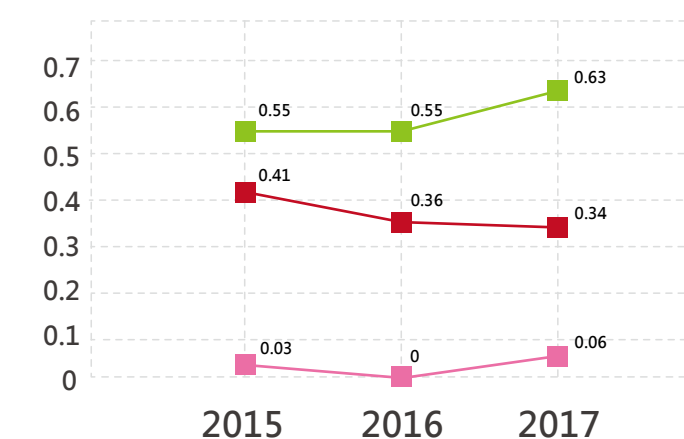
Injury severity rate (SR)



- Nationwide
- Food manufacturing industry
- Uni-President

SR
= Total number of days lost/
total hours worked*10⁶

Frequency-Severity Indicator (FSI)



- Nationwide
- Food manufacturing industry
- Uni-President

FSI
= $\sqrt{FR*SR/1000}$



Total Hours Worked by Employees in 2017 (unit : hours)

Male	6,796,704
Female	4,035,792

Total Absenteeism in 2017 (unit : 200,000 worked hours³)

Male	530
Female	897

2.2.2 Voluntary improvement proposals

In 2017, we simplified the procedures of the Employee Voluntary Industrial Safety Improvement Program to encourage employees to make voluntary improvement proposals for minor problems, while major problems were improved through projects. In 2017, a total of 605 proposals were made under the Employee Voluntary Industrial Safety Improvement Program. With such a program, we aim to encourage total participation in achieving work environment safety.

2.2.3 OHS training and education

Enterprise safety culture is the origin of OHS promotion. Through training and education, we foster an attitude of safety and develop the safety concept in employees. We also plan and implement training and education activities according to related laws and regulations for employees to get familiar with related work skills and thereby prevent accidents and work-related injuries. In addition to improving equipment safety management, we ensure supervisors of all levels and employees, including work-study workers, contract workers, temporary workers, as well as contractors and suppliers accessing the production area, to receive the required OHS training and education. In 2017, we arranged 74,109.5 man-hours of occupational safety and environmental safety training activities respectively.



Note 3 : Calculated at 40 worked hours a week and 50 weeks a year for every 100 employees

2.2.4 Health examinations

At Uni-President, employees enjoy a higher frequency of health examinations than that specified in the Labor Health Protection Rules. We arrange annual physical examinations for employees regardless of age. In 2017, a total of 5,251 employees received the health examination. Apart from analyzing the anomalies shown in the reports, we follow up related employees for health management. We also hired in-house health service physicians to provide in-house services, including making health suggestions and follow up employee health conditions. Due to industry attributes, noise is the biggest threat to employee health. Therefore, we specifically arrange noise examination for 225 employees. Based on the examination findings, we keep monitoring their condition and take corrective actions, such as using ear plugs, breaks at fixed intervals and frequencies, and improve or update mechanical equipment.

We also proactively organized various health promotion activities and health talks. In 2016, we were awarded the two-year Taiwan i Sport⁴ mark from the Sports Administration, Ministry of Education. Applicants applying for the Taiwan i Sport mark must organize one to two representative internal and external sports events with track records. This suggests that Uni-President cares much about the mental and physical health of employees.



2.2.5 Sharing and exchange

We are honored to cooperate with the Labor Affairs Bureau of the Tainan City Government. Adhering to the "big brother" spirit, we have organized courses including the Workplace Hazard Identification & Equipment Safety Inspection Practice and the Hazardous Chemical Substances Management Practice and Case Study. Through experience sharing, we have helped small and medium enterprises (SMEs) establish a well-planned OHS management mechanism, improve workplace safety facilities, eliminate work-related injuries, and improve the identification of occupational hazard characteristics and hazard prevention to internalize the OHS concept in the daily life of employees and implement OHS in routine work, in order to reduce occupational injury incidence and strengthen self-management and OHS culture in enterprises.



Note 4 : Taiwan i Sport mark application procedures : <https://survey.gvsrc.com/2017isport/index/about>



5

Creating a Healthy and Happy Tomorrow

- Philanthropic policy at Uni-President
- Healthy Society
- Social Engagement
- I-Sharing : Christmas Tree Light-up and New Year's Eve Party
- Supporting Sports Event



Creating a Healthy and Happy Tomorrow

1. Philanthropic policy at Uni-President

At Uni-President, philanthropic policy is practiced through two main strategies :



We have long been engaged in philanthropy through the Uni-President Social Welfare and Charity Foundation (Uni-President Foundation) and the Taiwan Millennium Health Foundation (Millennium Health). To this date, the scope of our philanthropic type covers :

Uni-President Social Welfare and Charity Foundation				
Type	Content	Years	2017 Tasks	2017 Performance
Emergency assistance (emergency support and medical care)	Emergency assistance	1978-Now	Emergency assistance for families in need and emergency support for families of elementary and junior high school students in need.	737 beneficiaries
	In-kind donations for the social affairs bureaus (departments) in 20 counties and cities	2017-Now	In-kind donations for the social affairs bureaus in 20 counties and cities across Taiwan.	12,000 beneficiaries
Empowerment (study, nursery, disabilities)	People with Disabilities Empowerment Program	2008-Now	Provision of skill development and training for people with disabilities and assistance for social inclusion and independent living.	250 beneficiaries from 4 disabilities groups.
	Remote Area After School Club and Talent Development Program	2015-Now	Provision of instructors, materials, and empowerment rewards for 11 after school clubs in remote areas in Chiayi, Tainan, Kaohsiung, and Pingtung, and assistance for talent development of students in remote areas of 10 schools in western coastal areas.	800 beneficiaries from 10 schools.



Uni-President Social Welfare and Charity Foundation				
Type	Content	Years	2017 Tasks	2017 Performance
Empowerment (study, nursery, disabilities)	Beverages for school lunch	2015-Now	Provision of beverages (Ruisui Fresh Milk, Sunshine Soymilk, Uni-President Honey Soymilk) at lunch for schools with less than 50 students in remote Tainan, Kaohsiung, and Pingtung.	3,500 beneficiaries from 96 schools
	Grants for tuition and fees of students from low-income families with outstanding performance	2016-Now	Provision of grants for tuition and fees for students from low-income families with outstanding performance.	20 beneficiaries
Care for the elderly living alone	Group Meal Program at 10 community canteens	2017-Now	Financial support for 10 community canteens in remote Tainan	500 beneficiaries from 10 communities
Charitable activities	Sponsoring Uni-President visits for students from vulnerable groups	2007-Now	Arrangement of Uni-President visits with meals for two vulnerable groups.	About 100 beneficiaries from two remote schools (Uni-President visits) and two meals.
	Old but Warm Clothing	2008-Now	Pre-owned clothes donation	Donation of pre-owned clothes to 14 NPOs.
	Free admission to Uni-Lion baseball games for students and family from vulnerable groups	2009-Now	Students and family from vulnerable groups watched four Uni-Lion baseball games.	400 beneficiaries
	i-Sharing Seminars	2016-Now	Organization of seven i-Sharing Seminars.	About 1,500 beneficiaries in seven seminars

Taiwan Millennium Health Foundation			
Content	Years	2017 Plans	2017 Performance
Metabolic syndrome awareness survey	2006-Now	Survey of the understanding between waist measurement and metabolic syndrome of the public by phone and online poll.	Completion of the awareness survey, and organization of one press conference, with 47 news reports.
Millennium Health Station	2008-Now	Maintenance and management of all 7-ELEVEN Millennium Health Station machines in Taiwan and health education	Blood pressure meter management of 677 7-ELEVEN Millennium Health Stations across Taiwan, provision of health education leaflets and paper rulers, and provision of services to about 3,000,000 citizens across Taiwan.

Taiwan Millennium Health Foundation			
Content	Years	2017 Plans	2017 Performance
National Health Examination Day	2008-Now	Organization of National Health Examination Day and youth volunteer recruitment.	Organization of health checks at 673 7-ELEVEN Millennium Health Stations and 200 Cosmed Pharmacy stores across Taiwan, with over 35,000 participants, and the recruitment of 261 volunteers to help use the Millennium i-Health to upload health data.
Talks, seminars, and expert conferences on preventive medicine	2011-Now	Organization of charitable seminars to promote preventive medicine and conferences and expert conferences to promote academic exchange.	Organization of eight seminars with 2,470 participants, one conference and two expert conferences with 302 experts.
80-90cm Waist Measurement	2012-Now	Organization of Millennium Love 89 Waist Measurement Day	Support of 27 celebrities on Facebook, reaching 12,226,000 people, and distribution of 1.27 million rulers over distribution channels.
Health Care Service on Campus	2012-Now	Completion of the upgrading plan and collaboration with three universities.	Collaboration with the public health bureaus of two counties and cities for 22,000 students to measure the waist of their parents and return the worksheet - collaboration with four universities to visit 10 elementary schools, reaching 1,444 students.

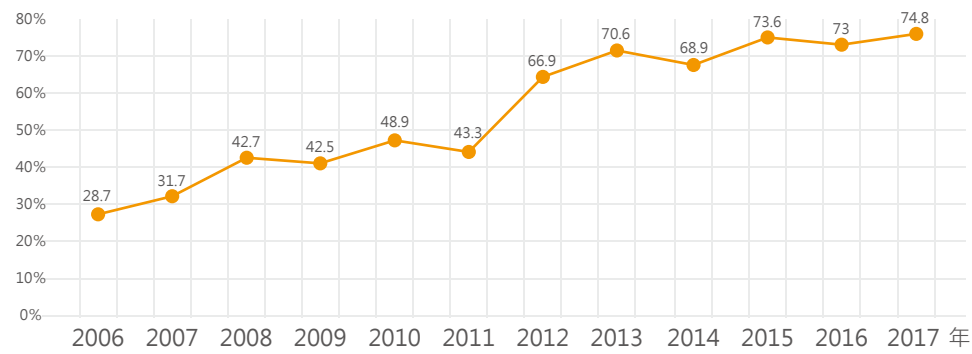
2. Healthy Society

The delicate diets and lifestyle changes of modern people increase the chances of metabolic syndrome, which will subsequently develop into diabetes, stroke, and cardiovascular diseases, making metabolic syndrome an important public health problem at home and abroad. For citizens to understand health and develop correct health concepts, and to promote preventive medicine, nutrition, health care, and metabolic syndrome prevention, Millennium Health is committed to promoting and improving the health of citizens through various awareness education activities.

2.1 Research and surveys

To enhance the health awareness and eagerness of self-health management in citizens, Millennium Health surveys about 1,200 citizens across Taiwan every year by phone or online poll to discern their understanding of the BMI-waist relationship and metabolic syndrome. Through the persistent promotion and survey of Millennium Health, the metabolic syndrome understanding rate substantially rose from 28.7% in 2006 to 74.8% in 2017, and so did the understanding of hypertension, hyperglycemia, and hyperlipidemia, from 71.9% to 97.8%. In addition to surveying the understanding and awareness of citizens, the survey investigated their health app use habits. The survey found that most citizens are unaccustomed to manage health with smart devices, and only 30% of respondents have used health monitoring apps. Millennium Health encourages citizens to manage health with smartphones and different types of health apps.

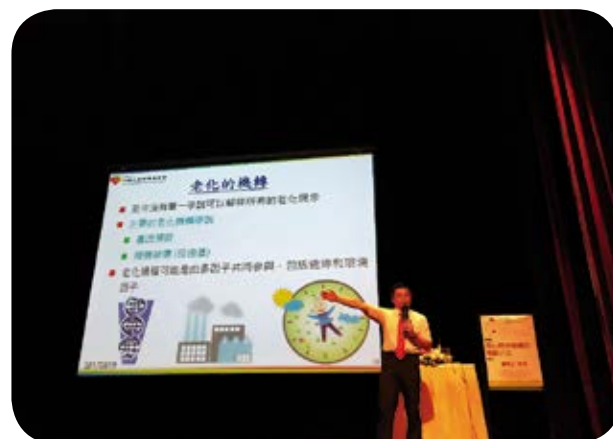




▲ Since Millennium Health began promoting the understanding of metabolic syndrome in 2006, the rate of metabolic syndrome understanding has increased 2.6 times.

2.2 Seminars and conferences on preventive medicine

To share new findings in preventive medicine and health knowledge with citizens and to promote the concept of "prevention is better than a cure", Millennium Health organized eight health seminars at the National CKS Memorial Hall with preventive medicine specialists in 2017 to talk about various health-related topics, including foods and drugs, bone health, elderly care, vision and memory, and skin care. Each received critical acclaim, with 300 participants on average. With a total of 2,470 participants, this suggests preventive medicine has been gaining importance in citizens. Millennium Health also organized the Geriatric Health and Sarcopenia International Symposium to invite worldwide experts and scholars to share current research and findings relating to the screening and prevention of sarcopenia and to discuss the research of a simple geriatric health index. By organizing seminars and conferences, Millennium Health hopes to promote academic exchange at home and abroad and to enrich and improve the health management knowledge and concept of citizens.



2.3 Health management promotion

The Health Promotion Administration statistics show that one third of adults (over 18) did not measure blood pressure in the last year, and nearly 90% of citizens have no waist measurement habits. These suggest that citizens often over-neglect critical illness and expose themselves to health risks.

Millennium Health has long been appealing to citizens to prevent metabolic syndrome and recommends citizens to manage health with the help of the following activities :

a. Millennium Health Stations

Millennium Health set up Millennium Health Stations at 7-ELEVEN convenience stores with the Good Neighbor Foundation.



Ordinary Millennium Health Stations are equipped with a blood pressure meter, ruler, and health education pamphlets for community residents to measure blood pressure and waist, two important indicator of metabolic syndrome, and access related health education. So far, a total of over 18.5 million people have enjoyed related services.

In response to the smart age, Millennium began to develop the Millennium i-Health cloud platform in 2015 to provide citizens with a more convenient way to record and retrieve their health condition at any time to maintain self-health monitoring. In 2018, Millennium Health planned to purchase 100 combo measurement devices to set up the Millennium Smart Health Station. By adding more measurement items, Millennium Health aims to help citizens manage health to realize the community smart health care concept.

b. National Health Examination Day

At the 9th National Health Examination Day in 2017, Millennium Health offered free blood pressure and waist examinations and health education with 635 nurses and 200 Cosmed pharmacists at 673 Millennium Health Stations and 200 Cosmed Pharmacy stores. Through collaboration with enterprises, colleges and universities, Millennium Health also arranged 216 community health youth volunteers to give one-on-one instructions to



show citizens how to use the ibon app "Millennium i-Health" platform. By uploading health data to the cloud platform, Millennium Health hopes to develop the regular blood measurement and recording habits in citizens. The event collected 35,000 copies of measurement data.



c. Millennium Love 89 Waist Measurement Day

Waist measurement is the most easily assessed risk factor for metabolic syndrome. When the waist measurement is above the standard, 80cm for females and 90cm for males, this suggests there is excessive fat in the internal organs, which will easily lead to metabolic syndrome and increase the chances of heart diseases, stroke, hypertension, and diabetes. However, as waist measurement is often overlooked, suggesting that citizens are generally unaware of its importance in predicting metabolic syndrome.



For citizens to understand more about the interrelation between waist measurement and metabolic syndrome, Millennium Health set August 9 as "Millennium Love 89 Waist Measurement Day".



During the event period, Millennium Health distributed one million "waist rulers" through the retail stores of partner enterprises and encouraged citizens to develop the regular waist measurement habit and pay attention

to their health and family through commercials, internet ads, and other publicity materials.

In 2017, based on the theme "Father's Blue Belt Wish", apart from producing new public information films to advertise the concept "keep your waist fit to see your children grow", Millennium Health invited writers Shi-ping Tsai and Claudia Shu-wei Lin, husband and wife, to be the health ambassadors to disclose their blue belt wish to see their daughter grow. They also encouraged citizens to collect the blue belt ruler from local stores and write down their wish: health management in the next decade to remind their fathers to keep a healthy waist. Millennium Health also invited 27 online celebrities to post their support on social networking websites, reaching 12,226,000 people.

d. Health Care Service on Campus

Starting from 2012, Millennium Health began to walk in elementary school campuses to ingrain health education by educating students on the healthy way of living and asking them to influence their parents. In 2017,



Millennium Health organized the "Health Care and Waist Measurement at Taipei Universiade" and "Embrace, Pull and Measure with Love" events in collaboration with the Department of Health and Department of Education of Taipei City and the Public Health Bureau and Education Bureau of Changhua County. These events aim to help elementary school students measure the waist of their parents at home, in order to remind them to keep the waist fit through family interaction. Millennium Health also designed a worksheet to deepen the health concept of students and parents. The events reached nearly 50,000 students and parents, and 22,210 student worksheets were collected. Millennium Health also guided college and university students of nutritional science to plan healthy diets and exercise to publicize metabolic syndrome at elementary schools and develop elementary school students to be the "Home Waist Prefect", in order to ingrain health education in elementary school students. The event reached 1,444 students.



3. Social engagement

At Uni-President, we value social engagement and care. Therefore, we actively and persistently promote philanthropic activities to send warmth to those in need. After all, "Creating a Healthy and Happy Tomorrow" is our vision. By promoting social welfare work based on this positive attitude, the Uni-President Foundation also invests manpower and resources in emergency assistance in society, including financial support for disabilities, emergency assistance, medical care, schooling, nursery, and elderly care. Apart from the in-kind donation for the social affairs bureaus (departments) of 20 counties and cities, we care about mental health and spiritual satisfaction of those in need. By integrating organizational core resources with the large events and marketing of individual entities within the group, we express care for the vulnerable groups in society in real action to maximize the function and influence of organizational resources.

3.1 Emergency assistance

After establishment in 1978, the Uni-President Foundation has since offered emergency assistance for many of vulnerable groups, families, and victims of disasters to receive real-time assistance, in order to resolve immediate hardships. In 2017, the Uni-President Foundation also joined the "Happiness Angel Network", a platform for all emergency assistance foundations in Taiwan, to avoid repeat donations. Members can discuss emergency assistance programs over the platform for resources to reach every corner in need and to maximize the synergy of emergency assistance.

3.2 Grants and scholarships for students in remote areas

To resolve the learning environment and education resources inequalities in Taiwan, which lower the learning motivation and academic performance of students in remote areas, the Uni-President Foundation established after school clubs in remote areas in collaboration with local organizations in Chiayi, Tainan, Kaohsiung, and Pingtung, in order to provide students from vulnerable groups with after school tutoring services. In 2017, this program benefited 550 students. In addition, to develop self-confidence and self-motivation for learning in students from vulnerable groups in remote areas attending the after school club program, the Uni-President Foundation specifically plans grants and scholarships to encourage students with outstanding academic performance. In 2017, 66 students received grants and scholarships. Furthermore, the Uni-President Foundation develops the talent of students through the Talent Development Program for students to discover their talent and find a future goal, in order to bring new drive and direction to their life. In 2017, 800 students benefited from the program.



3.3 Empowerment Plan for Outstanding University Students from Low-Income Families

To encourage and develop outstanding university students from low-income families, the Uni-President Foundation organized the first Outstanding University Students Empower Project in 2016. Apart from continuing the project, the Uni-President Foundation organized and expanded the scale of the project in 2017 by increasing 20 vacancies. Through interviews and visits, the Uni-President Foundation understand got to learn more about the students and encourages them, hoping that the grant can help students to focus on study and enrich themselves. The Uni-President Foundation also encourages university students accepting empowerment to be grateful and help one and other, demonstrate the expertise after graduation, and pay back society in memory of the empowerment project.



3.4 Nutrition Program

The urban-rural divide and resource inequality have long existed in Taiwan. Nutrition deficiency and imbalance are the common problems found in students in remote areas, thus bringing significant impacts to students in their growth. Domestic studies found student's height can be 2-3cm less in just one winter break due to nutrition deficiency. And this can also affect their learning effectiveness. For students in remote areas to enjoy adequate and balanced nutrients and to focus on study and grow happily without worrying about health, Uni-President and the Uni-President Foundation combine core resources to contribute to the education environment and happy child growth. In 2017, they supply Ruisui Fresh Milk, Sunshine Soymilk, and Uni-President Honey Soymilk every week to 96 elementary schools in remote Tainan, Kaohsiung, and Pingtung to take care of student health. In 2017, a total of 3,500 students were benefited.



3.5 Community Canteens Group Meal Program

As societal aging continues in Taiwan, Uni-President and the Uni-President Foundation have surveyed and studied elderly people and adjusted the content and implementation of related activities in response to the advent of an aging society, hoping to maximize the synergy of resources. Therefore, Uni-President and the Uni-President Foundation specifically promote the Group Meal Community Canteens Program and offer long-term in-depth care service to elderly people. With the group meal program, we hope to encourage elderly people to walk out into society for elderly residents to maintain interpersonal interaction and socialization activities, and increase the physical activeness, and enjoy balanced and delicious diets, in order to improve concern and care for elderly people in communities, help them live more happily, ensure they are looked after and make contributions. As such, we aim to effectively improve the physical, mental, and spiritual health of elder people and thereby reduce the socioeconomic and medial burdens.



3.6 Dream 66

In 2017, Uni-President supported the Care for the Elderly program launched by the government. Through cooperation with 20 heterogeneous enterprises, we organized the Diamond Marriage—Dream 66 event to celebrate the 60 anniversary of 66 couples with a large dreamed wedding to fulfill their dream of red carpet walk in wedding gowns. This is the largest philanthropic event ever been held by the Uni-President Foundation over the past 39 years. The cast included over 20 units, 300 volunteers, and about 1,000 guests and family. Apart from witnessing elderly couples walking through 60 years together to mark out their true love forever, the event hopes to awaken the public's concerns about the need for elderly care in an aging society.



3.7 Old but Warm Clothing

It was the seventh year of the “Old but Warm Clothing” pre-owned materials donation. By setting up 21 collection stations across Taiwan, we encourage employees to donate unfit or unused but would be given up winter and summer clothes or pre-owned toys to vulnerable groups in need before winter comes, in order to express care for vulnerable groups in real action, show love and care, and fulfill corporate social responsibilities. In 2017, we recruited 745 boxes of pre-owned materials and mobilized 4,000 employees of the group, and 14 NPOs to benefit 1,200 beneficiaries.



5. Supporting Sports Event

The 2017 Taipei Universiade was the largest and highest level international sports event held in Taiwan to date. To welcome this high-level sports competition, Uni-President insisted on contributing our part and fulfilling our corporate social responsibility. The Uni-President Group organized our corporate resources and became the top sponsor for the Universiade. The entire group's resources were used to welcome and participate in this event.



4. I-Sharing: Christmas Tree Light-up and New Year's Eve Party

As a pioneer manufacturer of daily life products, Uni-President offers comprehensive daily life services and contents to closely connect with the life of consumers. Through constant innovation and by keeping pace with time, we hope to make society better and more prosperous. Therefore, through the i-Sharing activity based on love and sharing, we spread warmth and share love to send positive energy to all parts of society. With the most magnificent “New York” view as the theme, i-Sharing 2017 spread love and hopes in Taipei and Kaohsiung with great warmth for each and every citizen to feel a brand new experience difference from the past.



In addition to actually participating in Universiade events, Uni-President also sponsored the Universiade with UNI Water bottled water and UNI SPORT sports drinks. That way, athletes can supplement their water intake at all times, maintain high-energy, and do not have to worry about dehydration. The Group's President Chain Store Corporation, Starbucks Coffee Company, and Uni-President Vendor Corp also provided coffee, snacks, and promotions for the event. The group called on the entire public to support and cheer on Taiwan's athletes.



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", "Building 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, 2017 to December 31, 2017. Some information covers past periods.

This report mainly focuses on Uni-President's efforts in Taiwan area, which includes Yongkang No.1 & No.2 General Factory, Xinshi General Factory, Yangmei General Factory, Zhongli General Factory, Taichung General Factory, 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 316 to 322 of the 2017 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 4.0 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 perform assurance procedures on the sustainability performance information identified from the report (including Yongkang No.1 & No.2 General Factory, Xinshi General Factory, Yangmei General Factory, Zhongli General Factory, and the food production factory in Hukou Park) 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>

2017 CSR report issuance date: August 14, 2018

2016 CSR report issuance date: November 14, 2017

• Contact

Marketing Strategy Planning Office, Uni-President Enterprises Corp.

Telephone : +886-6-253-2121

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 : Supplementary Information about CSR Key Indicators

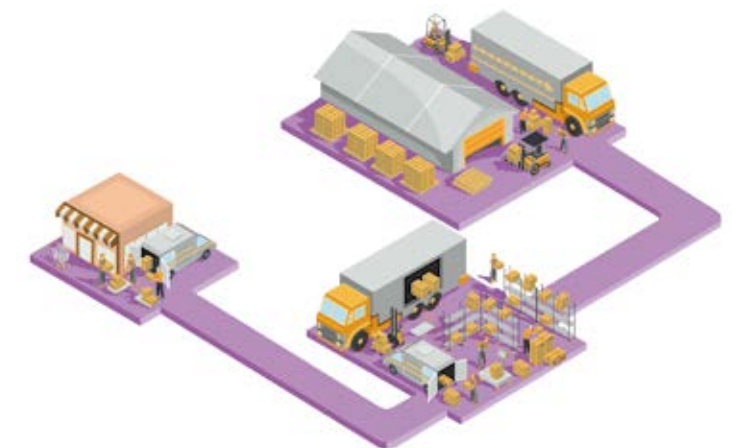
ISO 22000 and FSSC 22000 certification item by General Factory in 2017

General Factory	Yongkang No.1 & No.2	
ISO22000 certification item	Packing of edible soybean oils in plastic bottle	FSSC22000 certification item Instant fired noodles (including bagged instant noodles, instant noodle snacks, and instant noodles packed in bowl) Instant un-fired noodles and rice-flour noodles (including bagged instant noodles, instant noodle snacks, and instant noodles packed in bowl) Bagged dried uncooked noodles Bagged wheat flour Instant noodles (including instant noodles packed in bag/ bowl, bagged seasoning mixed/ seasoning paste)
General Factory	Xinshi	
ISO22000 certification item (note 2)	Drinks (Tetra Pak)	Chilled non-carbonated drinks packed in laminated box including tea drinks, coffee drinks, and cereal drinks
	Drinks (plastic bottle)	Chilled coffee drinks packed in glass bottle
	Drinks (laminated box)	Chilled cereal drinks packed in plastic bottle
	Soy milk drinks (Tetra Pak)	Chilled milk, dairy drinks, and fermented milk packed in plastic bottle
	Soy milk, rice & peanut milk (laminated box)	Chilled milk and dairy drinks, packed in laminated bottle
	Soy milk, rice & peanut milk (plastic bottle)	Chilled milk and flavoured milk packed in glass bottle
	Dairy milk (laminated box)	Chilled pudding packed in plastic cup
	Dairy milk (plastic bottle)	Shelf stable un-alcoholic (non-carbonated) drinks packed in laminated box
	Meat products and pudding	Aseptic un-alcoholic (non-carbonated) drinks packed in PET bottle
	frozen (chilled) packaged foods	Chilled uncooked sausages packed in plastic bag Frozen fully cooked sausages packed in plastic bag Frozen fully cooked hams packed in plastic bag Frozen fully cooked hot dogs packed in plastic bag
	Aquatic processed products	Frozen uncooked dumplings Frozen fully cooked meatballs Chilled fully steamed dumplings and steamed stuffed buns pollard
	Frozen products	Ice cubes packed in plastic bag Ice smoothies packed in plastic cu Ice bar (popsicle) packed in plastic bag Ice cream packed in plastic cup and paper bucket

General Factory	Yangmei				
ISO22000 certification item (note 2)	Drinks (Tetra Pak and PE bottle), bottled water, soy milk, ice cubes, packaged drinking water	FSSC22000 certification item	Chilled milk and flavoured milk packed in laminated box Chilled milk, flavoured milk and fermented milk packed in PE bottle Chilled yogurt (fermented milk-based product) and flavoured milk packed in PP cup Chilled tea drinks packed in laminated box Chilled coffee drinks and tea drinks packed in PP cup Chilled juice drinks packed in PET bottle and laminated box Chilled pudding packed in PP cup Chilled soybean milk packed in PE bottle and laminated box Chilled cereal drinks packed in PET bottle Edible ice cubes		
		General Factory	Zhonli (Note 1)		
		ISO22000 certification item (note 2)	Frozen dough, bread, cakes	FSSC22000 certification item	Toast

Note 1: Zhongli Factory's production of bread, baked cakes (vanilla cakes and sponge cakes), croissant, waffle and steamed cakes, chilled cakes (cheese cakes) and chilled croissant sandwiches, frozen dough and Madou Factory's production of bread and toast have acquired FSSC 22000 certification on January, 2018.

Note 2: For the convenience of readers and for information purpose only, ISO certification items have been translated into English from the original Chinese version prepared by the Bureau of Standards, Metrology and Inspection (BSMI), Ministry of Economic Affairs, Taiwan, R.O.C. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language certification items shall prevail.





Major ISO14001 objectives, targets, and management programs of 2017

● : Completed ◆ : In progress

General Factory	Goal	Target	Management programs	Achievement status
Hukou	Prevent outflow of water from washing racks and pipes	Number of outflows : (0 time/year)	Add catch drains in the public works areas.	◆
Yangmei	Reduce steam consumption	Save NT\$600,000/year from steam consumption.	Process energy optimization program of the dessert line.	●
Taichung	Enhance environmental awareness	1. Environmental information publicity once/month. 2. Environmental education/training activity once/year.	1. Environmental Protection Newsletter publicity from the ESH Office. 2. Environmental news and technologies publicity. 3. Implement environmental education/training activities.	●
	Source management	1. Zero environmental offenses. 2. Zero construction waste.	1. Set limits for incoming wastewater. 2. Verify and trace construction waste disposal and flow at the Safety and Health Meeting to prevent illegal disposal.	●
	Environmental facility audit	100% improvement of non-conforming items found in the environmental facility audit.	1. Plant odor audit. 2. Rain ditch and sewage ditch audit. 3. Audit of the operation and maintenance of pollution prevention and control measures.	●
	Improve the operating environment.	100% improvement of non-conforming items found in the environmental facility audit.	1. Monthly check of production units. 2. Bimonthly check of functional units.	●
Yungkang	Reduce odor pollution	Odor value <2000	Cup of Instant Noodles Contamination Prevention and Improvement Project.	●
	General environmental training/education	80 person-hours/year	Organized general environmental training/education	●
	Internal communication	12 sessions/year	Publish Environmental Protection Newsletter every month.	●
	External communication	Once/week	Arrange patrol timetable	●

General Factory	Goal	Target	Management programs	Achievement status
Yungkang	Reduce wastewater pollution	500 kg/day	Sedimentation treatment of water from washing the 240HP extruder after ingredient change.	●
	Reduce odor pollution	Perimeter odor value <30	Steam consumption control for fatty acid heating.	●
	Reduce noise pollution	Noise level <70dB (A)	Improve the outlet structure of drain pipes by adding silencers.	●
	Reduce waste disposal expense	Reduce the NT\$4,500/tonne disposal fee.	Optimize treatment of waste from the rotary screen.	●
Xinshi	Reduce soft water consumption	Save 730 tonnes/soft water	Benefits from reduction of soft water consumption.	●
	Enhance energy efficiency	Conserve energy by 6,742 kWh	Renew UPN & TR18C case washing machine.	●
	Reduce wastewater pollution	Save 8,760 tonnes/year of water	Extend the fixed draining interval of RO.	●
	Enhance energy efficiency	Conserve energy by 4,803 kWh	Optimize the ambient air temperature of the air compression chamber	●
	Enhance energy efficiency	Conserve energy by 86,556 kWh	Renew CDs 1 and 2 freezing units of the meat factory.	●
	Enhance energy efficiency	Conserve energy by 354,499 kWh	Replacement of Cooling Oil with Cooling Water for Freezing Compressor Energy Conservation Project.	●
	Enhance energy efficiency	Conserve energy by 4,586 kWh	Install the VFD to IQF.	●
Enhance energy efficiency	Conserve energy by 101,694 kWh	Install new micro bubble producers.	●	





Charitable Activities of the Uni-President Social Welfare and Charity Foundation in Last 4 Years

Annual Work Item	2013 Achievement	2014 Achievement	2015 Achievement	2016 Achievement
Provision of emergency family assistance across Taiwan	870 households NT\$8,933,000	1,162 households NT\$13,134,560	920 households NT\$10,259,200	737 households NT\$8,330,000
Onsite visit for households requiring emergency assistance	45 households NT\$10,500	42 households NT\$12,600	40 households NT\$12,800	185 households NT\$59,200
In-Kind Donations for the social affairs bureaus/departments in 20 counties and cities across Taiwan	0	0	0	12,000 persons NT\$1,923,753
Service and care for elderly people living alone	21 households	20 households	20 households	0
Group Meal Program	0	0	0	500 persons NT\$600,000
Provision of school lunch beverages (fresh milk and soymilk) for schools with less than 50 students in the remote areas in Tainan, Kaohsiung, and Pingtung	0	26 schools in Tainan (second half of the year) NT\$750,000	67 schools in Tainan and Kaohsiung together NT\$1,720,000	96 schools in Tainan, Kaohsiung and Pingtung together NT\$4,413,418
Long-Term Empowerment Programs for outstanding university students from low-income families, talent development and after class clubs for students in remote areas.	0	NT\$6,900,000	NT\$2,365,000	NT\$5,648,062
Integration of group enterprises, foundations, and other CSR charitable activities	NT\$2,608,515	NT\$1,164,000	NT\$1,230,000	NT\$1,692,331
Estimated total number of beneficiaries	9,300 persons	8,000 persons	8,260 persons	24,790 persons
Total annual expenditure	NT\$13,475,003	NT\$20,696,383	NT\$19,974,724	NT\$25,239,908

Appendix : 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	4-7	Message from the Chairman and President
G4-2	Provide a description of key impacts, risks and opportunities	21	Risk Management
Organizational Profile			
G4-3	Name of the organization	21	Operations Overview
G4-4	Primary brands, products and services	21-22	Operations Overview
G4-5	Location of the organization's headquarters	21	Operations Overview
G4-6	Number, and names, of countries where the organization operates	21	Operations Overview
G4-7	Nature of ownership and legal form	21	Operations Overview
G4-8	Markets served	21	Operations Overview
G4-9	Report the scale of the organization	21	Operations Overview
G4-10	Number of employees by employment type, contract and region	67-68	Human Resource Development
G4-11	Percentage of employees covered by collective bargaining agreements	72	Human Resource Development
G4-12	Organization's supply chain	35-40	Food Safety
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	92-93	About This Report
G4-14	The precautionary approach or principle addressed by the organization	27 29 51 58	Food Safety Climate Change and Energy Management Water Resource 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	22	Operations Overview Human Resource Development
G4-16	List of memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization has membership	22	Operations Overview
Identified material aspects and boundaries			
G4-17	List all entities included in the organization's consolidated financial statements	92-93	About This Report



GRI4.0	Indicators	Pages	Corresponding Section and Notes
G4-18	Explain the process for defining the report content and the Aspect Boundaries	14	Sustainable Management
G4-19	List all the material Aspects identified in the process for defining report content	13	Sustainable Management
G4-20	For each material Aspect, report the Aspect Boundary within the organization	14	Sustainable Management
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	14	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
Stakeholder engagement			
G4-24	Provide a list of stakeholder groups engaged by the organization	12	Sustainable Management
G4-25	Report the basis for identification and selection of stakeholders with whom to engage	13	Sustainable Management
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	16	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	16	Sustainable Management
Report profile			
G4-28	Reporting period for information provided	92-93	About This Report
G4-29	Date of most recent previous report	92-93	About This Report
G4-30	Reporting cycle	92-93	About This Report
G4-31	Provide the contact point for questions regarding the report or its contents	92-93	About This Report
G4-32	GRI Content Index for 'In accordance' and an external assured	92-93	About This Report
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report	112-113	Auditor's limited assurance report
Governance			
G4-34	Report the governance structure of the organization	23-25	Corporate Governance
Ethics and Integrity			
G4-56	Describe the organization's values, principles, standards and norms of behavior	23-25	Corporate Governance

Special Disclosure

Material Aspects	DMA and Indicator	Pages	Corresponding Section and Notes	
Economic Performance	DMA	Disclosure on management approach	21-22	Operations Overview
	G4-EC1	Direct economic value generated and distributed	21	Operations Overview
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	27 51	Risk Management Climate Change and Energy Management
Procurement Practice	G4-FP1	Percentage of purchased volume from suppliers compliant with company's sourcing policy	37	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	47	Food Safety
Energy	G4-EN3	Energy consumption within the organization	56	Climate Change and Energy Management
	G4-EN6	Reduction of energy consumption	53-54	Climate Change and Energy Management
Water	G4-EN8	Total water withdrawal by source	60	Water Resource
	G4-EN10	Percentage and total volume of water recycled and reused	60	Water Resource
Emission	G4-EN15	Direct greenhouse gas emissions (scope 1)	57	Climate Change and Energy Management
	G4-EN16	Energy indirect greenhouse gas emissions (scope 2)	57	Climate Change and Energy Management
	G4-EN18	Greenhouse gas (GHG) emissions intensity	57	Climate Change and Energy Management
	G4-EN19	Reduction of greenhouse gas emissions	54	Climate Change and Energy Management
	G4-EN21	NOx, Sox, and other significant air emissions	65	Environmental Impacts from Business Operations
Effluents and Waste	G4-EN22	Total water discharge by quality and destination	65	Environmental Impacts from Business Operations
	G4-EN23	Total weight of waste by type and disposal method	64	Environmental Impacts from Business Operations
Products and Services	G4-EN27	Extent of impact mitigation of environmental impacts of products and services	46-47	Marketing and Labeling
Compliance	DMA	Disclosure on management approach	49-50	Preservation of Environmental Values
	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	65	Preservation of Environmental Values



Material Aspects	DMA and Indicator		Pages	Corresponding Section and Notes
Overall	G4-EN31	Total environmental protection expenditures and investments by type	50	Preservation of Environmental Values
Supplier Environmental Assessment	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	37	Food Safety
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	35-38	Food Safety
Labor Practices Grievance Mechanisms	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	67-68	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	70	Human Resource Development
	G4-LA3	Return to work and retention rates after parental leave, by gender	71	Human Resource Development
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	75	Occupational Health and Safety
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	77	Occupational Health and Safety
Training and Education	G4-LA9	Average hours of training per year per employee by gender, and by employee category	70	Human Resource Development
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	68-70	Human Resource Development
Diversity and Equal Opportunity	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	67-68	Human Resource Development
Equal Remuneration for Women and Men	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	70	Human Resource Development
Supplier assessment for labor practices	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	37-38	Food Safety
	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	35-40	Food Safety
Non-discrimination	G4-HR3	Total number of incidents of discrimination and corrective actions taken	71	Human Resource Development

Material Aspects	DMA and Indicator		Pages	Corresponding Section and Notes
Freedom of Association and Collective Bargaining	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	71	Human Resource Development
Child Labor	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	71	Human Resource Development
Forced or Compulsory Labor	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	71	Human Resource Development
Security Practices	G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	71	Human Resource Development
Supplier Human Rights Assessment	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	37-38	Food Safety
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	36-38	Food Safety
Local Communities	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	81-85	Healthy Society
Anti-corruption	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	25	Corporate Governance
	G4-SO5	Confirmed incidents of corruption and actions taken	25	Corporate Governance
Public Policy	G4-SO6	Total value of political contributions by country and recipient/beneficiary	25	Corporate Governance
Compliance	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	-	None
Supplier Assessment for Impacts on Society	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	36-38	Food Safety
	G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	36-38	Food Safety
Grievance Mechanisms for Impacts on Society	G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	25	Corporate Governance



Material Aspects	DMA and Indicator	Pages	Corresponding Section and Notes	
Customer Health and Safety	DMA	Disclosure on management approach	29-40	Food Safety
	G4-PR1	Percentage of significant product and service categories for which health and safety impact re assessed for improvement	44-45	Food Safety Marketing and Labeling
	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	42	Legal 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.	39	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.	44	Marketing and Labeling
	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.	44	Marketing and Labeling
	Product and Service Labeling	DMA	Disclosure on management approach	42-47
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	42	Marketing and Labeling
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	41	Legal Change
G4-PR5		Results of surveys measuring customer satisfaction	44	Marketing and Labeling

Material Aspects	DMA and Indicator	Pages	Corresponding Section and Notes	
Marketing Communication	DMA	Disclosure on management approach	42-47	Marketing and Labeling
	G4-PR6	Sale of banned or disputed products	42	Marketing and Labeling
	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	41	Legal Change
Healthy and Affordable Food	DMA	Disclosure on management approach	81-85	Healthy Society





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

No.	Subject Matter Information	Page	Applicable Criteria	Rules
1	In 2017, the committee held 34 food safety meetings (including one Southeast Asia food safety meeting). The significant resolutions affect 100% of the products within the company.	30	In accordance with the Management Procedures for the Organization and Operation of Food Safety Committees, the organization established, the total number of committee meetings held in 2017, and the percentage of product categories affected.	Sub-paragraph 1, paragraph 1
2	Please refer to the List of Alerts from the Food Safety Center Rapid Alarm (FSCRA) System in 2017 for details.	41	The total number of FSCRA alerts in 2017, status of follow-up, and the influence, expressed in percentage, on all product categories. This percentage has been calculated based on the food safety information gathered by the FSCRA. Should the information sources cover all product categories within this company, the rate of affect is 100%.	Sub-paragraph 1, paragraph 1
3	With respect to all products sold by the Company, one employee feedback case through the food safety hotline was reported in 2017. The content of feedback was involved with product ingredient labeling. Investigations by the related personnel of the Food Safety Committee determined that no threats misled consumers	31	The total number of food safety feedback cases accepted by the Audit Division, their resolutions, and the percentage of product categories affected in 2017 with respect to the Employee Participation in Product Safety Measures. This percentage has been calculated based on the applicability of the said Measures. Should such measures cover all product categories within this company, the influence is 100%.	Sub-paragraph 1, paragraph 1
4	Please refer to the 2017 Statistics on Professional Licenses and Certificates in the report for the professional licenses and certificates held by employees at the end of 2017.	32	The total number of employees holding professional licenses and certificates relating to food safety accredited by the Rules for Management of Rewards and Allowances for Professional Licenses and Certificates at the end of 2017, and the percentage of product categories affected. This percentage has been calculated based on the said Rules. Should such rules be applicable to all employees (cover all product categories), the influence is 100%.	Sub-paragraph 1, paragraph 1
5	Please refer to the 2017 Level 2 Audit Results in the report.	39	The percentage and the number of food manufacturing factories audited by General Factories under their jurisdiction in accordance with the Internal Food Factory Quality Audit SOP in 2017. This percentage has been calculated based on the total number of food manufacturing factories audited onsite divided by the total number of food manufacturing factories.	Sub-paragraph 1, paragraph 1

No.	Subject Matter Information	Page	Applicable Criteria	Rules
6	In 2017, the Food Safety Center initiated 83 regulation identification projects. All of them were completed by January 12, 2018. They influence all product categories (100%).	41	The total number of regulation identification projects initiated by the Food Safety Center through the regulation identification system with respect to the Product Legal Change Management SOP in 2017 and their closure status (data period by March 14, 2018), and the percentage of product categories affected. This percentage has been calculated based on the laws and regulations gathered by the regulation identification system, and all product categories were affected.	Sub-paragraph 1, paragraph 1
7	The Act Governing Food Safety and Sanitation and its enforcement rules proclaimed by the Taiwan Food and Drug Administration, Ministry of Health and Welfare, are the major laws and regulations applicable to Uni-President products. Please visit the TFDA website (https://consumer.fda.gov.tw/Pages/List.aspx?nodeID=518) for details regarding related laws and regulations.	42	The website for the announcements of food laws and regulations by the Taiwan Food and Drug Administration, Ministry of Health and Welfare	Sub-paragraph 2, paragraph 1
8	Please refer to the List of Violation Cases and Countermeasures in 2017 for the root cause of offenses, the content of punishment, and the description of countermeasures.	42	The total number of violation notices and the categories of violation of the Act Governing Food Safety and Sanitation, its enforcement rules, and related regulations and standards in 2017.	Sub-paragraph 2, paragraph 1
9	In 2017, the amount of FSC TM -certified materials procurement accounted for 41.5% of the total procurement amount of paper packaging materials.	47	The percentage of FSC TM -certified materials procurement in the total amount of paper packaging materials procurement in 2017 based on the statistics from the procurement system	Sub-paragraph 3, paragraph 1
10	In 2017, the percentage ¹ of Uni-President products acquired ISO 22000 or FSSC 22000 certification reached 98.31% ² . Note: 1 Food product certification percentage = number of certified food products/ total output of food products (unit: discrete unit of each product) 2 As the Hukou Food Factory and Hukou Bakery Plant acquired FSSC22000 certification in April 2017, the 2017 food product certification proportion was below 100%.	39	The percent of food products that passed ISO22000 or FSSC22000 in 2017. The food product certification percentage was acquired from dividing the total number of certified food products by the total output of food products (unit: discrete unit of each product).	Sub-paragraph 4, paragraph 1



No.	Subject Matter Information	Page	Applicable Criteria	Rules
11	Please refer to the ISO 22000 and FSSC 22000 Certification Item by General Factory in 2017 for details of the product certification items of each factory.	39	Information regarding the factories and their status of ISO22000 or FSSC22000 certification in 2017 is subject to the scope of certification indicated in the ISO22000 or FSSC22000 certificate.	Sub-paragraph 4, paragraph 1
12	<p>We have established the Supplier Evaluation SOP ¹ and set different evaluation items based on the risk level of different suppliers. Please refer to the Supplier Evaluation Items in the report for details.</p> <p>In 2017, there were 559 suppliers ², in which 169 suppliers applicable to the Supplier Evaluation SOP completed onsite evaluation, namely 30% evaluation completion rate. The passing grade is 60 marks or above. Suppliers must receive this score and have a clean record of severe defects ³ to become qualified. Only one supplier failed the evaluation.</p> <p>Note:</p> <p>1 Established in accordance with the Good Hygienic Practice and Regulations on Food Safety Control System.</p> <p>2 Food suppliers having transactions in 2017 included suppliers not covered by the Supplier Evaluation SOP, such as raw milk suppliers (dairy farms), suppliers of packaging materials having no direct contact with foods, wheat suppliers that import wheat independently, and outsourced factories.</p> <p>3 For example, whether the Food Safety and Hygiene Management System fails or whether foods have immediate safety hazards but immediate improvement is possible.</p>	37	The total number of suppliers evaluated onsite based on supplier-specific evaluation items by appraisers with the Supplier Evaluation SOP established in accordance with the Good Hygienic Practice and Regulations on Food Safety Control System and the evaluation results in 2017. The percentage of suppliers completing onsite evaluation in 2017 is calculated by dividing the number of suppliers completing onsite evaluation by the total number of food ingredient, food-grade detergent, and merchandise suppliers, outsourcing service providers, and dairy farms that had transactions in 2017.	Sub-paragraph 5, paragraph 1
13	At the end of 2017, the traceability of a total of 205 products was completed with reference to the Regulations Governing Traceability of Foods and Relevant Products, accounting for 43.16% of all Uni-President food products (excluding feeds for livestock and aquatic animals). The traceability system of all product and electronic receipts were also 100% completed as per to the legal requirements. Related data has been uploaded to the Food Traceability Management Information System (must Trace) of the Ministry of Health and Welfare (http://ftracebook.fda.gov.tw).	40	At the end of 2017, the total number of products completed the traceability or uploaded to the Food Traceability Management Information System (must Trace) in accordance to the Regulations Governing Traceability of Foods and Relevant Products. The percentage is calculated by dividing it by the total production items	Sub-paragraph 6, paragraph 1

No.	Subject Matter Information	Page	Applicable Criteria	Rules
14	<p>Other products ¹(excluding feed for livestock and aquatic animals) traceability data is documented either in writing or electronically, and has been established to keep track from ingredient procurement at the upper level to the shipping of finished products to customers at the lower level.</p> <p>Note:</p> <p>1 Other products are products with a traceability system not established in accordance with the legal requirements.</p>	40	Product traceability according to the Food Traceability SOP established in accordance with the Regulations Governing Traceability of Foods and Relevant Products.	Sub-paragraph 6, paragraph 1
15	Please refer to the TAF and TFDA Certification Acquired by the Food Safety Laboratory in 2017 for details.	33	Both the food safety laboratory and QC laboratory have been certified by the Taiwan Accreditation Foundation (TAF) and the Taiwan Food and Drug Administration (TFDA).	Sub-paragraph 7, paragraph 1
16	In 2017, up to 496 test items of Uni-President's laboratories were certified by the TAF and TFDA. Please refer to the List of TFDA- and TAF-Certified Items for details of the certified items.	33-34	The items and total number of items of the food safety laboratory and QC laboratory certified by TAF and TFDA.	Sub-paragraph 7, paragraph 1
17	In 2017, the QC and Food Safety Laboratory complied a total of 206 categories of practical testing items (excluding the test items for test projects commissioned by external customers) for ingredients, materials, and finished products.	33	In 2017, the categories (excluding testing items commissioned by external customers) of practical testing items for ingredients, materials, and finished products were compiled by the food safety and QC laboratories.	Sub-paragraph 7, paragraph 1
18	Please refer to the Anomaly Rate of Finished Products and Ingredients/ Materials in 2017 in the report for details.	34	The percentage of anomalies found in finished products and ingredients/ materials detected by the food safety and QC laboratories divided by the total number of finished products and ingredients/materials tested in 2017.	Sub-paragraph 7, paragraph 1
19	Please refer to the Food Safety Management Expenses in 2017 in the report for the food safety management expenses and the percentage to the entity's net operating revenue in the individual financial statements.	34	The percentage of 2017 food safety management expenses divided by the net operating revenue in the individual financial statements audited by the certified public accountant.	Sub-paragraph 7, paragraph 1



No.	Subject Matter Information	Page	Applicable Criteria	Rules
20	In 2017, the seven affiliates audited included President Chain Store Corporation, Uni-President Organics Organization, President Natural Industrial Corporation, President Pharmaceutical Corporation, President Nisshin Corporation, Kikkoman Inc., and Tait Marketing and Distribution Co., Ltd. Evaluation items of the food safety system of affiliates. (1) Management and Compliance (2) Supplier Evaluation Management (3) R&D and Design Management (4) Ingredient Management (5) Finished Product Management (6) Warehouse and Transportation Management (7) Nonconformity management and traceability management (8) Food Protection/Emergency Handling Management	31	The total number of affiliates and items audited by the Food Safety Center according to the Affiliate Annual Audit Program and the Affiliate Food Safety System Evaluation Sheet in 2017.	Voluntary assurance items of Uni-President
21	In 2017, the QC Section audited 59 suppliers in 95 visits. Process management was the main cause of defects. Corrections of all defects were completed by January 9, 2018.	38	In 2017, the total number of audits, the total number of suppliers, the audited defect types, and defect corrections implemented according to the Ingredients/Materials Suppliers Irregular Audit and Management Checklist established in accordance with the Good Hygienic Practice Regulations and the Regulations on Food Safety Control System.	Voluntary assurance items of Uni-President
22	In 2017, the Food Safety Audit Team audited 324 suppliers onsite in 903 visits. Good Hygiene Practice (GHP) was the main defect. Corrections were all completed by January 30, 2018.	38	In 2017, the total number of traceability audits on domestic suppliers, the total number of suppliers, audited defects, and defect corrections the Food Safety Audit Team performed with the Supplier Production Audit and Level 2 Ingredients/Materials Traceability Inventory Regulations established according to the Food Traceability System.	Voluntary assurance items of Uni-President
23	Please refer to the Food Safety Training and Education in the report for details.	32	The total number of hours and the total number of employees completing food-safety-related training in conformity with the Internal Training and Education Regulations in 2017.	Voluntary assurance items of Uni-President





會計師有限確信報告

資會綜字第 18002928 號

統一企業股份有限公司 公鑒：

本事務所受統一企業股份有限公司（以下稱「貴公司」）之委任，就 貴公司選定民國 106 年度企業社會責任報告書所報導之績效指標執行確信程序。本會計師業已確信竣事，並依據結果出具有限確信報告。

確信標的資訊與適用基準

有關 貴公司選定民國 106 年度企業社會責任報告書所報導之績效指標（以下稱「確信標的資訊」）及其適用基準詳列於 貴公司民國 106 年度企業社會責任報告書第 92 至 95 頁之依臺灣證券交易所「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。前述確信標的資訊之報導範圍業於企業社會責任報告書第 80 頁之「報告書範疇與邊界」段落述明。

管理階層之責任

貴公司管理階層之責任係依照適當基準編製企業社會責任報告書所報導之績效指標，且維持與績效指標編製有關之必要內部控制，以確保績效指標未存有導因於舞弊或錯誤之重大不實表達。

會計師之責任

本會計師係依照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適用基準編製而須作修正之情事，並出具有限確信報告。

本會計師依照上述準則所執行之有限確信工作，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。因有限確信案件取得之確信程度明顯低於合理確信案件取得者，就有限確信案件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。

本會計師係依據所評估之風險領域及重大性以決定實際執行確信工作之範圍，並依據本委任案件之特定情況執行下列確信程序：

- 對參與提供確信標的資訊的相關人員進行訪談，以瞭解並評估編製前述資訊之流程、所應用之資訊系統（若適用），以及其攸關內部控制之設計及執行情形



- 基於上述瞭解與評估，對確信標的資訊進行分析性程序，如必要時，則選取樣本進行測試，以取得有限確信之證據。

此報告不對民國 106 年度企業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。

會計師之獨立性及品質管制規範

本會計師及本事務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。

本事務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。

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，本會計師並未發現確信標的資訊在所有重大方面有未依適用基準編製而須作修正之情事。

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適用基準之變更，本會計師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 107 年 8 月 14 日

