



2018

CSR REPORT

企業社會責任報告書

Corporate Social Responsibility Report







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Message from the Chairman

Uni-President's Glory and Sustainable Development

In 2018, Uni-President maintained its steady development. In the face of the unpredictable business environment, Uni-President continued to be forward-thinking while setting up business models to create a better future and improve competitiveness. In 2018, Uni-President's market value hit a new high at NT\$468.1 billion. Our revenue performance ranked 10th in the "Taiwan Top 2000 Survey" of CommonWealth Magazine and was the top in the food industry.

Uni-President has dedicated enormous efforts to achieve stability and excellence and continued to uphold the responsibility as a leading company in the food industry by adhering to the spirit of "Integrity, Diligence, Innovation". At present, many major events in society come from unawareness, such as failure to follow standard operating procedures and the violation of relevant regulations. All the accidents make us reflect on our business operations and make us more alert to our procedures. Accidents can be avoided by positive thinking, sense of responsibility and no compromising in all aspects of management. Being in the food manufacturing industry, Uni-President is deeply rooted in consumers' daily needs. Hence, food safety is not only our profession but also our duty while occupational safety and environment sustainability are our commitments to the society.

We are in the era of continuous change. All developments and phenomena keep reminding us of the challenges we will face in the future. We will need to overcome problems such as geopolitical turbulence and conflicts, the economic cycle, frequent global trade disputes, the development of innovative technologies and the trend of an aging population. According to the Global Risk Report published by the World Economic Forum in 2019, environment-related issues account for half of the top 10 most likely to happen problems, indicating high environmental risks. Uni-President's production processes are involved with various environmental issues. In face of the aforementioned changes, Uni-President has always adhered to the attitude of "being capable of solving problems", and ensured duties are carried out properly, hoping to contribute to a sustainable society.



Uni-President's businesses not only include food manufacturing to provide consumers' basic needs but also involve consumers' daily needs. We are committed to providing care for employees, consumers and the environment while implementing corporate social responsibility. We demonstrate our commitment to the environment and food safety standards by caring for society. Being humble, brave and responsible, Uni-President will persist to meet the high standards in our Character, Brand and Taste and achieving sustainable achievements in the future.

Chairman

羅智先



Message from the Presidents

Inheriting the Uni-President's Spirit to Commit a Sustainable Future

Uni-President will continue to face new challenges given the aging population, rise of the Internet and global warming. All the phenomena point to the rapid transformation of society, technology and environment. In the changing world, we need to avoid being eliminated and keep abreast of the time or even become the leader of the time. Since the founding of Uni-President in 1967, we have been operating with the concept of sustainability, which accounts for our steady development.

Responding to the importance of sustainable development and the severe challenges faced by the new generation, Uni-President sets up the CSR Committee in 2017 to manage and achieve collaboration between main divisions of the company in order to implement sustainable development. Under dedicated efforts of the CSR Committee, Uni-President achieved new progress in different CSR aspects in 2018. We disclose our policies on the company's official website for the public to clearly understand our mechanisms of giving back to the society and commitments to environmental protection. We have also set up environmental management objectives to clearly track Uni-President's performance on environmental protection. In terms of product, we have developed a health and nutrition policy in the hope to improve consumers' daily lives in regard to the recent food safety turmoil and the aging population. In terms of social welfare, we also set up key performance indicators to assess the effectiveness of social care activities and achieve the target of making the greatest impact under limited resources.

Starting as a flour producing factory, Uni-President has become an international group with the aim of being more sustainable. Our achievements in governance, products production, environmental protection and societal contribution have been recognized by the public. In 2018, we have won a gold medal of the TCSA Corporate Sustainability Report Awards in the traditional manufacturing industry ranked in the top 5% companies in Corporate Governance Evaluation for the 5 consecutive year; been honored the iTQi Superior Taste Award on 14 products; been awarded the Private Enterprise Green Procurement Excellence Award for the 6 consecutive year; and been selected as the top 1



company in commodities manufacturing industries of the “Top 20 of Most Popular Companies Among the New Generation” by Cheers Magazine. The awards and public recognition not only motivate us to continually make achievement, but also represent Uni-President’s business philosophy as well as the operating concept of innovation and improvement.

Uni-President has upheld its spirit and behaviors over the past half century. As a entity for using and transmitting resources, Uni-President has great influence on environmental and social development. We commit to contribute to sustainability with the aim to create a positive cycle among society, the economy, the environment and the company. Uni-President will continue to set good examples and perform actions to become a stable force in society. In addition, we will continue to strengthen the sustainable development and to help create a better future.

Presidents

黃李 釗清 凱田



2018 Key Achievements

An Enterprise Built on Transparency and Integrity

Top 20 of 2018 Taiwan Global Brand

Top 20 of 2018 Taiwan Global Brands

5%

Ranked in top 5% of companies in Corporate Governance Evaluation for 5 consecutive years

Top 1 in the Food Industry

The top 1 company in Taiwan Top 2000 Survey by Commonwealth Magazine

Corporate Governance Managers

Assigning corporate governance managers to enhance the efficiency of the Board of Directors

Gold medal in traditional manufacturing industry

Won a gold medal of the TCSA Corporate Sustainability Report Awards in the traditional manufacturing industry

Create a Safe and Healthy Food Culture

Gold Medal

Won the National QCC Golden Award at the 41st National Quality Control Conference Announcement held by PQCR

FSSC 22000

Introduced FSSC 22000 in each factory

iTQi Superior Taste Award

Honored with the iTQi Superior Taste Award on 14 products

Golden Tower Award

Honored with the Golden Tower Award at the 31st National United Competition held by the Corporate Synergy Development Center

Promote the Core Working Procedures of Food Safety

Promote the Core Working Procedures of Food Safety, and deepen the food safety risk control and management from the value chain



Building a Healthy and Happy Workplace

Top1

Selected as the top 1 company in commodities manufacturing industries from the "Top 20 of Most Popular Companies Among the New Generation" by Cheers Magazine

Health and Safety Excellence Award

Chungli and New Taipei City Plant were honored with the 2018 National Occupational Safety and Health Award by the Ministry of Labor

Taiwan i Sport mark

Awarded the 2018 Taiwan i Sport mark

NT\$22.55 million

We invested a total of NT\$22.55 million yearly in employee training. The average training length for each employee was 34.58 hours, which increased by 2.6% compared with that of in 2017.



Commit to Sustainable Environment

Green building certification

Acquire green building certification for Hukou plant

NT\$270 million

Green procurement exceeded NT\$270 million per year, and the company has been awarded the Private Enterprise Green Procurement Excellence Award by the Environmental Protection Administration Executive Yuan for six consecutive years.

1%

An annual electricity conservation rate at a minimum of 1%; reduced carbon emissions of 6,647 tCO₂ by the energy saving program

90,670 tonnes

Promote water conservation, with a total water saving of 90,670 tonnes

96.02%

Waste recycling rate of 96.02%



3,071 participants

The 8th annual seminar on preventive medicine, with a total of 3,071 participants

25.85 million participants

Conducted the 7th 80-90cm Waist Measurement Day, participated by 22 celebrities and attracted 25,850,000 people by FB.

16,000 participants

Conduct activities in the Millennium Health Station to promote the prevention of Sarcopenia, with a total of 16,000 participants

Creating a Healthy and Happy Tomorrow

670 elderly people

Community Canteens Group Meal Program for the elderly
Total of 670 elderly beneficiaries

800 students

Develop the talent of students through the Talent Development Program for students to boost their confidence, of which 800 students benefited from the program.

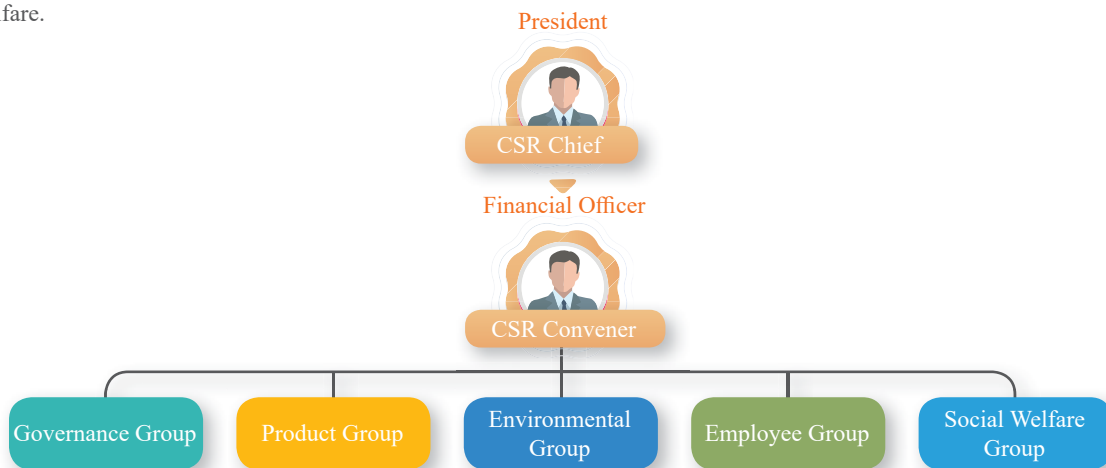


Sustainable Management

Sustainable Management Unit

Uni-President is committed to social, environmental and economic responsibilities to achieve mutual support between the enterprise, society and the environment, and thereby develop sustainable competitiveness. We adhere to “Uni-President’s Codes of Conduct for Corporate Social Responsibility” in response to the current global trend on sustainable development - Sustainable Development Goals (SDGs), and promote Uni-President’s sustainable development via the CSR Committee. For the CSR committee, the President is dedicated as the CSR Chief and financial officer as the convener, with the five functional groups - corporate governance, products, the environment, employees and social welfare.

The CSR Committee is Uni-President’s main division for sustainable development. Externally, the committee is responsible for reviewing the CSR report, and internally, a meeting is held every six months to set up policies related to sustainability, as well as key performance indicators, targets, plans and performance review of each functional group. The five functional groups of the committee operate separately, and develop corresponding plans and projects in compliance with the policies and targets set by the committee, while also being responsible for controlling and tracking progress on a regular basis and reporting to the CSR Committee.

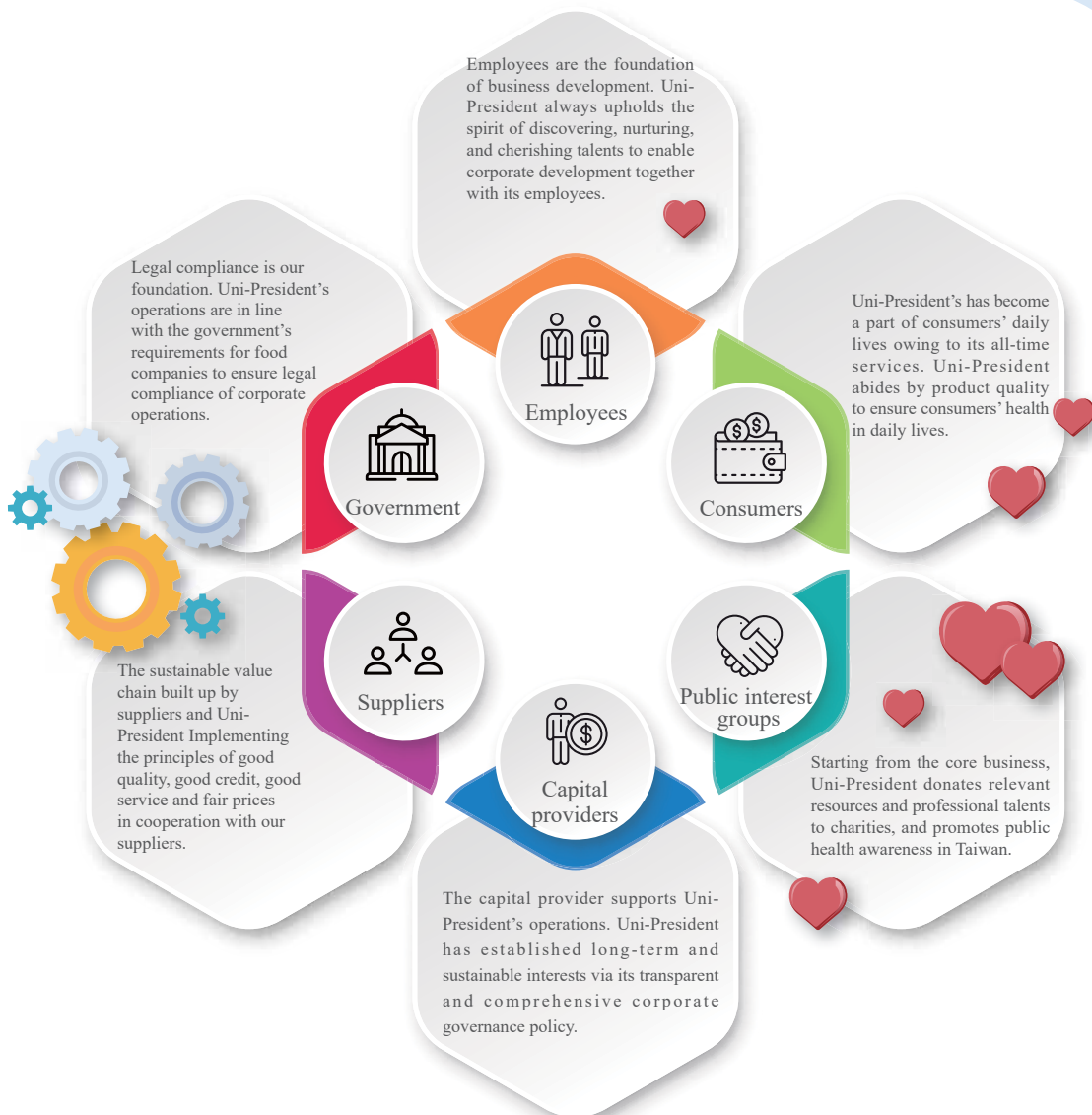


The CSR Committee will annually report the implementation status of each functional group to the Board of Directors. In 2018, the CSR Committee reported Uni-President’s sustainable development to the Board of Directors according to the implementation and progress of the following five functional groups:

Functional Group	Performance Topic
Governance Group	<ul style="list-style-type: none"> Set up tax policies which are disclosed on the company website and the Corporate Social Responsibility Report
Product Group	<ul style="list-style-type: none"> Improve the advocacy of the Supplier Code of Conduct
Environmental Group	<ul style="list-style-type: none"> Set up the general waste reduction standards Revision of environmental policies, incorporating topics such as new product development, new projects, transportation/logistics, inspections, mergers, acquisitions, information transparency and stakeholder communication. Disclosure of environmental policies on company websites
Employee Group	<ul style="list-style-type: none"> Optimize education and training management system to improve the efficiency of internal management
Social Welfare Group	<ul style="list-style-type: none"> Set up key performance indicators for social welfare In the Uni-President’s CSR website, we have disclosed the CSR report of subsidiaries including PCSC, ScinoPharm Taiwan, Ltd, Ton Yi Industrial Corp., and Tait Marketing and Distribution Co., Ltd.

Creating sustainable value for stakeholders of Uni-President

Uni-President's Sustainable development covers environmental, social, economic and corporate governance aspects. Stakeholders may pass information related to the importance, current status and risks of these topics to Uni-President. Listening to the insights of stakeholders and responding to their requirements are important bases for Uni-President's sustainable development.



Material Topics 2018

Understanding and giving appropriate responses to the needs and expectations of stakeholders are key factors affecting the sustainable development of enterprises. We first identify major stakeholders, and perform investigations on major stakeholders to identify the material topics of in 2018.

Step 1: Identification and prioritization

Identifying stakeholders
1

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

- Significance of stakeholder Influence on Uni-President.
- Uni-President's dependency on stakeholders
 - a. Capital providers
(Including banks, shareholders, and professional investors)
 - b. Consumers
 - c. Government
 - d. Employees
 - e. Suppliers
 - f. Certifying units
 - g. Academic institutions
 - h. Public interest groups
 - i. Other

Identifying material topics
2

A total of 15 related topics 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 Standards, and topics that concern worldwide food manufacturers.

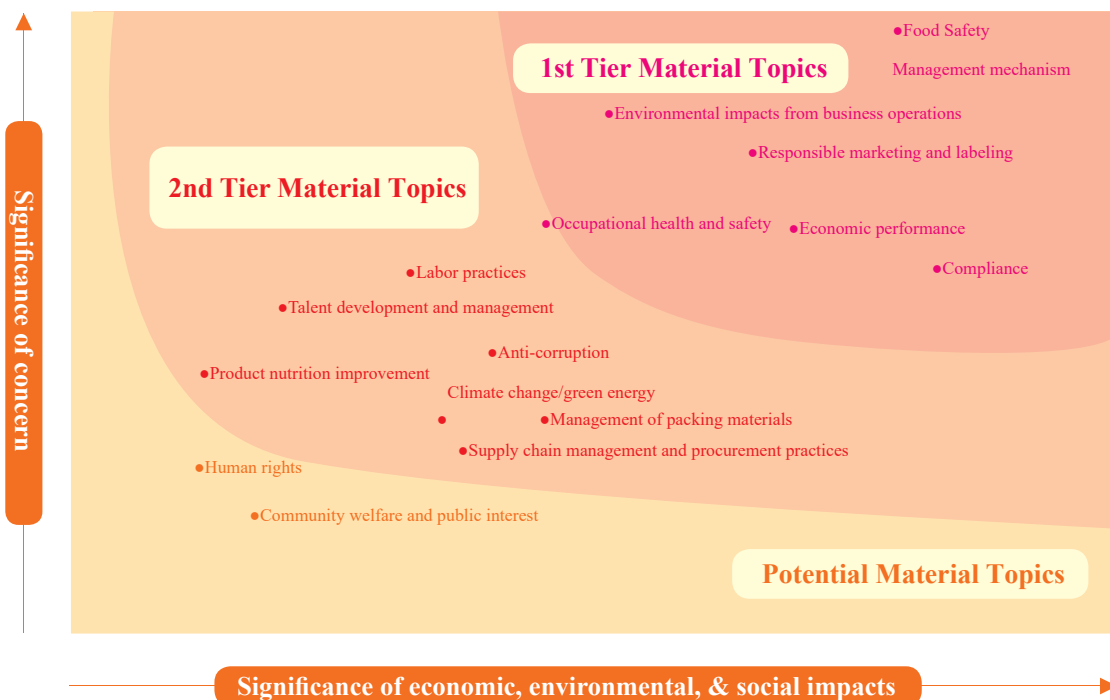
Analyzing the significance of material topics
3

After selecting representative respondents from the nine stakeholder groups identified, we surveyed the significance of their concern about the 15 related topics with a questionnaire, and 146 copies and responses were distributed and collected. Evaluating the significance of concern of material topics.

Evaluating the impact of material topics
4

- After evaluating the impact of these 15 related topics in terms of the following topics, the management and the responsible units of respective topics determined six material topics.
- Food safety management mechanisms
- Responsible marketing and labeling
- Compliance
- Economic performance
- Environmental impacts from business operations
- Occupational health and safety

After completing the above steps, we identified the material topics for 2018 as follows



Topics Levels	Topics	Topics Contents	Corresponding chapters of this report
1st Tier Material Topics	Economic performance	Financial information regarding organizational operations, expenses and income, and financial assistance from government	An Enterprise Built on Transparency and Integrity
	Environmental impacts from business operations	Consumption and recycling of energy and water resources; the status and management of exhaust gas emissions, wastewater discharge, and waste disposal	Commit to Sustainable Environment
	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 food safety laboratory.	Create a Safe and Healthy Food Culture
	Responsible marketing and labeling	Clear labeling of correct contents to promote consumer health and positive influence.	Create a Safe and Healthy Food Culture
	Occupational health and safety	Actions to maintain OHS and employee communication	Building a Healthy and Happy Workplace
	Compliance	Circular economy, environmental and social laws and regulations	An Enterprise Built on Transparency and Integrity Commit to Sustainable Environment Building a Healthy and Happy Workplace Create a Safe and Healthy Food Culture
2nd Tier Material Topics	Anti-corruption	Assessed risk of corruption and policy and action for anti-corruption	An Enterprise Built on Transparency and Integrity
	Climate change/green energy	Impact of climate change, GHG emissions and reduction	Commit to Sustainable Environment
	Labor practices	Employment and benefits	Building a Healthy and Happy Workplace
	Supply chain management and procurement practices	Policy for new supplier management, including assessment standards.	Create a Safe and Healthy Food Culture
	Product nutrition improvement	Response to the nutrition appeals of consumers.	Create a Safe and Healthy Food Culture
	Management of packing materials	Utilization and reduction policies of packing materials	Create a Safe and Healthy Food Culture
	Talent development and management	Talent development program and performance	Building a Healthy and Happy Workplace
Potential Material Topics	Community welfare and public interest	Communication and assessment of the impacts of business activities on local communities	Creating a Healthy and Happy Tomorrow
	Human rights	Assessments relating to risk in human rights and actions taken.	Building a Healthy and Happy Workplace

Step 2 Validation

After analyzing the materiality of topics, the management confirmed various material issues, and individual responsible groups assessed the completeness of topics, topics against the scope, topic 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 issues are actually disclosed in the report.

	Within the organization	Outside the organization					GRI Standards Topic	Corresponding Sections/significance to organization
	Uni-President Corp	Capital Providers	Consumers	Suppliers	Government	Local communities		
Food safety management mechanisms	●	●	●	●	●	●	● Customer health and safety	Create a Safe and Healthy Food Culture
Responsible marketing and labeling	●	●	●	●			● Marketing and labeling	Create a Safe and Healthy Food Culture
Compliance	●	●	●	●	●	●	● Environmental Compliance ● Socioeconomic Compliance	● An Enterprise Built on Transparency and Integrity ● Commit to Sustainable Environment ● Building a Healthy and Happy Workplace ● Create a Safe and Healthy Food Culture
Economic performance	●	●		●	●		● Economic performance	An Enterprise Built on Transparency and Integrity
Environmental impacts from business operations	●	●			●	●	● Energy ● Water ● Emissions ● Effluents and Wastes	Commit to Sustainable Environment
Occupational health and safety	●						● Occupational health and safety	Building a Healthy and Happy Workplace

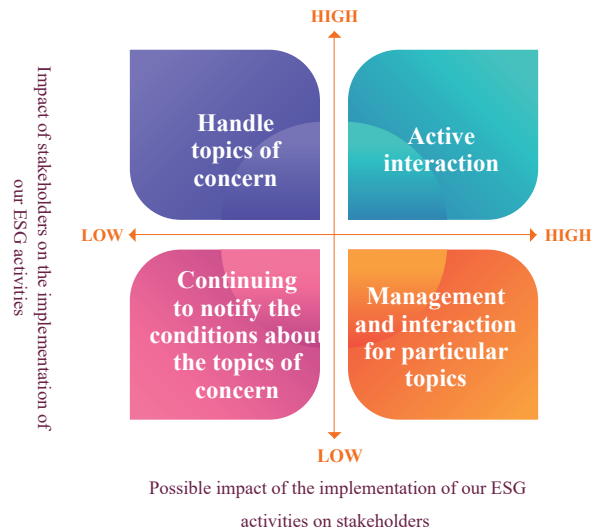
Step 3 Review

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 Engagements






Uni-President's six major topics represent the largest influence of environmental, social and economic topics. Since enterprises and the society dependent on each other, we will comprehensively track performance in qualitative and quantitative methods in respect of the six major topics, and regularly disclose its internal and external status to ensure that the company is in line with sustainable development.

Based on the 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.



The topics that all stakeholders are most concerned about and the negotiation methods

<p>Capital Providers</p>	<p>Topics concerned</p> <ul style="list-style-type: none"> Business performance Occupational health and safety Food safety management mechanisms Responsible marketing and labeling 	<p>Frequency and method of communication</p> <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 Contact Us <p>Investor Relationship Department: Mr. Fang TEL: 06-253-6789 ext.6510 Legal Entities and Relationships Department: Ms. Ou TEL: 02-8786-6888 ext.2536</p>	<p>2018 Stakeholder Communication</p> <ul style="list-style-type: none"> Announced 77 material information Organized 11 investor conferences and invited domestic and foreign investors. Maintain strong corporate governance; named in top 5% of companies in the 5th Corporate Governance Evaluation 	<p>Corresponding Sections</p> <p>An Enterprise Built on Transparency and Integrity</p>
<p>Consumers</p>	<p>Topics concerned</p> <ul style="list-style-type: none"> Food safety management mechanisms Responsible marketing and labeling Product nutrition improvement 	<p>Frequency and method of communication</p> <ul style="list-style-type: none"> Corporate website and brand marketing network Consumer Service Center (0800 customer service hotline and e-mail) Periodic publishing of CSR reports Consumer Service Center customer service hotline 0800-037520 	<p>2018 Stakeholder Communication performance</p> <ul style="list-style-type: none"> Customer satisfaction reached up to 96.35% according to the survey of the user service center Set up a website for Chai Li Won tea, so that all consumers can directly check the inspection records of their tea products. 	<p>Corresponding Sections</p> <p>Create a Safe and Healthy Food Culture</p>
<p>Employees</p>	<p>Topics concerned</p> <ul style="list-style-type: none"> Economic performance Environmental impacts from business operations Labor practices Food safety management mechanisms Responsible marketing and labeling 	<p>Frequency and method of communication</p> <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 Contact Us <p>Human resources e-mail: hr@mail.pec.com.tw</p>	<p>2018 Stakeholder Communication performance</p> <ul style="list-style-type: none"> Invested a sum of NT\$22.55 million in employee learning resources. The average training length for each employee was 34.58 hours Invested NT\$6,936,580 thousand on employee salary and benefits Completed 3 tracings of employee reports on food safety 	<p>Corresponding Sections</p> <p>Building a Healthy and Happy Workplace</p>

 <p>Suppliers</p>	<p>Topics concerned</p> <ul style="list-style-type: none"> • Economic performance • Occupational health and safety • Supply chain management and procurement practices • Food safety management mechanisms • Responsible marketing and labeling • Compliance 	<p>Frequency and method of communication</p> <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 • Unethical behavior complaint box 	<p>2018 Stakeholder Communication performance</p> <ul style="list-style-type: none"> • Promoting food security point 3 management and supplier counseling programs for good suppliers since 2018. • Onsite inspections on 37 suppliers in 2018. • Food safety risk audit for 49 internal plants, outsourcing plants, and QC/R&D units in 2018. • Continuously review packaging labels; 487 product labels were reviewed in 2018. 	<p>Corresponding Sections</p> <p>Create a Safe and Healthy Food Culture</p>
 <p>Government</p>	<p>Topics concerned</p> <ul style="list-style-type: none"> • Environmental impacts from business operations • Occupational health and safety • Food safety management mechanisms • Compliance 	<p>Frequency and method of communication</p> <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 • Contact Us Media Contact of the Public Affairs Office: Mr. Yao TEL: 06-253-6789 ext.6297 	<p>2018 Stakeholder Communication performance</p> <ul style="list-style-type: none"> • Incompliance with Food Safety Regulations, we completed the traceability of 202 products • Support the Taichung World Flora Exposition 	<p>Corresponding Sections</p> <ul style="list-style-type: none"> • Create a Healthy and Safe Food Culture • Building a Healthy and Happy Workplace
 <p>Public Interest groups</p>	<p>Topics concerned</p> <ul style="list-style-type: none"> • Community welfare and public interest • Food safety management mechanisms • Responsible marketing and labeling 	<p>Frequency and method of communication</p> <ul style="list-style-type: none"> • Held and participated in charity events, emergency assistance/education/nutrition projects for vulnerable groups • Periodic publishing of CSR reports/ Uni-President Monthly magazine/Foundation website and annual reports • Contacts of the Uni-President Social Welfare and Charity Foundation TEL: 06-2536789 ext.8332 E-MAIL: noraliu@mail.pec.com.tw • Contacts of the Taiwan Millennium Health Foundation TEL: 02-87860996 E-MAIL: healthinfo@1000-love.org 	<p>2018 Stakeholder Communication performance</p> <ul style="list-style-type: none"> • Continue to promote emergency assistance programs Total of 755 beneficiaries • Continue to promote education subsidy in remote areas. Invested NT\$6,246,599 • Continue to promote the Nutrition Program. Total of 5,610 beneficiaries • Published 12 Uni-President monthly magazines 	<p>Corresponding Sections</p> <p>Creating a Healthy and Happy Tomorrow</p>
 <p>Certifying units</p>	<p>Topics concerned</p> <ul style="list-style-type: none"> • Food safety management mechanisms • Responsible marketing and labeling • Product nutrition improvement 	<p>Frequency and method of communication</p> <ul style="list-style-type: none"> • Regular compliance audits • Regular communication meetings • Audit management 	<p>2018 Stakeholder Communication performance</p> <ul style="list-style-type: none"> • Introduced the Food Safety System Certification (FSSC 22000) for each factory • Acquired TAF and TFDA Certification by the Food Safety Center and QC laboratories of each factory • Acquired the revised environment management systems (ISO 14001:2015) certification for each factory 	<p>Corresponding Sections</p> <p>Create a Safe and Healthy Food Culture</p>
 <p>Academic Institutions</p>	<p>Topics concerned</p> <ul style="list-style-type: none"> • Impact on the operating environment • Labor practices • Food safety management mechanisms • Responsible marketing and labeling 	<p>Frequency and method of communication</p> <ul style="list-style-type: none"> • Participation in external ratings • Participate in research projects/seminars • Communication over the corporate website/brand marketing network • Periodic publishing of CSR reports • Consumer Service Center Mailbox 	<p>2018 Stakeholder Communication performance</p> <ul style="list-style-type: none"> • Won the 11th gold medal of the TCSA Taiwan Corporate Sustainability Report Awards in the traditional manufacturing industry • Organized an international seminar related to Sarcopenia diagnosis • Organized 11 health seminars with a total of 3,071 participants 	<p>Corresponding Sections</p> <p>Creating a Healthy and Happy Tomorrow</p>

UN Sustainable Development Goals



- [Support for vulnerable groups]
- Implement nation wide emergency assistance programs
 - Implement the People with Disabilities Empowerment Program
 - Implement education projects for vulnerable groups
- [Nutrition, health care, and preventive medicine]
- Promote the Nutrition Program
 - Health Promotion

Creating a Healthy and Happy Tomorrow

SDG Targets: 1.5, 2.1, 2.2, 4.5



- [Occupational health and safety management]
- Introduce the Occupational Health and Safety Management Systems OHSAS 18001 and CNS 15506
 - Promote contractor safety
- [Employee equality and care]
- Regularly conduct employee health check-ups
 - Implement fair pay rule for employees
 - Hire People with Disabilities

Building a Healthy and Happy Workplace

SDG Targets: 3d, 5.5, 8.5





- [Water resources management]
- Promoting water conservation projects
 - Enhance water-use efficiency
 - Establishing a water rationing response plan

- [Reduction of climate change risks and relative responses]
- Energy reporting and voluntary GHG inventory
 - Establishment of energy strategies and targets
 - Introduce renewable energy
 - Natural Disasters Response SOP

- [Waste management]
- Promote waste reduction and waste to resources

- [Enhance environmental protection concepts]
- Conduct environmental and general training and education
 - Increase the Amount of Green procurement
- [Reduction of packing materials]
- Focusing on the R&D in reducing packing materials
 - Use of paper packaging materials certified by the Forest Stewardship Council (FSC)

Commit to Sustainable Environment

SDG Targets: 6.4, 6.5, 7.3, 7.a, 12.4, 12.5, 12.6, 12.8, 13.1, 13.3, 15.2

Create a Safe and Healthy Food Culture



1 An Enterprise Built on Transparency and Integrity

•Business performance and profitability•Corporate Governance•Anti-corruption



UNI-PRESIDENT

Business performance and profitability

GRI 103 | GRI 102-11 | GRI 102-16

Uni-President was ranked 10th in the Taiwan Top 2000 Survey for the manufacturing industry by the Commonwealth Magazine, and was top in the food industry. This survey is based on the operating performance of companies, which include financial indicators such as revenue growth rate, net profit, profit rate, return on equity, and debt ratio, in order to fully reflect the overall corporate performance results in each industry. Uni-President focuses on operations and simple procedures, which was reflected in its operational growth and profitability.

Significance to Uni-President

Uni-President’s stable operations are critical for stakeholders, and help employees feel assured to maintain their dedication to the company and create higher efficiency. It can also promote investors’ confidence in the company, so that they will be willing to support us in our development. In addition, it can contribute to a stable society and provide consumers with safe and high-quality products and services and bring more benefits.

Management strategies

We uphold the concept of “Character, Brand and Taste” for stable operations in accordance with the basic principles of operations and simple procedures. We also actively manage financial, market, strategy and operating risks, and identify potential risks, analyze risk impacts, and evaluate and determine countermeasures in Uni-President’s responsible units. In addition, we implement centralized management and hierarchical execution based on the type and level of risks to achieve effective risk control.

In terms of financial risks, we set up funding plans to ensure that the company has sufficient funds to support its business operations and maintain the line of credit for sufficient financing. We conduct management and credit risk analysis for new customers while carefully evaluating investment activities and keeping track of price changes. In terms of market risk, we have set up an inter-departmental crisis management committee dedicated to the control and management of potential market crises. In terms of strategic and operating risks, we mainly have three major management mechanisms, which are listed on the right:

In addition, our short-term operating strategy is to raise brand value, focusing on the branding while adjusting to the best production efficiency and highest added value of the product structure and marketing resources to improve profitability. We also keep track of the market mechanism, enhance the relationship and sensitivity to stakeholders, implement global operations management discipline and strategic practices, and actively engage in social responsibility. For long-term business development, we focus on “brand management” with four main orientations, including “manufacturing + R&D”, “trade flow”, “distributions management” and “strategic alliance+strategic M&A”. We regard “progress” as our most important management indicator, and “value” as the only path for Uni-President’s business operations, dedicating efforts toward sustainable success and improvement. There were no violations of laws or regulations related to the economy in 2018.



“Comply with food safety and related laws and regulations”

Food safety research and regulation establishment, food safety test and implementation, process control, and crisis handling.



“Raise brand value”

Brand core value consolidation, brand power enhancement, brand identification protection, and campaign control.



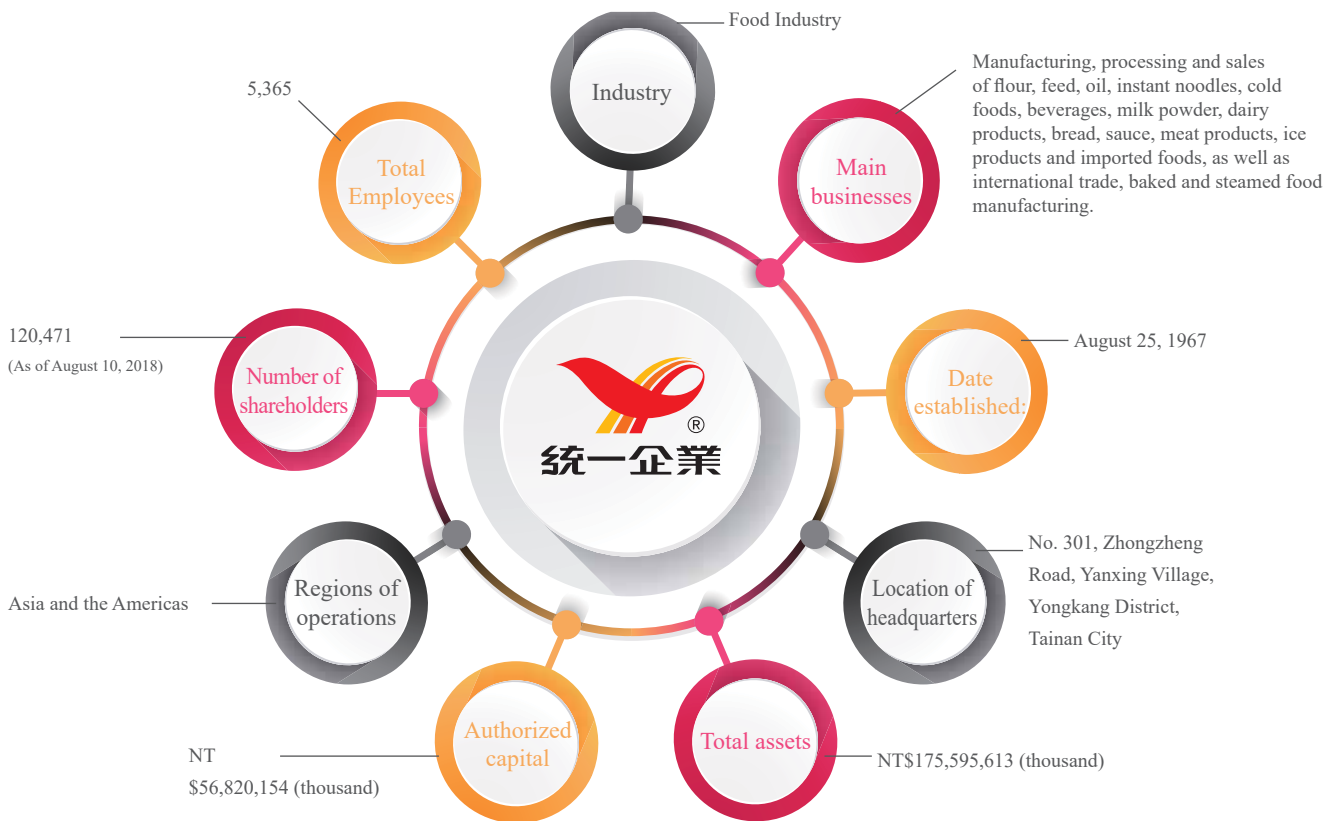
“Control raw materials”

Procurement risk assessment, and supplier management, etc.

Please refer to our 2018 Annual Report for details regarding risk management.

Company profile

GRI 102-1 GRI 102-3 GRI 102-4 GRI 102-5 GRI 102-6 GRI 102-7



Uni-President’s corporate logo is derived from the initial “P” of the English word “PRESIDENT”. The three oblique lines as the wings and soaring body stand for Uni-President’s brand spirit of “Three Goods” and “One Fairness” (namely: Good quality, Good credibility, Good services and Fairness). In addition, the logo also suggests Uni-President’s corporate foundation of benevolence, sincerity and confidence in serving consumers with trustworthy commodities and services, signifying constant innovation and breakthrough in its products. The flat wings at the base of the logo symbolize stability, virtue and honesty. The entire motif of the logo represents excellence, soaring spirits, peace and progress towards a healthy and blissful future

The meaning of colors



Red

Representing enthusiastic service, resolute confidence, and earnest concert.



Orange

Representing courage in innovation and breakthroughs, as well as satisfying customers with a variety of food products.



Yellow

Conveys a sense of warmth, liveliness and delight, symbolizing Uni-President’s aspirations.

Business performance

GRI 102-2 GRI 102-7 GRI 201-1

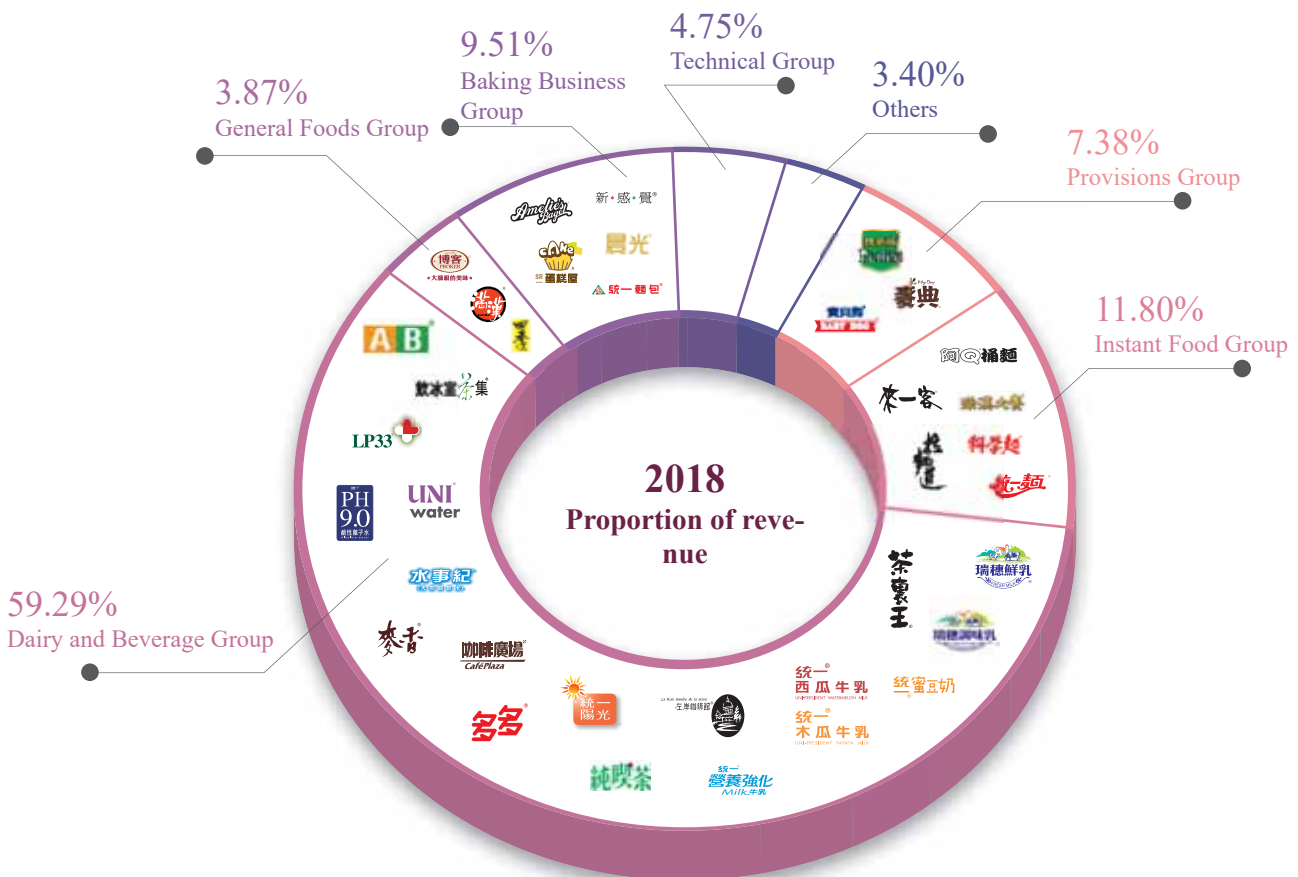
Type	Amount (Unit: NT\$ thousand)
Direct economic value generated	54,441,250
Revenue ^{Note 1}	54,441,250
Economic value distributed	64,989,650
Operating cost	24,261,063
Employee wages and benefits	6,936,580
Payments to providers of capital ^{Note 2}	31,712,174
Payments to government by country	2,059,271
Community investments	20,562
Economic value retained	-10,548,400

Note 1: Including operating revenue, interest revenue, dividends, lease, royalties, and the amount gain/loss from subsidiaries, affiliates and joint ventures recognized by the Equity Method (NT\$15,132,807 thousand).

Note 2: Including the distribution of surplus dividends of NT\$31,251,085 thousand in 2017.

Product mix

Uni-President's products are mainly divided into seven groups, including Provisions Group, Instant Food Group, Dairy and Beverage Group, General Foods Group, Baking Business Group, Technical Group, and others. Among them, Dairy and Beverage Group and the Instant Food Group are our main products which accounted for 71% of total revenue.



Tax governance

As a corporate citizen, Uni-President understands its obligations and corporate social responsibility, and complies with tax regulations. To ensure sustainable development, enhance shareholder value and fulfill social responsibilities, we have specially set up the “tax policy” and related tax management duties, and uphold tax governance guidelines, including tax reporting, assessing and responding to tax risks, open and honest communication, and information transparency. The income tax paid in the past three years is as follows. In addition, the taxation policy can be downloaded from the company’s website at <https://www.uni-president.com.tw/index.asp>

	2016	2017	2018
Income tax expense (NT\$ million)	245,120	314,578	62,312

External initiatives GRI 102-12

Uni-President has dedicated efforts to sustainable development, and actively cooperates with domestic and international organizations related to sustainable issues. We became the founding member of the Taiwan Corporate Sustainable Forum (TCSF) in 2008 to focus on corporate sustainability and corporate social responsibility management of Taiwan’s local companies. In addition, we also recognize and support the use of packaging materials certified by the non-profit international institution FSC™ (Forest Stewardship Council), as well as responsible raw materials procurement. Uni-President’s beverage packaging for MineShine was the first aseptic carton pack certified by FSC™ in Taiwan, and the company has purchased the American Soybean Sustainable Production Agreement (SSAP) certified soybean for the first time in 2018.

Participate in the Taiwan Corporate Sustainability Forum



The Taiwan Corporate Sustainable Forum (TCSF) is a flexible platform jointly organized by 24 domestic representative enterprises; the forum members will regularly communicate and hold forum activities on sustainability issues beyond the regulations to promote cross-industry learning and industrial integration. This forum focuses on providing the latest global corporate social responsibility dynamics and adopting a Taiwan Vision 2050 plan. The Taiwan Vision 2050 plan was formulated by the World Business Council For Sustainable Development (WBCSD). The TCSF members set up various workshops from Taiwan’s local perspectives, and discussed with experts, scholars and internal employees to adopt the Taiwan Vision 2050 plan.

Support on FSC™ certified packaging materials



The standards of the international nonprofit organization FSC™ (Forest Stewardship Council) is currently recognized as the highest standard for the sustainable procurement of lignocellulosic biomass to assess whether forest management units actually implement “responsible forest management”. The purpose is to guarantee the traceability of wood fibers in the aseptic carton pack, from the supply chain to its source in the forest, and that the cardboard used in the aseptic carton pack comes from FSC™ certified forests and other controlled sources. The FSC™ certifications are well-supported by all sectors of the community, including NGOs and corporations, which all provide mechanisms and standards corresponding to the green consumption, in order to ensure the sustainable development of resources.

Procurement of yellow beans certified by the US Soybean Sustainability Assurance Protocol (SSAP)



The US Soybean Sustainability Assurance Protocol (SSAP) is a nationwide system that is audited and certified by third parties for sustainable production of soybeans. The third-party sustainability certifications for management practices are based on the US Department of Agriculture Resource Conservation Act and the 302,963 US soybean farms that thoroughly implemented the best production practices. The guidelines involve six topics such as crop rotation, reduction of ploughing, and land conservation, which can also achieve multiple functions such as energy conservation, carbon reduction, as well as water and soil conservation.

Participation in foundations and associations GRI 102-13

Uni-President actively participates in a total of 46 business associations and international organizations, such as the Straits Economic & Cultural Interchange Association, Taiwan Quality Food Association (TQF), BCSD Taiwan, and the Taiwan Flour Mills Association. In addition to serving as an ordinary member, we also serve as the director, executive director, member of the council and supervisor of some business associations and organizations, and actively participate in meetings to exchange ideas with our peers in the industry for building up a relationship of mutual support and cooperation.

Membership in foundations and associations

Membership	Position
Director	1
Executive director	8
Director	11
Supervisor	3
General members	66

Corporate Governance

GRI 103

Significance of topics to Uni-President

Including corporate governance, business concept and culture, operational/brand management, new employee/MA training. The sound corporate governance system can help reduce Uni-President’s operational risks, improve its competitiveness, and contribute to long-term interests for the company and its shareholders.



Management strategies

The company upholds ethical management and actively promotes operational transparency, while continuously promoting sound corporate governance by optimizing the organization’s operational structure and responding to systematic risks from changes in the market.

In order to establish a sound corporate governance system, we have formulated the Corporate Governance Best-Practice Principles and implement corporate governance in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies which is jointly formulated by TWSE and TPEX. We also regularly review and update the provisions of the Code based on the development of international and domestic corporate governance systems, in order to improve the effectiveness of corporate governance.

Vision and concepts

- Ensure shareholder interests and equality between employees
- Improved structure and operations of the Board of Directors
- Enhance information transparency
- Implement Corporate Social Responsibility



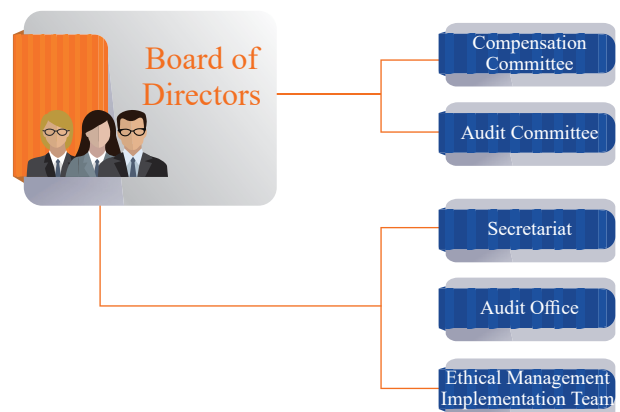
Targets for management

Targets for management	Achievement rate	2018 Key Achievements
Improve Corporate Governance	●(Already achieved)	Named in the top 5% of companies in the 5th Corporate Governance Evaluation
Enhance the efficiency of the Board of Directors	●(Already achieved)	Appointed a Corporate Governance Manager

Corporate Governance Mechanism GRI 102-18

Uni-President is responsible for sound supervision and management functions, with a group of diversified and professional board of directors. The compensation committee and audit committee are set up under the board of directors to assist in supervisions and corporate governance. In addition, in order to improve the efficiency of the Board of Directors, we have appointed a “Corporate Governance Manager” on December 19, 2018, to have the highest authority on matters related to corporate governance. In 2018, the Corporate Governance Manager has taken corporate governance courses with a total of 18 hours, which not only enhances and strengthens the knowledge related to corporate governance, but also led the company in delivering in-depth corporate governance.

Governance structure GRI 102-18



a. Board of Directors

The BOD has 13 members, including ten general directors and three independent directors, and four of them are female. The board of directors have diverse expertise, including management, accounting and finance, business and economics, response to crisis, international markets, leadership and decision making. The board of directors were continuously trained under various topics including corporate governance, business operations, regulations, and finance. The courses include the early warning of corporate financial crisis and type analysis, latest developments and practices of anti-money laundering and counter terrorism financing, and the online economy - new challenges for corporate governance in future technology. In 2018, the average training for directors was 8.38 hours per person. Between January 1, 2018 and April 30, 2019, the BOD has held eight board meetings, with an average director attendance rate of 95.19%. Please refer to our 2018 Annual Report for details regarding the background of each director. The annual report is available for download at: <https://www.uni-president.com.tw/invest/index.html>

b. Compensation Committee

Based on its expertise, the Compensation Committee establish and regularly review policies, systems, standards and structures for the performance appraisal and compensation policies for directors and managers, and regularly assess the remuneration of directors and 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 1, 2018 and April 30, 2019, the Compensation Committee held five committee meetings, and the actual attendance rate of the convener and committee members was 100%.



Timely disclosure of material information

Transparency and trust are most important as the economy, society, politics and science and technology are inseparable in the society nowadays, and Uni-President is closely related to the overall social economy. In order to safeguard the rights and interests of relevant stakeholders, we provide as many channels and information as possible to communicate with stakeholders, and present our important information with transparency, different perspectives, and in a timely manner to enhance the link and communication between the company and its stakeholders.

We adhere to openness and transparency to disclose both financial and non-financial information in a timely manner, and publish Chinese and English reports so that stakeholders can instantly obtain company information without language restrictions.

c. Audit Committee

The Audit Committee is mainly responsible for assisting the Board of Directors in fulfilling its effective supervision of whether the company is in compliance with the Company Act, Securities Exchange Act, and other relevant laws and regulations, and to support the Board of Directors in improving the quality of accounting, financial reporting, and internal control procedures. Between January 1, 2018 and April 30, 2019, the Audit Committee held seven committee meetings, and the actual attendance rate of the convener and committee members was 100%.

d. Secretariat

The Secretariat administers and convenes the general meeting of shareholders, BOD (board) meetings, Audit Committee meetings, Compensation Committee meetings, Investment Management Committee meetings, their re-election and operation, as well as matters related to corporate governance.

e. Audit Office

The audit office adopts an annual audit plan according to risk assessment results, and conducts audits and prepares audit reports with reference to the working papers and related information to ensure an efficient internal control system, improve corporate governance, and establish a corporate risk assessment and risk management mechanism. It also assists and promotes the improvement of corporate governance from the perspective of corporate sustainable development.

f. Ethical Management Implementation Team

The Ethical Management Team is mainly responsible for gathering and reviewing the performance of the ethical management of related units, and reports the performance to the BOD every year. In addition, we have a communication channel and reporting mechanism to ensure that the whistleblower is not improperly treated due to their reporting.

In 2018 there were 98 audit reports relating to ethical management, and improvement plans and preventive actions for 41 reports have been proposed and implemented. The Audit Office is continuously following up the improvements of the remaining 57 regular audit reports.

- (1) Financial information:** We publish financial statements in Chinese and English every quarter and disclose them on the 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 the MOPS, an English version is posted on the corporate website to facilitate shareholder retrieval. Please see more on our website: <http://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 Regulations) are published in both Chinese and English versions on our corporate website at the same time for user retrieval.

Anti-corruption

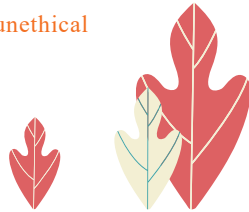
GRI 205-2

Corruption will affect corporate governance, undermine the value of corporate ethics, leaving a devastating effect on corporate sustainability, and even posing a threat to social stability and security. Hence, strengthening the concept of corporate ethical management, and implementing and fulfilling corporate social responsibility will promote the effectiveness of anti-corruption through self-discipline and external regulations. With that, the Asia-Pacific Economic Cooperation (APEC) has regarded “improving corporate social responsibility” and “anti-corruption” as global issues that must be solved. In addition, the Taiwan government is also committed to promoting anti-corruption. It has actively participated in the United Nations Convention against Corruption (UNCAC)^{Note 2}, and has conducted the first United Nations Convention against Corruption in 2018, and has already completed the report while other countries are still conducting phase reviews. Since Uni-President is a listed company, it righteously honors its obligation to promote anti-corruption in cooperation with the government, and has officially established a dedicated unit in 2015 for the internal promotion of anti-corruption.



Vision and concepts

- Implement Ethical Management Policies
- Abide by equality, honesty, trust and transparency in business activities
- Actively protect against unethical behaviors



Uni-President understands its corporate obligations and responsibilities, and abides by equality, honesty, trust and transparency in business activities, in order to establish the corporate culture for ethical management and a sound risk control mechanism, as well as achieving corporate sustainability. With that, we specially adopted the code of ethics and ethical management best practice principles, applicable to directors, managers, employees, entrusted parties or those that confer material influence, shall not directly or indirectly provide, promise, demand, or accept illegitimate interests when conducting business activities, or engage in any unethical behaviors in violation of good faith requirements, illegal conduct or in breach of fiduciary duties to obtain or maintain illegitimate interests. We also established the Ethical Management Implementation Team responsible for reporting the performance of ethical management to the Board of Directors on an annual basis in 2015.

In order to ensure there are no cases of offering or taking bribes, we have signed a supplier’s commitment with all suppliers and engineering companies to prohibit the offering or taking of bribes. In 2018, 3,717 suppliers (including raw materials, MRO Service) and 680 engineering manufacturers have signed the supplier’s commitment. 7 charitable donations/sponsorship management projects were approved by the board of directors in 2018, and

Targets for management

Targets for management	Achievement rate	2018 Key Achievements
Combined with annual plans of departments	● (Already achieved)	We combine ethical management with the department’s annual plan, discussing a total of 11 topics, including food safety risk management, prevention on offering/ taking bribes, business secret management, intellectual property rights management, charitable donation/sponsorship management, audit and internal control, whistleblower system, education and training, performance appraisal/penalties, interest avoidance and ethical management.
Consolidation and reporting	● (Already achieved)	Report to the board of directors on the departments’ ethical management measures, performance and effectiveness.
Public Disclosure	● (Already achieved)	The effectiveness of disclosure on the annual report, company website and MOPS

in terms of audit and internal control, there are 98 audit reports related to ethical management, and the company’s internal and external education training related to ethical management has reached a total of 64,738 employees, and total training of 182,835 hours.

Uni-President pays great attention to topics and contents related to ethical management and anti-corruption. We focus on the development of relevant measures and norms of international and domestic ethical management, as well as on internal and external cases while promoting relevant reviews and advocacy, and we implement the concept of ethical management in daily work procedures. In addition, we have also established the internal reporting submission mailbox and hotlines and announced information on the company website and internal website for internal and external personnel. In 2018, the audit office did not receive reports of the company’s provision of facilitation fees or political contributions.

Note 2: UNCAC was enacted in 2005, and is the first international code in the world to regulate and penalize corruption, with the purpose of preventing and combating corruption. This convention is currently the largest convention with the most Member States in the world.



2 Create a Safe and Healthy Food Culture

•Food Safety•Product R&D

Food Safety

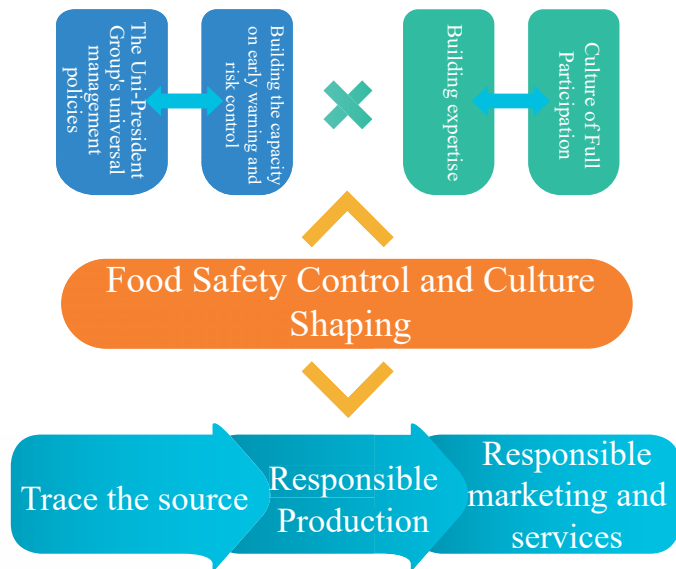
GRI 103

Significance to Uni-President

Food safety issues have become more complicated in recent years. From common problems in the past, such as quality anomalies, ethical issues, health and hygiene, to recent issues of concern by the public, such as traceability management and offshore pollution incidents. With that, the domestic and international markets have developed more stringent standards and policies related to food safety. In addition, given the high expectations of the food industry from society and consumers, we deeply understand that a sound food safety mechanism is not only a key issue for building the trust of consumers and society, but also the first line of defense for Uni-President’s business operations. “Zero Food Safety Risk” is Uni-President’s core value and commitment.

Management strategies

Uni-President has operated in Taiwan for more than 50 years, the Group not only covers upstream, midstream and downstream in the food industry, but also has a leading position in the development of the food industry. Thus, our food safety control system is based on the Uni-President Group’s management, which establishes consistent management regulations, and ensures the safety and health of all products that are provided for the public from the perspective of the value chain, including traceability of raw materials, manufacturing, retail channels, and customer services. We also aim to have great influence on the food industry and lead the industry in positive development.



Targets for management	Achievement rate	2018 Key Achievements	Procedures and targets for sustainability
Optimization of management mechanism	● (Already achieved)	Focus on the Core Business of Food Safety, and deepen the food safety risk control and management from the value chain	Adjusting the performance indicators for food safety management to improve management effectiveness
Food Safety Point 3 management ^{Note 1} <ul style="list-style-type: none"> Food Safety Point 1 - Zero anomalies Food Safety Point 2 issues decreased by 20% YoY 	● (In progress)	Food Safety Point 2 issues decreased by 55% YoY	<ul style="list-style-type: none"> Food Safety Point 1 - Zero anomalies Decreasing Food Safety Point 2 issues (decreased by 10% YoY)
Control on medical residue <ul style="list-style-type: none"> Zero residue in finished products Medical residue issues decreased by 20% YoY 	● (Already achieved)	<ul style="list-style-type: none"> Zero residue in finished products Medical residue issues decreased by 27% YoY 	<ul style="list-style-type: none"> Zero residue in finished products Total amount of medical residue decreased by 20% YoY
Enhance the supplier’s food safety management capacity	● (In progress)	<ul style="list-style-type: none"> Promoting supplier counseling programs for good suppliers 	<ul style="list-style-type: none"> All suppliers to be ranked as excellent suppliers in 2020
Enhance food safety expertise	● (Already achieved)	<ul style="list-style-type: none"> Introduced FSSC 22000 for each factory Acquired TAF and TFDA Certification by the Food Safety Center and QC laboratories of each factory 	<ul style="list-style-type: none"> Continue to encourage employees on developing food safety expertise Continue to enhance hardware equipment and food safety inspection capacity

Note 1: Please refer to “Set up better targets for management, and promote the core business of food safety” in the report on details related to the Three-Point Food Safety Management.

Management mechanism and culture shaping

The food industry involves diversified products and complex ingredients/materials, so there are many risk factors that affect food safety, and the risks may also influence each other. Hence, we believe that risk management is based on the improvement of the governance structure and the internal capabilities and cultural shaping of the organization. With that, the Food Safety Committee is the highest management unit for Food Safety, coordinating on the Group's overall management and audit system, and it encourages all members to gain awareness on food safety and respond immediately, while shaping the Group's food safety culture.

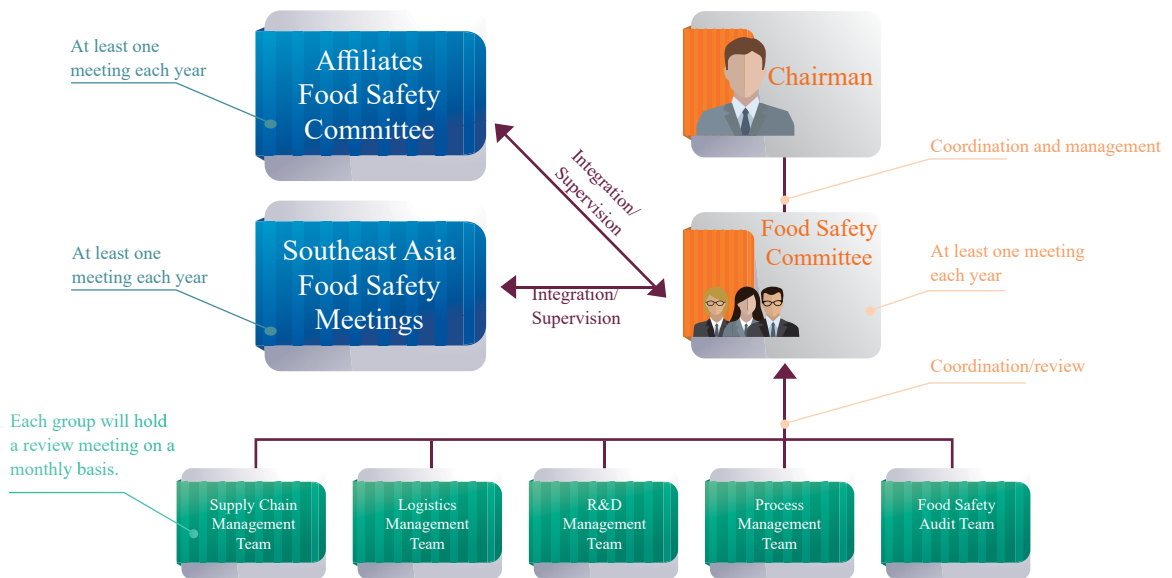
Food Safety Committee

The chairman of Uni-President is the convener of the committee and appoints the head of the Food Safety Center, Procurement Department, Logistics Group, Central Research Institute,

Technical Group, each business unit, Food Safety Audit Team, and Public Affairs Office as members. The Food Safety Committee set up 5 groups and held at least one food safety meeting every month to discuss and resolve matters related to food safety and quality management. Uni-President has already established operating procedures of the Food Safety Committee in accordance with "Organizational Structure and Operating Procedures of the Food Safety Committee", which covers 100% of our product types. Procedures and functions of the committee are stated as follows:



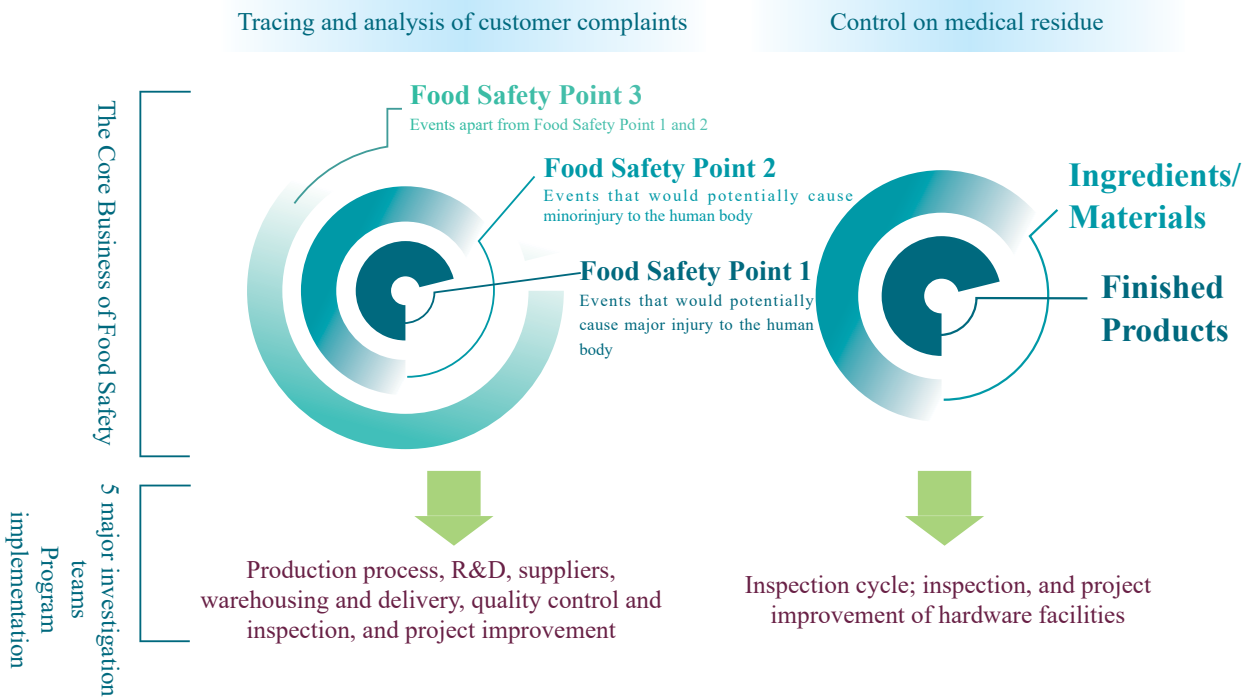
Procedures, Teams and Responsibilities of the Food Safety Committee



Food Safety Committee	Supply Chain Management Team	Review the food safety and quality of ingredients from ingredient suppliers and related units.
	Logistics Management Team	Convene related units to review the food safety and quality of products (including purchased goods) in logistics, transportation, and warehouse management, and coordinate, integrate, and establish standards for management.
	R&D Management Team	Convene related units to review the food safety and quality relating to product package labeling, ingredients, packaging materials, and additives, and coordinate, integrate, and establish standards for management.
	Process Management Team	Convene related units to review the food safety and quality relating to production processes, and coordinate, integrate, and establish standards for management.
	Food Safety Audit Team	Audit the food safety management of ingredient suppliers, internal plants, outsourcing plants, the Food Safety Center, R&D units, and related units.

● Set up better targets for management and promote the core business of food safety

In 2018, Uni-President strengthened food safety risk control, further formulated the “Core Business of Food Safety”, and appointed the Food Safety Center as the overall management unit to focus on tracking different levels of customer complaint incidents and medical residue management, while each of the five work teams also tracks the targets and performance for management to improve management and control of production and suppliers in each factory. Since 2019, we have included the frequency of incidents for weighted calculation of the management evaluation indicator for a more accurate review on management performance, and improved the safety and control risks caused by setting the number of cases as the target in the past.



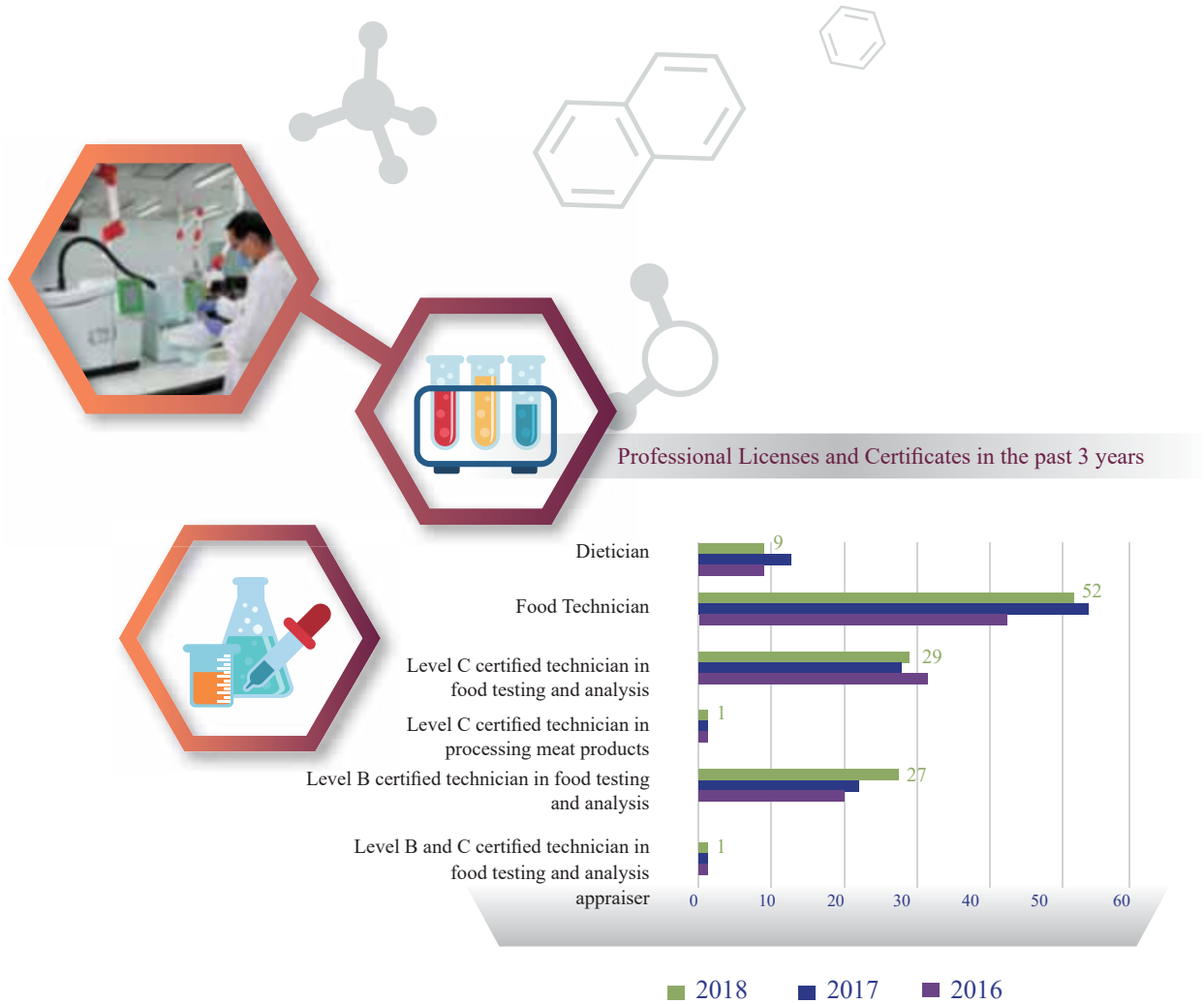
● Audit of Affiliates

In addition to coordinating the Uni-President Group's management system by the Food Safety Committee, we also perform audits of affiliates to stimulate the improvement of affiliates. Thus, we prepare an annual audit plan for affiliates at the beginning of each year, and perform audits on affiliates based on the “Affiliate Food Safety System Evaluation Items”. In 2018, Uni-President’s seven affiliates were audited, including 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 order to extend the food safety risk control and management into the overall value chain, and in response to the promotion of the Group’s Core Business of Food Safety in 2018, we include the audit of Food Safety Point 1 and 2 management in the detailed audit items, and strengthen supplier management of its affiliates to reduce the Group’s food safety management risk.



● **Create a Culture of Full Participation**

To create a culture of full participation, integrate food safety into employees' daily lives, and 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. Employees can express their opinions on all company products (100%) at the food safety hotline. In 2018, there were 3 cases of employee feedback on the food safety hotline, all of which were tracked and solved before November 19, 2018. The cases included doubts on contents of labeling and advertising, which were assessed by relevant personnel who verified that the contents were in compliance with relevant regulations, and there was no misunderstanding for consumers.



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 to strengthen our own management for food safety, in the hope to share our experience and technology in the value chain with our leading position.

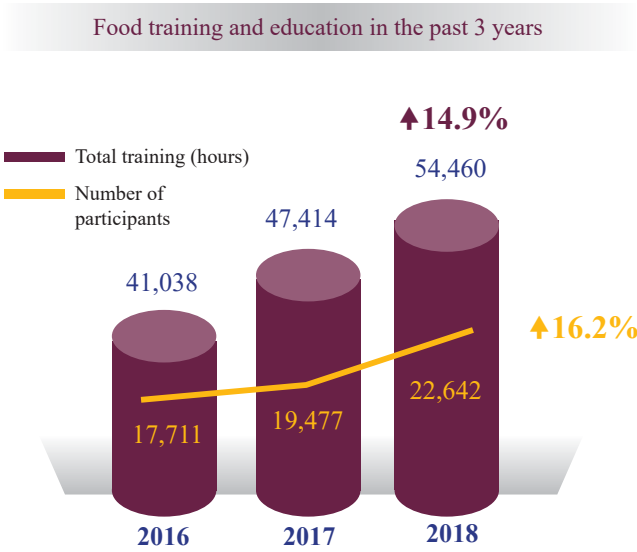
● **Cultivated food safety talents**

Uni-President attaches great importance to food professional talents and encourages employees to acquire relevant food licenses to improve their expertise in the food industry. We have established the Rewards and Allowances for License and Certificate Acquisition, which applies to all Uni-President employees. As of December 31, 2018, a total of 119 employees obtained food safety certifications. In addition, to raise the food safety awareness and enrich the food safety knowledge of employees, we persistently offer courses relating to food safety and hygiene management and food inspections. In 2018, the number of participants in food safety training reached 22,642 (up by 16.2% YoY), with a total training of 54,460 hours (up by 14.9% YoY).

● Enhance food safety inspection capacity

Considering that food safety inspection capacity is the foundation for ensuring food safety, Uni-President has set up quality control laboratories in each production plant, while the food safety center has also set up a food safety laboratory to jointly perform inspections on ingredients/materials and finished products. If the inspection result is confirmed to be inconsistent with the acceptance criteria, it shall be judged as unqualified by the QC department, and the procurement unit shall be informed to return the product, or it shall be suspended from use. In addition, the procurement unit would require the supplier to propose improvement and recurrence prevention measures in order to enhance the stability of supply quality.

In addition, the laboratory has also been certified by the TFDA (Taiwan Food and Drug Administration) and TAF (Taiwan Accreditation Foundation), while Yongkang Plant’s food safety building with an investment of NT\$1 billion has already been completed in January 2017, which not only enhances the scale and level of hardware in the Food Safety Center, but also demonstrates Uni-President’s determination and capability in promoting food safety.



TAF and TFDA Certification Acquired by the Food Safety Laboratory in 2018

	Food Safety Laboratory of the Food Safety Center	QC Laboratory ^{Note 1}				
		Yongkang QC Lab	Xinshi QC Lab	Zhongli QC Lab	Yangmei QC Lab	Hukou QC Lab
TAF (ISO 17025)						
TFDA						

Note 1: The laboratory of the Zhongli QC Lab acquired TFDA laboratory certification in April 2018, Yangmei QC Lab acquired TFDA laboratory certification in August 2018, and Hukou QC Lab acquired TFDA laboratory certification in July 2018.

We continue to invest in equipment purchases and inspection projects to improve inspection capabilities. In 2018, the QC Section and Food Safety Laboratory complied with a total of 204 groups of practical testing items (excluding the test items for test projects commissioned by external customers) for ingredients, materials, and finished products. These items included the physical and chemical properties and safety factors. All 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).

As of December 31, 2018, up to 556 test items of Uni-President's laboratories were certified by the TAF and TFDA as food-related tests

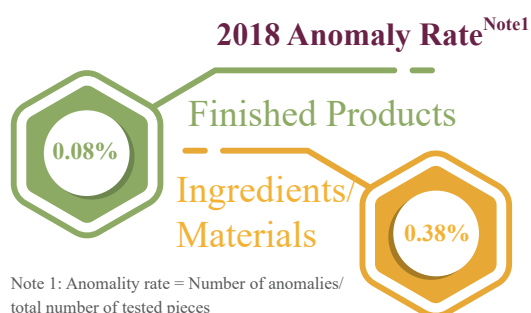
List of TFDA- and TAF-Certified Items

Laboratories	Food testing			Non-food testing
	TFDA certified items ^{Note 1}	TAF certified items ^{Note 2}	TAF certified items	
Food Safety Laboratory of the Food Safety Center	<ul style="list-style-type: none"> • Antioxidants (11 items) • Nitrofurans metabolites (4 items) • Chloramphenicols (4 items) 	<ul style="list-style-type: none"> • Beta agonists (20 items) • Tetracyclines (7 items) • Chloramphenicols (4 items) • Plasticizers (18 items) • Aflatoxin (5 items) 	<ul style="list-style-type: none"> • Heavy metals (11 items) • Nitrofurans metabolites (4 items) • Pesticides (374 items) • Antibiotics and their metabolites (16 items) • Ionophore coccidiostats (5 items) 	<ul style="list-style-type: none"> • Heavy metals (8 items) (Applicable for environmental water)
QC Laboratories (Yongkang/Xinshi/Zhongli/Yangmei/Hukou)	<ul style="list-style-type: none"> • Microorganisms (13 items) • Moisture (2 items) • Crude ash (1 item) • Caffeine (1 item) 	<ul style="list-style-type: none"> • Microorganisms (29 items) • Toxins (1 item) 	<ul style="list-style-type: none"> • General ingredients (9 items) • Preservatives (17 items) 	<ul style="list-style-type: none"> • Microorganisms (1 item) (Applicable for aquatic feed products)

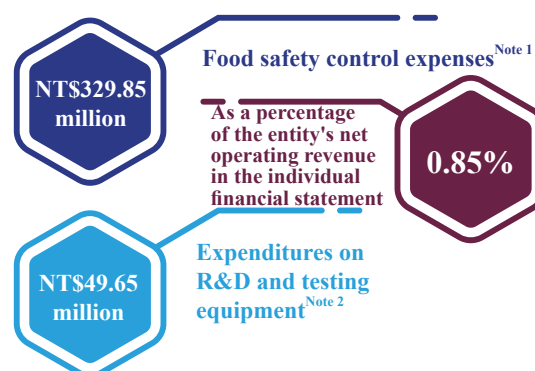
Note 1: All QC Laboratories have increased TFDA certified items in 2018, including Yongkang - Crude ash (1 item), Xinshi - Microorganisms (1 item), Zhongli - Moisture (1 item), Yangmei - Caffeine (1 item) and Hukou - Microorganisms (3 items)

Note 2: Food Safety Laboratory of the Food Safety Center and Yongkang QC Lab have added TAF certified items in 2018, including pesticides (60 items) and general ingredients (1 item).

Anomaly Rate of Finished Products and Ingredients/Materials in 2018



Food Safety Control Expenses in 2018



Note 1: Food safety control expenses include laboratory expenses and external inspection fees

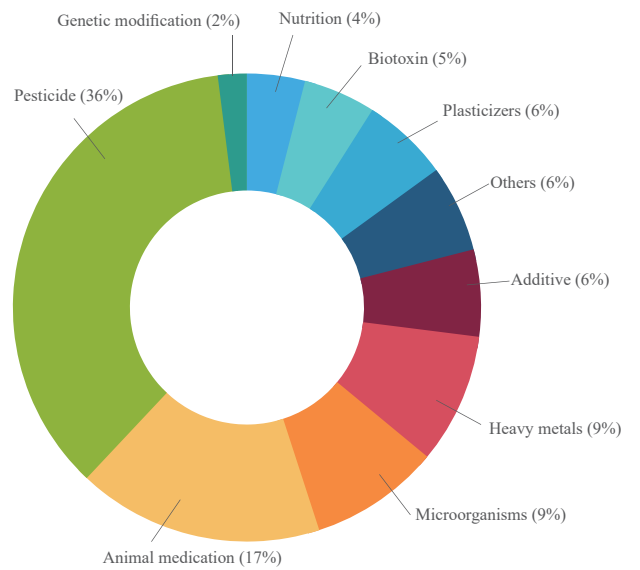
Note 2: Expenses included the equipment of the Central R&D Institute, Food Safety Center, and Technical Group.



In order to meet the requirements of food safety in Taiwan, Uni-President not only performs self-inspections within the factory, but also shares lab technology and resources in related industries by undertaking external inspection cases, of which externally commissioned inspection cases are mainly for pesticides, heavy metals and animal drugs in 2018. Uni-President will continue to improve lab software and hardware facilities and professional inspection capabilities of employees, in the aim to contribute to food safety in Taiwan.



Analysis of the types of external commissions accepted by the food safety laboratory in 2018



[Chai Li Won Safety Inspection]

In order to enable consumers to safely drink exquisite tea, Chai Li Won's high-quality tea involves tracking pesticide application records, and inspection tests of up to 377 items, so that you can enjoy the sweet aftertaste of the tea without any worries. We have set up a platform Chai Li Won tea, so that all consumers can directly check the inspection records of their tea products, in order for consumers to enjoy delicious tea without any worries.



Regulations identification system GRI 416-2 | GRI 417-2 | GRI 417-3

With rapid changes in food safety regulations, responding to regulatory changes immediately is important for food safety risk management. We have set up a “Product Regulatory Change Management Process”, evaluated the impact of regulatory changes of the products’ safety, health, quality and inspection methods via joint cooperation between the Food Safety Center and related units, and adopted the corresponding measures to ensure all of Uni-President’s products are in compliance with relevant laws and regulations, in order to avoid damage to consumer health and the company’s reputation.

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 for details regarding related laws and regulations (<https://consumer.fda.gov.tw/Pages/List.aspx?nodeID=518>). There were no penalties due to violation of the Act Governing Food Safety and Sanitation and its enforcement rules, regulations and principles in 2018.

In 2018, the Food Safety Center conducted 102 supervision and regulatory changes, which covers all product categories (100%).

The Food Safety Center initiated 95 regulation identifications in accordance with regulatory changes. All of them were completed by February 14, 2019.

Food Safety Center

- Collection, documentation, and communication of domestic legal changes.

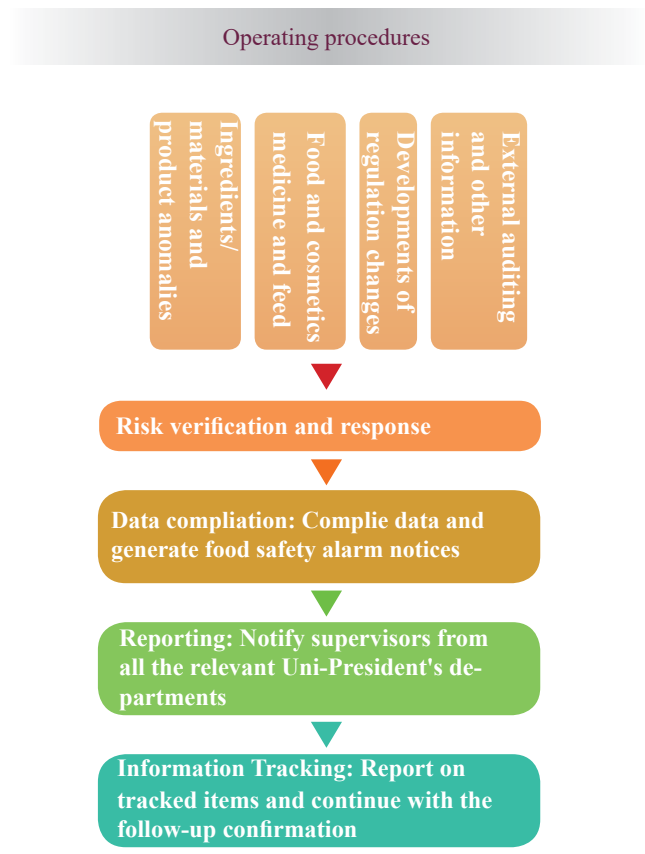


All Units

- Review of products and legal compliance of Uni-President within the responsibilities and authorities of individual units.
- Proposition of countermeasures for non-compliance.
- Track the progress of the solution and ensure that the solution is completed on schedule

Rapid Alarm System

Since 2015, we have built the Food Safety Center Rapid Alarm (FSCRA) System to gather information relating to Uni-President Group's products every day and timely notify respective responsible units, in order to keep track of changes in laws and regulations, and be able to implement the communication on food safety and maintain the efficiency of the plant management mechanism. With FSCRA, related units can take advance or prompt countermeasures to optimize management of food, cosmetics, drugs, and feeds safety.



List of Alerts from the Food Safety Center Rapid Alarm (FSCRA) System in 2018

365

Number of notifications in 2018

100%

Proportion of product category affected

39

Number of cases requiring follow-up

The above-mentioned cases have been tracked and solved before January 11, 2019.

Risk management of raw materials

Uni-President produces a wide variety of products with complex ingredients/materials. How to maintain the flavor of the product while decreasing factors that impact food safety is the key to food safety risk management. Not only minimize the use of ingredients/materials and additives, but also reduce food safety risks by improving traceability and the supplier management system.

Supplier management mechanism and policy

Uni-President has adopted supplier management policy to establish basic management rules of ingredients/materials suppliers. We perform onsite evaluation and audits to understand and evaluate the risks of production from different types of suppliers. To optimize the audit mechanism, we have appointed the Food Audit Team, previously under the Food Safety Center, to become an independent unit in 2017 in order to raise the level of reporting and 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 and purpose of auditing:

Supplier management policy
1. Ingredients and materials must be procured from suppliers qualified by the evaluation team.
2. Suppliers must complete registration on the Food Merchant Registration System implemented by the government.
3. Suppliers of food ingredients and suppliers of packaging materials that have direct contact with food must acquire certification of the HACCP, ISO 22000 or FSSC 22000 food safety management system.
4. 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 by the Food Safety Audit Team

Intermittent unannounced audits.

Inspections on ingredients/materials suppliers

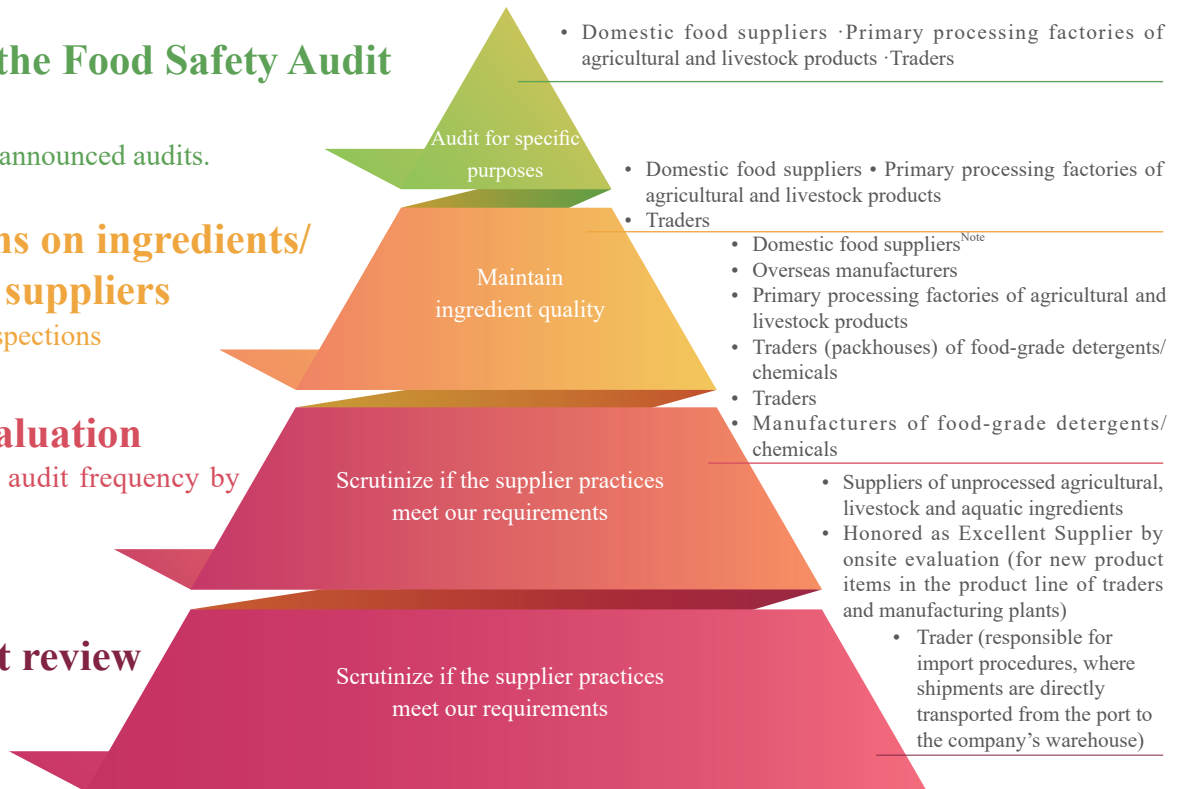
Intermittent inspections

Onsite evaluation

Determine the audit frequency by risk level

Document review

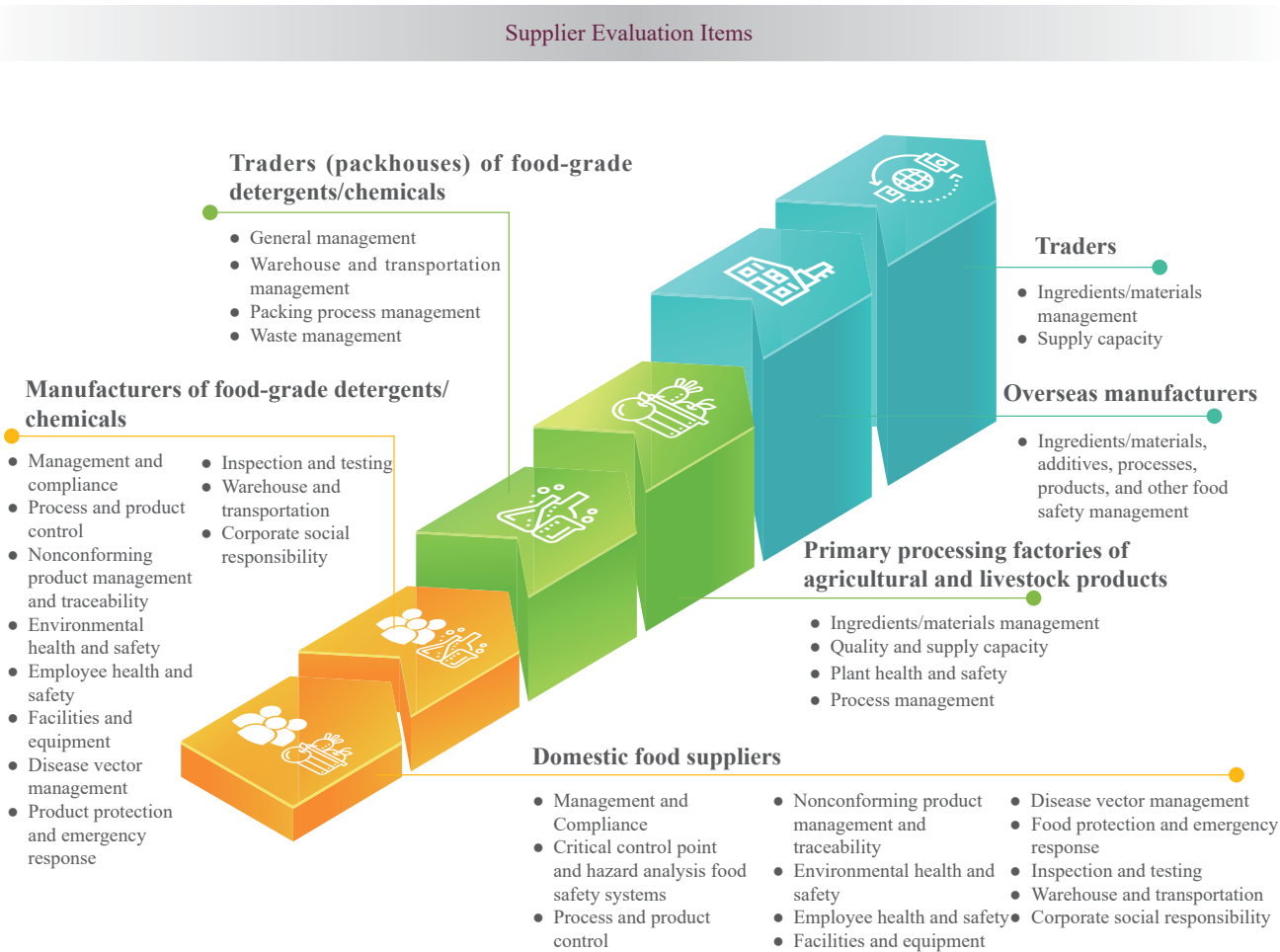
Intermittent



Note: Including suppliers of packaging materials that have direct contact with foods/products

● Onsite evaluation GRI308-2 GRI 414-2

Uni-President has followed the “Supplier Evaluation Procedures based on GHP” and the “Food Safety Management Principles”, to set up different evaluation items based on types of suppliers.



In 2018, there were 564 suppliers^{Note 1}, in which 143 suppliers applicable to the Supplier Evaluation SOP completed onsite evaluation, namely 25.3% evaluation completion rate. The pass grade is 60 marks or above. Suppliers must receive this score and have a clean record of severe defects to be qualified, for example: whether the Food Safety and Hygiene Management System fails or whether foods have immediate safety hazards but immediate improvement is possible. Only one supplier failed the evaluation. The team adopted a defect tracking and improvement program for follow-up, in order to reduce the recurrence of defects. 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, there was no onsite evaluation for foreign suppliers in 2018 due to the absence of recent material risks. Hence, onsite evaluation of overseas suppliers will be planned and implemented as necessary in the future.

Onsite Evaluation Rate in 2018 ^(Note 2)				
Total suppliers	564	Onsite Evaluation Completed	143	Rate of Onsite Evaluation 25.3%
Suppliers applicable to the Supplier Evaluation SOP	340	Onsite Evaluation Completed	143	Rate of Onsite Evaluation 42.1%

Note 1: Food suppliers having transactions in 2018 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 2: Uni-President performs supplier onsite evaluation with frequencies of 1 year, 2 years, and 4 years based on the supplier type and risk level.

● **On-site survey for ingredients/materials suppliers**

In addition to the regular implementation of on-site evaluation on whether the operating procedures of third-party manufacturers are in compliance with the company’s regulations, we have classified the acceptance anomalies of ingredients/materials into food safety point 1, 2 and 3, in order to maintain the quality of ingredients/materials. The Food Safety Audit Team is responsible for on-site visits and improvement tracking verification on the anomalies for food safety point 1 and 2, whereas the QC department decides whether to perform inspection on an irregular basis for food safety point 3, and prepares a “Checklist on Audit Management for Inspections of Ingredient/Material Suppliers on an Irregular Basis” according to the main inspection results. Any one of the inspected items that do not comply with eligibility standards are regarded as deficiencies, and suppliers of the unqualified items shall complete the Checklist of Ingredient/Material Suppliers Quality Improvement within one week.

Target	Suppliers of ingredients/materials rejected by IQC for nonconformities or suppliers of ingredients/materials (excluding dairy farms) with anomalies found during manufacturing
Main Topics	Audit of the conformity of ingredients & materials/processes/ finished products/others.
Survey results in 2018	In 2018, the QC Section audited 37 suppliers in 81 visits. Process management was the main cause of defects. Corrections of all defects were already completed before February 1, 2019.

Traceability management and avoiding counterfeiting and adulteration

In order to ensure a safe and stable supply of ingredients/materials, we established the identification process for anti-counterfeiting and adulteration of ingredients/materials in cooperation with relevant internal departments, and improve the management of the production history for various products by verifying tracks via the traceability system in order to reduce food safety risks.

● **Supplier tracing and auditing**

In accordance with the “Level 2 Ingredients/Materials Traceability Inventory and Production Audit Regulations” developed by the “Food Traceability System”, the Food Safety Audit Team conducts traceability and production audits based on the type of manufacturer and trader, of which the audit items include production history, production process (for manufacturers), COA inspection, and GHP management (including warehousing). In terms of production history auditing, we trace the suppliers’ ingredients/materials, which are regarded as secondary ingredients/materials, during production. The inventory items include import declarations, import licenses, certificate of origin, COA, shelf-life, and food safety inspection reports.

In 2018, the Food Safety Audit Team audited 302 suppliers onsite in 757 visits. Good Hygiene Practice (GHP) was the main defect. Corrections of all defects were all completed by December 31, 2018.

● **Establishment of the traceability system**

According to the Regulations Governing the Traceability of Foods and Relevant Products announced by the Ministry of Health and Welfare, we require food companies to trace the source of supply or product flow of food and related supply

Adulteration identification to prevent product adulteration		
Ingredients/materials composition	Optical test	Genetic Testing
<ul style="list-style-type: none"> • Product traceability • Product inspection record • Ingredients/materials hazard analysis sheet (as necessary) 	<ul style="list-style-type: none"> • Product fingerprint 	<ul style="list-style-type: none"> • Animal components • Genetically modified components

processes. Uni-President have already established written or digital format traceability data from raw materials suppliers to outgoing shipments of the finished products on the next level. We have conducted traceability in accordance with the “Food Traceability Management System” established based on internal regulations, which covers 100% of our product types (excluding animal and aquatic feed).

As of December 31, 2018, Uni-President uploaded a total of 202 products to the Food Traceability Management System, accounting for 43% of all Uni-President food products (excluding feed for livestock and aquatic animals). We also achieved the 100% use of electronic receipts according to the legal requirements. The complete data has been uploaded to the Ministry of Health and Welfare’s “Food Traceability Management System” (<http://ftracebook.fda.gov.tw>).

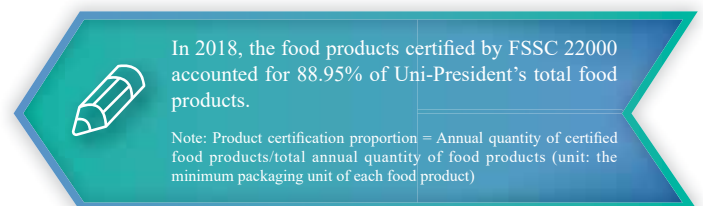
● **Improving the ability of supplier's food safety management by experience sharing**

Uni-President controls the quality and safety of raw materials via different review levels and control regulations. As a member of the food industry, we also actively share our rich experience with our peers in the industry. Since 2018, we have started to promote supplier counseling programs to assist the existing good suppliers to enhance their management mechanisms and become “excellent suppliers”. We anticipate that all our suppliers will become excellent suppliers by 2020. Additionally, in response to the revision of ISO 22000 in 2018, we conducted the training program not only for our suppliers but also for our affiliates.

Year	Supplier type	Number of Suppliers	Counseling content
2018	Food materials	1	<ul style="list-style-type: none"> • Optimization of production process and flow planning • Introduction of 5S • Pest and rodent control • Improve management practices to meet requirements of the Good Hygienic Practice (GHP)
2019	Affiliates	1	<ul style="list-style-type: none"> • Obtained the FSSC 22000 certification • Training of ISO 22000 revision • Onsite inspection of product lines
	Food materials	2	<ul style="list-style-type: none"> • Obtained the FSSC 22000 certification • Introduce the QC management policy • Adopt supplier management policy • Set up management regulations for standard laboratories • Introduce the comprehensive plant management • Set up regulations for warehouse and vehicle management • Introduction mechanisms of management in senior level • Talent development and new employee education and training

Responsible Production and Control of Manufacturing Risks

Given that production management is important for reducing food safety risks, Uni-President has set up a sound food safety management system and supervises the management effectiveness of each production plant by verifying the various production management. It also implements food processing hygiene management in each factory, reduces food safety risks, and optimizes management processes through the self-audit mechanism and by monitoring and verification of the food safety audit team.



International food safety management systems

Our plants have acquired 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).

Apart from TQF, which is the annual basic certification system for each factory, we also gradually introduced the FSSC 22000 certification in 2016, which is based on ISO 22000, has higher specifications, and is a management mechanism approved by the Global Food Safety Initiative. During the transition of ISO 22000 and FSSC 22000 certification in 2018, the Yongkang Feed Plant and Essential Oil Plant have obtained the ISO 22000 certification, whereas all other plants have already obtained the FSSC 22000 certification in the first half of 2018. Please refer to the "Appendix - The plants' food products certified by ISO 22000 and FSSC 22000 in 2018" for details on product certifications of each factory. In the future, all production plants (excluding feed plants) will continue to maintain FSSC 22000 verification to improve the plant's internal management mechanism.



Self-audit mechanisms

Apart from improving the management practices of each factory via the food safety management system, we also have a self-inspection system based on different types of production plants to minimize hazardous risks.

Type of production plant	Management regulations	Audit status
Food factories	<p>We have established the Internal Food Factory Quality Audit SOP based on GHP to implement a three-level management audit mechanism.</p> <ul style="list-style-type: none"> Level 1: Factory self-audit Level 2: Audit of all Uni-President food factories performed by general factories Level 3: The Technical Group reviews the audit of all general factories and evaluates the need for spot checks based on risk. 	<p>2018 Level 2 Audits</p> <ul style="list-style-type: none"> Total number of food manufacturing factories (A): 23 Number of audited food factories (B): 23 Proportion between the number of audited factories and impacts on products A/B: 100% <p>2018 Level 3 Audits</p> <ul style="list-style-type: none"> Number of manufacturing factories spot-checked by the Technical Group: 5
Feed factories	We have established the Internal Quality & Food Safety Audit SOP based on ISO 9001 and ISO 22000.	100% ^{Note}

Note: Only one feed factory completed the internal audits in 2018

Food safety risk monitoring and audits

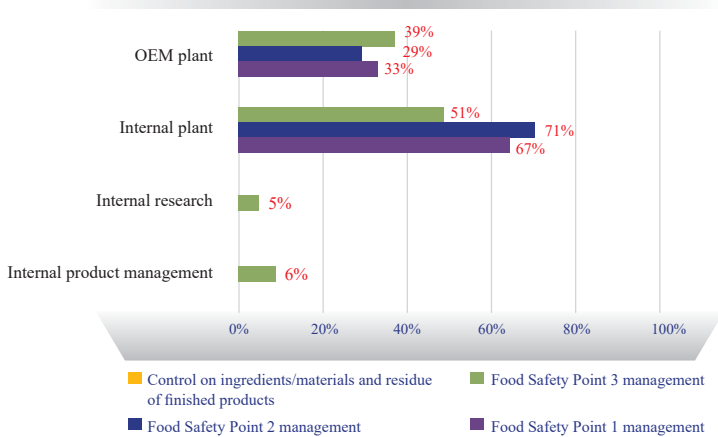
In addition to the self-inspections in each factory, we also conduct food safety risk monitoring and audits for internal plants, OEM plants and QC/research units by the independent food safety audit team in order to ensure the implementation of food safety control by each production and QC/research unit, and report directly to the CEO office to achieve the goal of zero food safety risk. In 2018, the Food Safety Audit Team integrated the core business of food safety and adjusted the focus of auditing to the management of food safety point 1, 2 and 3, and control on medical residue management. By the end of 2018, a total of 49 plants were audited, with a total of 342 audits, of which the improvement of defects has already been completed.

and audit mechanism in 2018, and anticipate to introduce the Advanced Driver Assistance Systems (ADAS) in 2019, while increasing the third party liability insurance coverage to reduce transportation risks and ensure service quality.

Responsible marketing and protection of consumer rights

Uni-President creates product value with its core competencies and communicates with consumers in an ethical manner. To eliminate consumers' misunderstanding of product information and meet consumer needs, we set up regulations on product labeling and after-sales service based on responsible marketing, and dedicate efforts to safeguard consumer rights.

2018 deficiencies related to food safety risk in the production and QC research units



Note: There were no deficiencies related to the residue of finished products in the raw material of internal plants, outsourcing plants, and QC/R&D units.

Logistics control

In order for all products to be delivered to various distribution channels through a complete logistics system, avoid unnecessary food preservation, traffic accidents and protect the safety and rights of drivers, we reviewed the logistics management contract

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 standard as the minimum standard to label all ingredients used in a product and have established the Package Labeling Review SOP, which combines various business groups, R&D units, marketing plans, production plants and QC units to jointly set the key points for primary and secondary review, in order to review the diction of package labels and advertisements for all package labels, including nutrition labeling, recycling labels, manufacturing source, and certification marks, so as to provide consumers with the correct information of the product and prevent misunderstandings. In 2018, a total of 487 product labels were reviewed, of which 369 labels were approved, whereas 118 labels were rejected mainly due to errors on labeling.

Product inquiries and services for consumers

Through various channels (0800 hotlines, corporate website, service email, and retailer feedback), the Consumer Service Center provides consumers with product inquiries and services based on the target: Voluntary consumer contact within one hour from calling, and dealing with general customer complaints within 24 hours. We also gather the product use comments of consumers and convert constructive recommendations into optimization actions through systematic management, which enable us to develop more products that better meet consumer requirements.



After closing a customer complaint case, the Consumer Service Center will perform a survey on the consumer satisfaction regarding the customer service staff, so as to improve and provide better services. Since 2016, the survey on consumer satisfaction has exceeded a score of 95% for three consecutive years. We will continue to uphold an ethical and responsible attitude for consumers to enjoy a good service experience.



Optimized and improved packaging materials for better utilization

The consumers complained that the aluminum foil seal of the big yogurt bottle is too tight, which brings bad experiences including not being easy to tear open, the foil seal not being completely torn off, and has sometimes caused spilling due to too much force. Therefore, we have a professional research and production technology team on packaging materials, which has confirmed the optimal sealing conditions through the adjustment on the quality of material for the aluminum film adhesive layer, and has comprehensively improved the sealing condition of the aluminum foil for a series of large yogurt bottles (AB, LP33).

Reducing the probability of product damage through the experience of marketing channel

The feedback from marketing channels reported that the package of drinks branding in La Rive Gauche de la Seine may be easily damaged by when knocked (or dropped) during transportation. We adjusted the structure of the packaging material to improve the safety factor for the package's impact resistance, which has greatly increased the package strength of the product to solve the problem of the packaging damaging.

Product R&D

GRI 103

Significance to Uni-President

“Making consumers in a happy, delicious and healthy manner by enjoying food” is Uni-President's core value in R&D. For business strategies, we will adopt a safety management model for ingredients/materials in consideration of food safety risks and the public’s awareness on health and environmental protection in recent years, in order to ensure food safety for consumers. We also hope to achieve a leading position in the food industry, and guide Taiwan’s food industry towards innovation and technology development, creating new types of products and a “new lifestyle” for consumers.

Management strategies

The basic principles of Uni-President’s product R&D are based on safety and health. All products do not use fructose and aim to produce products with low-salt, low-sugar and low-oil that meet the Taiwan Dietary Guideline of the Ministry of Health and Welfare, and continue to seek optimization opportunities. To comply with the company’s business operations on refined products, we are committed to four key R&D strategies to continuously develop delicious and healthy products for consumers.

Targets for management



Targets for management	Achievement rate	2018 Key Achievements	Procedures and targets for sustainability
High-quality products upgrading	●(Already achieved)	<ul style="list-style-type: none"> • Technological innovation on product development and taste improving, such as the CITY CAFÉ Nitro Cold Brew/Espresso; PECOS Honey Cake • Improving product quality, such as the quality of toasted sandwiches; wheat powder technology to optimize the application of powder 	<ul style="list-style-type: none"> • Developing towards product refinement while continuously improving the product quality and taste
Innovation of product and processing on baking and fresh food	●(Already achieved)	<ul style="list-style-type: none"> • Development of 7-11 tapioca pearls • Technology of the CITY CAFE Xian Cui Cha, such as prevention of tea sedimentation • Development on direct delivery of freshly baked products 	<ul style="list-style-type: none"> • Meet the trend of consumer demands, improving three main product's categories including food, bakery, and nutrition through R&D innovation
Product development of high nutrition and health food	●(Already achieved)	<ul style="list-style-type: none"> • U-Best Lutein + DHA Algal Oil • New generation of health 3D development • UNI FIT 	
Improving packing materials by optimized, eco-friendly and functional purpose	●(Already achieved)	<ul style="list-style-type: none"> • Solving the problem of the glass bottles' breaking • Improving the paper's container for instant noodles • Optimization on the weight of the PH9.0 bottle 	<ul style="list-style-type: none"> • Optimization of the conditions and safety for product packaging and promoting eco-friendly materials
Development of technology on key ingredients/ materials replacement by multi-source	●(Already achieved)	<ul style="list-style-type: none"> • Diversified application of wheat • Domestic dairy source consolidation • New wheat source imported to enhance the quality of powder 	<ul style="list-style-type: none"> • Improve source safety management, reduce procurement risk of ingredients/materials
Actively acquire in product awards and health certifications to enhance product capacity	●(Already achieved)	<ul style="list-style-type: none"> • “Milky Madeleines” and “Ji di steamed dumpling” were selected as elderly-friendly food in 2018 • Honored the Superior Taste Award of the International Taste Institute on 14 items 	<ul style="list-style-type: none"> • Continue to promote products that are suitable for elderly people in response to the trend of an aging population, and actively participate in the selection of suitable foods for elderly people • Passing Health Foods certification and enhancing consumer communication

R&D capacity and resource investment

In order to improve R&D capabilities, we actively cultivate R&D talents and established professional laboratories in the Central R&D Institute to study product flavor, odor analysis, functional principal component analysis (screening favorable ingredients/materials), preservation test components change analysis, competitive product research, adulteration research and development of new testing methods to improve R&D capabilities. In 2018, the company invested NT\$457 million on R&D expenses, with a total of 193 R&D specialists, accounting for 3.48% of Uni-President's total employees. We create products and technologies that are in line with market trends through strategies such as technology development, inviting famous teachers to teach, hiring consultants, and seeking external cooperation. Since 2016, we have obtained 213 patents, including patents on food safety, raw materials, environmental safety, occupational safety, product R&D, process optimization and manual process optimization, in order to enhance our position in the food industry.



Towards Healthy and Delicious Food

There has been an inseparable relationship between Uni-President's products and the public. In face of the daily needs of people nowadays, we continue to improve and actively develop products with healthy functions to meet consumer needs on the flavor and function of products, to keep consumers in safe and healthy condition and enjoy food flavor.

Low salt and sugar to obtain better diets

In response to dietary needs of low-salt and low-sugar, we continue to adjust our product formulas to provide consumers with a selection of healthy products. In addition to sugar reduction, we also introduced products with no additional sugar, of which there are currently 15 items without additional sugar, such as tea, coffee, yogurt, soymilk and fresh milk. For low salt, the current instant noodles in the market did not exceed 2,400 mg per day, which was the recommended daily salt intake for adults announced by the Health Promotion Administration of the Ministry of Health and Welfare. There are also 32 items of instant noodles which contain salt of less than 2,000 mg per serving, which did not exceed the reference value of 2000 mg per day which was set by the Food and Drug Administration of the Ministry of Health and Welfare.


Beverage needs of different consumer groups

Taiwan's structure and lifestyle is developing towards an aging population, declining birthrate and high proportion of the dining-out group. Therefore, we are developing various types of products for different consumer groups in the hope to become the best in providing daily food and beverages to the public.

Elderly people


We will continue to improve the quality of existing products designed for the elderly in consideration of their dietary habits and bodily functions, and strengthen communication with activities of foundations in respect of taste, convenience and nutrition, in the hope to enhance understanding on product functionality related to consumers.

By the end of 2018, there were 4 products (Ruisui Ultra-Low Temperature Pasteurized Milk, LP33 Functional Yogurt, Milky Madeleines, and Ji di steamed dumpling) which were selected as elderly-friendly foods by the Council of Agriculture, Executive Yuan.



1. Preserving composition and nutritional value of raw milk, including immunoglobulin and lactoferrin, with more comprehensive nutrition and more protection.
2. A good source of animal protein and calcium to assist the supply of proteins for the elderly.

1. Uni-President's cake products have a softer texture compared to that of common sponge cakes, which is suitable for elderly who have difficulty swallowing.
2. The cake is only 90 grams, with about 260 calories, close to the calorie of nutritional supplements, and can be taken as a snack between meals.



Dining-out group

More and more consumers select fast and convenient diets as people nowadays are stressed by the fast pace of life. Therefore, we aim to meet consumers' needs at a time by actively developing fresh food products and handmade drinks in consideration of current eating habits.

We will actively develop processing technologies and ensure quality of raw materials to be in compliance with Uni-President's Strategy.

1. With leading technology for domestic food processing in the food industry, we apply the essence method to retain the best tea flavor which is smooth and has sweet aftertaste.
2. Keep in line with food source safety management technology to ensure safe quality of tea.



Office workers

An unbalanced diet and insufficient exercise are quite common for office workers who have a lot of stress in their lives. Thus, we develop toward products that meet nutritional requirements of the people nowadays, and provide consumers with the nutritional supplement that is needed in one day.



Designed for the habits and lifestyle of office workers, we have added dietary fiber developed in Japan to achieve high fiber and low fat. It can be combined with other fresh food brands to provide a new selection of light food meals, which provide satiety and controlled calories.



To supplement for people's insufficient nutrient intake in a day, we designed a nutritious beverage which combined vitamin B with high-quality milk and cocoa with exquisite taste preparation, in order for consumers to drink a bottle at any time to take in nutrients in a day in a quick and simple way and enhance physical strength and energy.



Health Topics

In order to meet the healthy eating habits of consumers and enhance the value of products, we continue to develop and maintain various nutritious products based on the health benefits announced by the Ministry of Health and Welfare. 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. (Please refer to the Food and Drug Administration of the Ministry of Health and Welfare - Food and Drug Consumer Inquiry Website <https://consumer.fda.gov.tw/Food/InfoHealthFood.aspx?nodeID=162>).



Focus on food flavors to bring better food experience for consumers

There is currently a wide selection of foods in the food market. Hence, the R&D capabilities of food companies in the industry include capturing consumers' taste buds. With the concept of "eat healthy, and eat delicious", we have been concerned about improving food flavor for a long time. In addition to quality control, we also develop food flavors closer to public requirements by exceeding the existing processing restrictions, such as deep cultivating the non-thermal processing and sterilization techniques on fresh milk, the development of high pressure processing techniques on tea and juice, as well as the

development of diversified product flavors, such as Cuan cuisine, in order to better meet the public's product flavor needs.

Reduce the use of GMO ingredients

We have been reducing the use of GMO ingredients since the past few years. Currently, no GMO ingredients are used in over 400 products loved by consumers, such as soymilk and soy sauce, and GMO ingredients are only used in two food oil products. However, no genetically modified segment is found after high processing, and products comply with the No GMO label regulations in Taiwan.

International Taste Award The Emergence of "Delicious Taste"

[International Taste Institute - The Profile of the Superior Taste Award]

An evaluation team with more than 200 of the most famous European catering and wine tasting experts associations, which award medals to top quality foods and beverages around the world via an independent and fair evaluation mechanism. The products will be appraised by a large evaluation committee teamed up with appraisers of different nationalities according to their own expertise, and "blind tests" will be performed for sensory evaluation on food products, including evaluation items such as first impression, vision, smell, taste and texture. Finally, products are awarded under three evaluation levels according to the appraisal.

- ★★★★ : Outstanding product, scored over 90%
- ★★★ : Excellent product, score between 80% and 90%
- ★★ : Fine product with a score between 70% and 80%



Promote product sustainability

Beyond product quality and safety, we also focus on environmental impacts caused by our products. With that, we have dedicated efforts to prevent the environmental impact of our products and promote product sustainability by reducing packaging materials, sustainable procurement of ingredients/materials and product carbon footprint management.

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-friendly or reducing packaging materials for current products every year. In 2018, apart from the continuous improvement of paper containers for instant noodles, we also began to change consumer habits, and promote the reduction of cheap plastic pudding spoons and bamboo chopsticks in cooperation with the retail channels. In the future, we expect to reduce straws and achieve the target of responsible production and consumption together with the consumers.



Replace styrofoam containers with paper containers

110.1 tonnes^{Note 1}

Usage of styrofoam

Replace double layer paper containers with single layer paper containers

317.3 tonnes^{Note 1}

Usage of paper packaging materials

Cancel the small plastic spoons

50 tonnes^{Note 2}

Usage of plastics



Note 1: The reduction of packing materials is estimated based on the weight of the package and annual sales volume.

Note 2: The reduction of packing materials is estimated based on the usage volume and consumers' habits.

Responsible Procurement of Ingredients/ Materials

The source of food materials is often derived from nature. In addition to reducing the use of natural resources, we also hope to use and manage natural resources in a more sustainable manner. Thus, we purchase ingredients/materials in accordance with internationally recognized product responsibility standards, screening cooperative suppliers to actively enhance the type and proportion of sustainable ingredients/materials procurement. For example, the company has purchased the American Soybean Sustainable Production Agreement (SSAP) certified soybean for the first time in 2018 in order to achieve the responsible procurement of ingredients/materials.

Type of ingredient/material	Sustainable source for the procurement of ingredients/materials	2018 procurement results
Paper packaging materials	Use of paper packaging materials certified by the Forest Stewardship Council (FSC™) in the production of aluminum foil paper for the “MineShine” and the “Try it!” series of products.	The ratio of FSC™ procurement amount to the total procurement amount of paper packaging materials was 43.22% in 2018.
Soybean	SSAP certified soybeans for related products	The purchase amount of SSAP certified soybeans accounted for 10.85% of total soybeans in 2018.

Product Carbon Footprint

The carbon footprint of products calculates the GHG emissions from the raw material supply chain, manufacture and production, distribution, and waste. We began to calculate the carbon footprint of our products in 2010 based on the PAS 2050 standard developed by Carbon Trust of the UK. All data is certified by external certification bodies to enhance their reliability and integrity. Base on this, we hope to provide customers with an option for lower carbon and eco-friendlier products through persistent emissions reduction at all stages of product life-cycle. Currently, we have acquired the external assurance of the carbon footprint and the certificate of use of the Carbon Footprint Label of 10 products (for information related to the Carbon Footprint Label, please refer to the Taiwan Product Carbon Footprint website disclosed by the Environmental Protection Administration: <https://cfp.epa.gov.tw/carbon/defaultPage.aspx>).



3

Commit to Sustainable Environment

●Environmental management in operations●Climate Change and Energy Management●Water resource management

Environmental management in operations

GRI 103

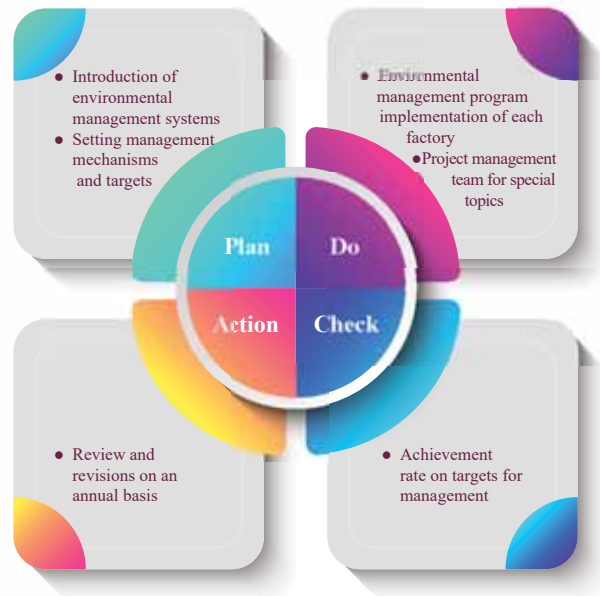
Signification to Uni-President

According to the Global Risks Report^{Note 1} published by the World Economic Forum in 2019, environmental-related issues accounted for half of the top 10 most probable problems, indicating high environmental risks. This phenomenon also reflects the stringent environmental protection policies and regulations adopted by country governments throughout the world. Most of the ingredients/materials in the food manufacturing industry come from nature, and Uni-President’s production processes are involved with various environmental issues. Thus, we attach great importance to the recent development of various environmental topics around the world and the environmental impact caused by our production process. We manage environmental topics based on “beyond regulations”, and actively engage in various environmental friendly activities in the hope to share our experience and technology within the value chain, and contribute to sustainable environment with our leading position.

Note 1: The Global Risks Report (2019 14th Edition) published by World Economic Forum

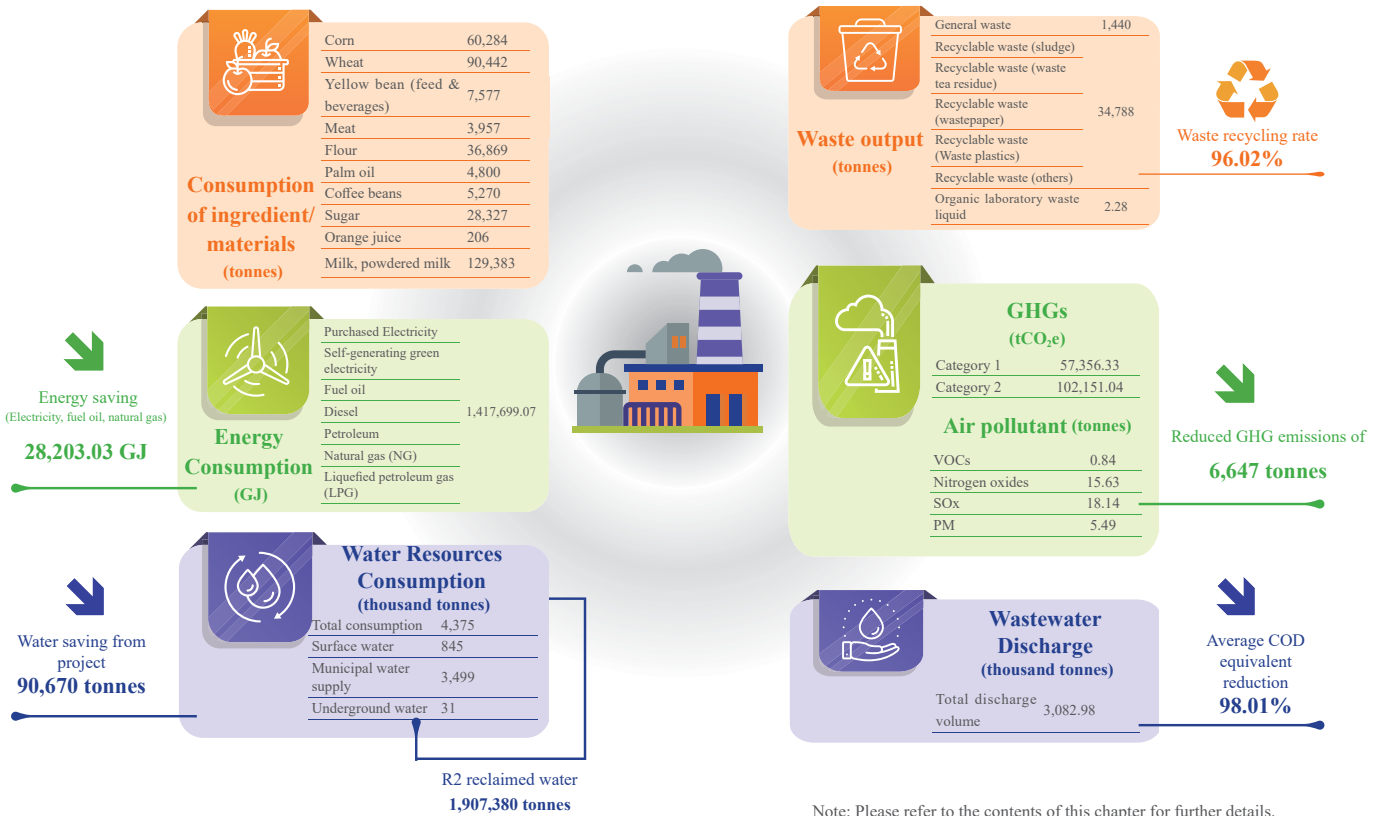
Management strategies

For overall environmental management, Uni-President adopts Group management which comprehensively takes into consideration the trend of international environmental topics and direction of environmental policies in Taiwan, integrates key issues encountered by the group, and improves the overall environmental impacts. We conducted various ISO environmental management systems such as ISO 14001 and ISO14064-1 as our management basis, and appointed third-party verification units to be responsible for the regular review of documents and operating procedures to ensure correct implementation of the plant’s internal environmental management system. For environmental risks that require active management, we have set up management teams for project management on matters related to climate change, energy and water resources.



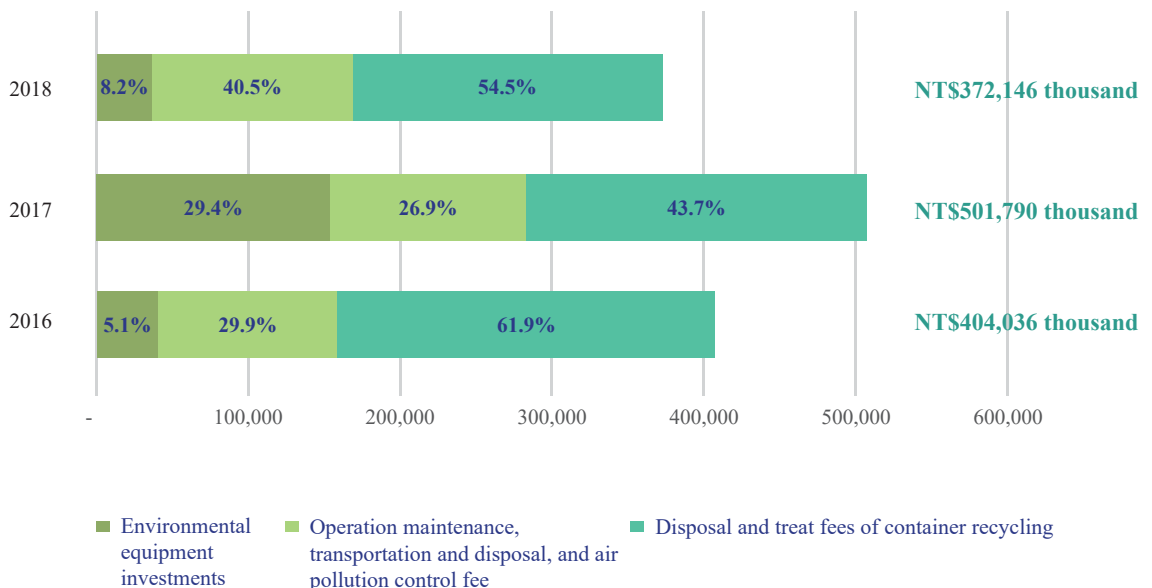
Targets for management	Achievement rate	2018 Key Achievements	Procedures and targets for sustainability
Promote waste reduction and waste to resources <ul style="list-style-type: none"> Annual recycling rate above 95% 	● (Already achieved the phased target)	<ul style="list-style-type: none"> Annual recycling rate of 96.02% Promote recycling of wastepaper containers which reduce incineration of approximately 2,826 thousand paper containers Activated sludge reduction project is promoted by Yongkang Plant, reducing 246 tonnes of sludge disposal compared with 2017 	<ul style="list-style-type: none"> Expected annual recycling rate of 96.05% in 2019 Expected annual recycling rate of 96.5% in the mid- and long-term future (within 3-5 years) Continue to promote the innovative waste to resources project
Reduce air pollutant emissions	● (Already achieved the phased target)	<ul style="list-style-type: none"> The annual air pollutant emissions were 12.35% less than that of 2017. Improvements in boiler equipment, and switching to natural gas boilers 	<ul style="list-style-type: none"> Gradually improve equipment, and switch all boiler equipment in the plant to natural gas boilers
Promote green procurement	● (Already achieved the phased target)	<ul style="list-style-type: none"> The amount of green procurement increased by 11.26% compared to 2017 Awarded the Private Enterprise Green Procurement Excellence Award 	<ul style="list-style-type: none"> Prioritize green procurement and expand product items for green procurement
Promote eco-friendly designs for the factory building	● (Already achieved the phased target)	<ul style="list-style-type: none"> Acquire green building certification for Hukou plant Yangmei factory building was honored with a green building candidate certificate 	<ul style="list-style-type: none"> Green building design for new factory buildings and office buildings

Uni-President's Environmental Footprint in 2018



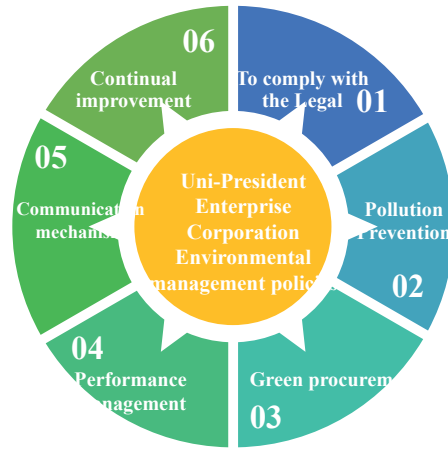
Environmental expenditure

In 2018, we invested a sum of NT\$372.15 million in environmental protection, without any major investments in environmental protection equipment. In 2017, we invested NT\$125.38 million to improve wastewater and waste treatment plants, of which the wastewater treatment plant was officially completed in 2018, whereas other projects are still in progress.



Environmental management mechanisms and policies

Uni-President adopts ISO 14001 as the basis for its overall environmental management, with six environmental management policies as the highest principle guiding environmental management. Currently, all the general factories in Taiwan have passed the new environmental management system ISO 14001:2015 certification, while each factory has further set annual targets and management plans for the company's priorities in order to continuously improve environmental management performance.

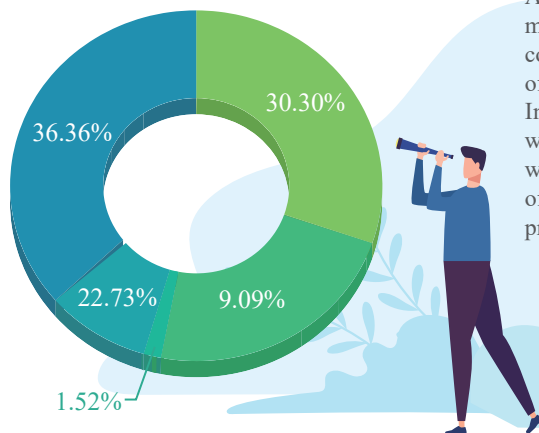


Main targets, subjects and introduction programs of ISO 14001 in 2018

Targets	Management programs	Management achievements
Enhance environmental protection concepts	<ul style="list-style-type: none"> Advocate on environmental safety 	<ul style="list-style-type: none"> Advocate on environmental safety 12 times/year
Legal Compliance	<ul style="list-style-type: none"> Implement level 3 auditing on environmental protection parameters 	<ul style="list-style-type: none"> 66 deficiencies were discovered, which were under simultaneous improvements
Improve the processing environment	<ul style="list-style-type: none"> (Yongkang General Factory) Reduction of PM09 air pollutant emission and noise pollution 	<ul style="list-style-type: none"> Noise level of below 90 dB
Wastewater/waste reduction	<ul style="list-style-type: none"> Lighter packaging materials for paper containers Promote reduction of wastewater/waste from the source 	<ul style="list-style-type: none"> Reduced paper packaging by 317 tonnes/year Reduced waste by 99 tonnes/year Reduced wastewater by 16,019 tonnes/year
Reduced energy consumption	<ul style="list-style-type: none"> (Xinshi General Factory) recycling of defrost water (refrigerator) energy conservation program (Xinshi General Factory) Freezer replacement (Xinshi General Factory) Pool pump energy saving project (Xinshi General Factory) Processing machine and air conditioning replacement (Yangmei General Factory) Warehouse electricity management (Yongkang General Factory) Energy saving of pumps in wastewater treatment plants 	<ul style="list-style-type: none"> Save 365,024 kWh/year
	<ul style="list-style-type: none"> (Xinshi General Factory) Improve the leakage of CIP main steam pipeline of the pasteurized milk tank (Xinshi General Factory) Improve the energy efficiency of box washer (Xinshi General Factory) Reduce CIP steam consumption 	<ul style="list-style-type: none"> Steam reduction of 387.06 tonnes/year
	<ul style="list-style-type: none"> (Hukou Plant) Optimized energy consumption for the heat dissipation of the oven by the end of the project 	<ul style="list-style-type: none"> Power loss decreased to 1.6%

Distribution of Environmental Audit Defects in 2018

- Air pollution
- Wastewater
- Toxic Chemical Substances
- Drinking water
- Waste

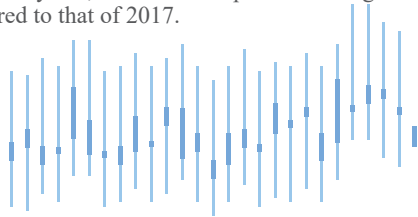


Internal Audit Mechanism

Apart from performing external verification to ensure the management system is effectively implemented, we also conduct an internal audit biannually to review the performance of pollution prevention and make corrections for any defects. In 2018 we found 66 defects in the environmental audits, of which the improvement of seven defects in wastewater and waste have not been completed. All of them involve the change of environmental protection permits, which will be completed progressively by Q2 2019.

Green procurement

Green procurement is an essential part of the environmental management policy. Thus, we have established a green procurement mechanism, and clearly stated in the procurement policy to prioritize the procurement of green products as well as focus on environmental protection and energy conservation in the supply chain, in the aim to gradually reduce environmental impacts caused by factory operations. Since 2013, Uni-President has been awarded the Private Enterprise Green Procurement Excellence Award by the Environmental Protection Administration of the Executive Yuan for six consecutive years. We spent more than NT\$100 million on green products per year, and the procurement amount has increased year after year in the past three consecutive years, of which the procurement grew by 11.26% in 2018 compared to that of 2017.



Uni-President's green procurement in 2018



Waste management GRI 306-2

Uni-President has formulated the “Waste Management Act” to ensure that all wastes are properly classified, managed, cleared and disposed of. The factory waste can be divided into general waste, hazardous waste (organic experimental waste liquid) and recyclable waste. Total general factories operations have generated a total of 36,230 tonnes in 2018, which decreased by 1% compared to that of 2017. In order to promote waste reduction and improve the factory's resource classification and management, we have set up a recovery rate target of resources from waste. We have achieved the annual targets for management goals for three consecutive years since 2016. For increasing the efficiency of waste management, we re-adjusted our targets for management in 2019, in the hope to urge all production factories to promote waste reduction and waste to resources under more stringent targets, and reduce the environmental impact of waste through source minimization and resource recycling.

Waste Management Targets and Achievements of Uni-President

Annual targets for management		Target achievements
2018	Waste recycling rate above 95 %	● (Already achieved)
2019	Waste recycling rate above 96.05%	● (In progress)
Mid- and long-term (3-5 years)	Waste recycling rate above 96.5%	● (In progress)

Waste generation and disposal status in 2018

(Units: tonnes)


Waste Type	Item	Treatment	2016	2017	2018
Non-toxic waste	General waste	Incineration	1,651	1,598	1,440
	Recyclable waste	Fertilizers	-	-	15,650
	Recyclable waste	Recycling	34,891	34,891	19,138
	Waste recycling rate (%)			95.51%	95.62%
Toxic waste	Organic experiment waste liquid	Incineration	1.93	1.84	2.28

Note: The treatment of waste is handled by the appointed outsourcing company.

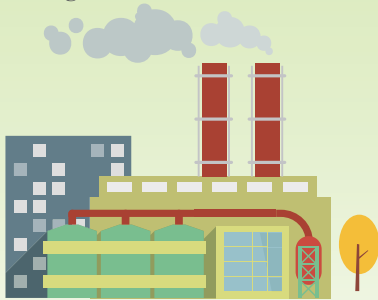
● **Introduce the concept of circular economy and promote waste to resources**

Due to special features of the food industry, “food safety” is the first priority for our management principle, whereas the effectiveness on waste source reduction is often limited. Thus, we believe that increasing the potential on waste recycling to effectively achieve resource saving can lower the environmental pressure. With that, we actively plan innovative waste recycling projects. For example, sludge and tea residue were developed into organic compost, while soybean residue is recycled as feed. In 2018, we introduced the project on activated sludge reduction and wastepaper container recycling, in order to effectively achieve the results of waste reduction and resource regeneration.

Reduction of activated sludge in the Yongkang plant

Disposal of sludge
 **246** tonnes

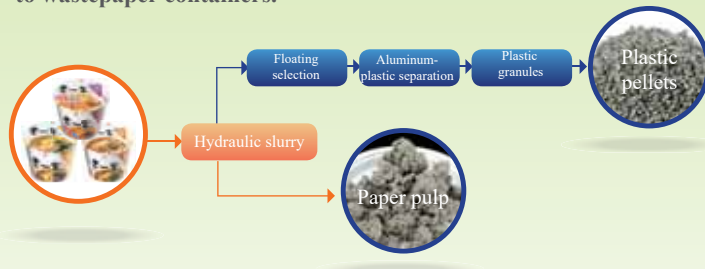
We utilize the wastewater treatment plant’s existing storage tanks to adjust the original pipeline network, and perform anaerobic digestion treatment of waste sludge, which can effectively reduce the generation of sludge.



Recycled wastepaper containers

Recycling **56.52** tonnes of paper | Recycled plastic pellets **0.54** tonnes | Recycled paper pulp **53.20** tonnes

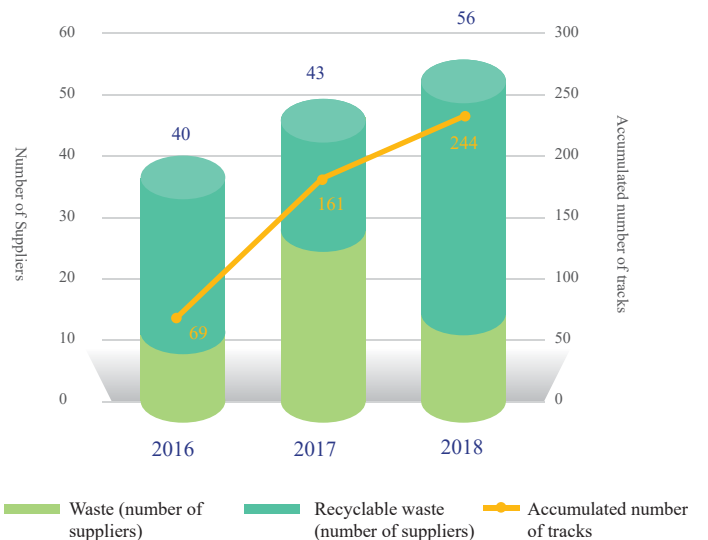
Since wastepaper containers require waterproof and thermal insulation functions, it add composite materials such as wax, plastic or metal to the inner layer of the container, resulting in a more complicated recycling process than the processing procedures for general wastepaper, and needs to be treated as general business waste for incineration. We have cooperated with external units since 2018 to recycle pulp and plastic pellets through professional technology to enhance the recycling rate of wastepaper containers and bring new life to wastepaper containers.



● **Flow tracking of waste**

Uni-President’s wastes are entrusted to the legal cleaning and transporting agent to dispose and properly use recycled materials, and the company has set up clear regulations that strictly prohibit recyclable wastes in food processing or food materials to ensure food safety. In addition, in order to strengthen the flow tracking of waste, we use the GPS system to clearly track and check the flow of waste and resources generated by each factory. The investigate include treatment of waste and resources, disposal records, flow, and transportation licenses. In 2018, a total of 56 waste and resource companies were inspected, with a total of 83 tracings, and there were no violations discovered in the inspection and tracking results.

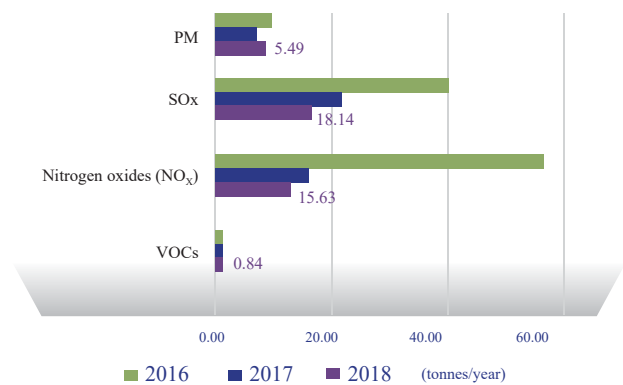
Flow Tracking Record of Waste and Recyclable Waste in 2018



Air pollution management GRI 305-7

Our air pollutants mainly include PM, SO_x, NO_x and volatile organic compound (VOC). The pollutants may come from material processing, boiler combustion and wastewater treatment. In order to effectively reduce air pollution and prevent emissions, we installed cyclone dust collectors in the factory to increase the availability of equipment, and annually converted oil-fired boilers into natural gas to effectively reduce SO_x and NO_x emissions. In 2018, there were a total of 40.09 tonnes of pollutants, which decreased by 12.35% compared with 2017.

Air Pollutant Emissions of each factory in 2018



Regulation Compliance GRI 307-1

In 2018, we were fined NT\$1,988,000 for violating environmental regulations, which was due to overloaded equipment based on the original settings caused by poor performance of the wastewater treatment equipment. In order to prevent the occurrence of similar incidents, we have improved the environmental protection equipment, reviewed the internal control process, and enhanced monitoring procedures for optimizing the factories' internal management and reducing environmental risks.

Description of violations and subsequent improvements in 2018

Offense	Water Pollution Control Act
Factory	Xinshi General Factory
Case	On February 3, 2018, the Environmental Protection Bureau performed inspections on water samples of Xinshi Plant, and discovered that the discharged water did not comply with national discharge standards.
Punishment	A fine of NT\$1,998,000

[Environmental equipment improvements]

Invested NT\$108 million for the improvement of Xinshi Factory's wastewater treatment, including the improvement of the biological treatment system, installation of filtration equipment, and addition of a new anaerobic tank. Related equipment has been put into use in December 2018, which is expected to increase wastewater treatment of up to 6,000 tonnes per day.

[Optimize internal management]

Revision of the factory's internal control system, and switch to internal application of emissions and batch processing methods to ensure the effectiveness of wastewater treatment, and solve the short-term problem on discharge water quality caused by overloaded equipment.



Eco-Friendly design of factory



In addition to focusing on environmental impacts caused by factory operations, in recent years, we have also started to consider how to balance between demand and environmental protection. With that, green buildings are our initial design for new factory buildings and office buildings for topics including ecological protection, energy conservation, waste reduction, and health. Hukou plant, which was completed in 2016, became our first green building in February 2018, and Yangmei General Plant's building obtained the Green Building Candidate Certificate in October 2018, which is expected to be our second green building. We anticipate gradually increasing the Eco-friendly design for each factory in the future, in order to minimize the environmental impact from Uni-President's operation.

Climate Change and Energy Management

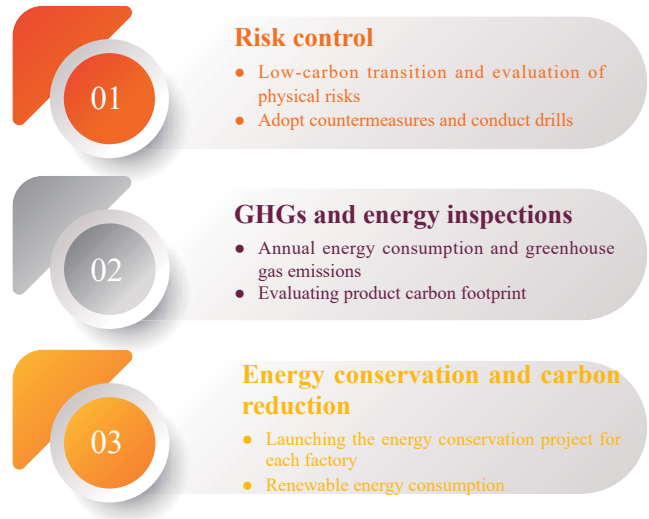
GRI 103

Significance to Uni-President

Since the Paris Agreement was adopted in 2015, climate change and energy management issues have officially entered a new era. And “avoiding 2 degrees Celsius of warming” has become an urgent environmental management issue around the world. According to the Global Risk Report published by the World Economic Forum in 2019, “Failure of climate-change mitigation and adaptation” and “extreme weather events” are the top 2 and top 3 risks, respectively, with high likelihood and impact, which indicates that issues related to climate change will have great impact to global development and business operations in the future. As one of the food industry, Uni-President’s, Uni-President’s production supply may be affected by the lack of ingredients/materials and water resources caused by climate anomalies, and reducing greenhouse gas emissions is our responsibility in the Taiwan manufacturing industry. With that, we actively improve the management of climate change and energy to reduce our operating impact and respond to stakeholders.

Management strategies

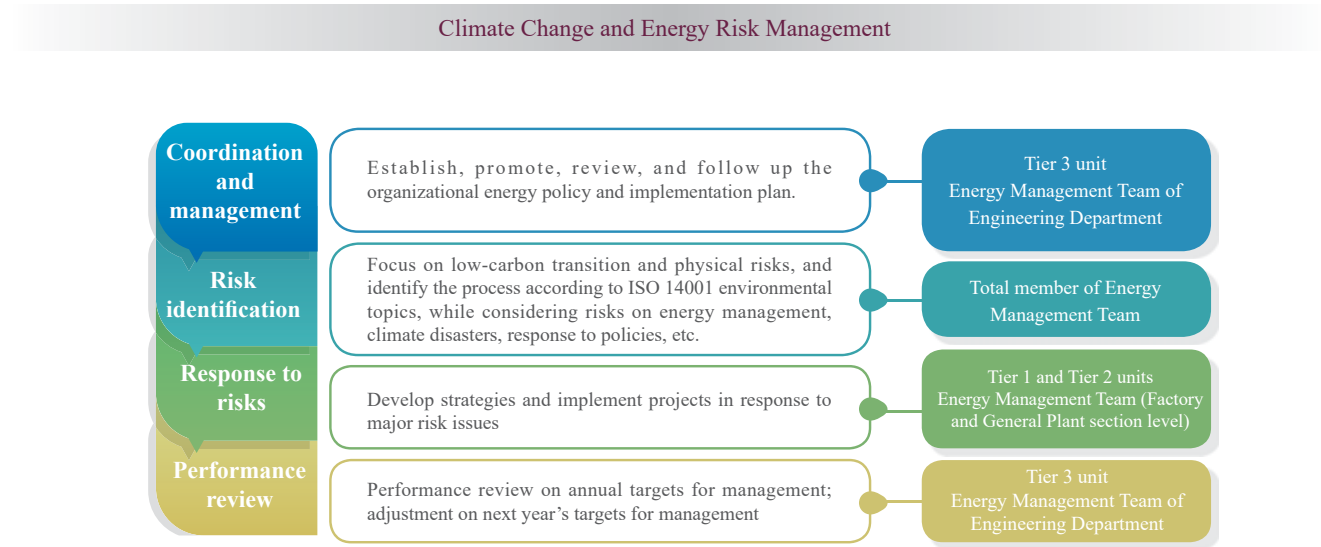
In the face of potential risks on climate change, we have set up an inter-departmental energy management team, and promote the energy management of each factory under classified management based on 3 aspects, including the organization, business operations and products. Under government and market expectations for green energy applications, Uni-President and its affiliates officially established the “Green Energy Management Center” in 2018 to coordinate and manage promotional programs related to green energy from the perspective of group management, and appointed professional technicians to be responsible for energy-saving technologies in each company. In terms of business operations and product, we integrated ISO-related management systems in order to manage risks, Uni-President’s current status, as well as for energy-saving and carbon reduction programs, which thereby reduce our dependence on petrochemical energy, and enhance the capability of climate change adaptation.



Targets for management	Achievement rate	2018 Key Achievements	Procedures and targets for sustainability
Energy Management <ul style="list-style-type: none"> An annual electricity conservation rate above 1% 85% of steam is generated by the natural gas boiler 	<p>● (Already achieved the phased target)</p>	<ul style="list-style-type: none"> An average annual electricity conservation rate of more than 1% 90.8% of steam is generated by the natural gas boiler Established a green energy management center to manage energy projects of the group 	<ul style="list-style-type: none"> An average annual electricity conservation rate of more than 1% Continue to improve boiler equipment to achieve the target of 100% use of natural gas boilers.
Carbon emission intensity management <ul style="list-style-type: none"> The carbon emission intensity for each production factory is less than 116.5 tCO₂e/MT production 	<p>● (In progress)</p>	<ul style="list-style-type: none"> The average carbon emission intensity was 121.95 tCO₂e/MT production (achievement rate of 95.32%) 	<p>The carbon emission intensity for each production factory is less than 120 tCO₂e/MT production in 2019</p>
Management of total GHG emissions <ul style="list-style-type: none"> Reduce to 80% of the 2005 emissions by 2030. 	<p>● (Already achieved the phased target)</p>	<ul style="list-style-type: none"> Annual GHG emission of 159,507 tCO₂e 	<ul style="list-style-type: none"> Reduce to 80% of the 2005 emissions by 2030. Continue to promote energy conservation and reduce GHG emissions
Energy conservation and carbon reduction	<p>● (Already achieved the phased target)</p>	<p>Total number of projects launched</p> <ul style="list-style-type: none"> Reduced 6,647 tCO₂e Electricity conservation of 7,828 thousand kWh Natural gas saving of 456 thousand M³ Fuel oil reduction of 47 M³ 	<p>Continue to promote energy conservation and carbon reduction programs for each factory to achieve management targets of improving energy efficiency and reducing greenhouse gas emissions.</p>

Climate Change and Energy Risk Management Mechanism

We have set up an inter-departmental energy management team to promote GHG and energy management of each factory, of which the general factories and engineering department have their respective duties and function. We also adopt management plans, regular tracking, review and improvement.



• Risk identification and response

In the face of potential physical risks and transitional risks arising from government policies and low-carbon transitions in response to climate change, we mitigate the operational impact of climate change by identifying various risk issues and formulating response actions.

Verification of climate change and energy risks and response actions

Source	Topics	Response actions
Transition (Response to regulations/policies)	<ul style="list-style-type: none"> Greenhouse Gas Reduction and Management Act Energy Administration Act Renewable Energy Development Act Duties levied on fossil fuel imports Policies and regulations of countries around the world in response to the Paris Agreement Changes in carbon emission factors due to the structure of national energy 	<ul style="list-style-type: none"> Formation of an energy management team for monitoring of energy consumption and GHG emissions Set up targets and promote measures for energy conservation and carbon reduction Implementation of the ISO 50001 Energy Management System Established the Green Energy Management Center to coordinate and manage green energy programs, and actively assess the applicability and relevance of extending the use of renewable energy. Carbon footprint inventory route planning and selection of hot spot suppliers
Transition (Market)	<ul style="list-style-type: none"> Procurement cost rise due to raw materials shortages 	<ul style="list-style-type: none"> Attempts to increase the proportion of the local procurement of raw materials Seek for alternatives on diversified suppliers
Physical	<ul style="list-style-type: none"> Extreme weather events, such as droughts or floods 	<ul style="list-style-type: none"> Established the SOP of natural disasters response and drilling emergency response regularly Established water condition response teams to monitor and enhance the efficiency of water consumption

• Set an award mechanism and the standard for internal carbon pricing to improve the performance review

In addition to setting the targets for management and annually reviewing the achievements of each factory by the energy management team, we also have an incentive scheme for energy management to encourage the improvement of management results. We divide each factory into teams based

on their operational characteristics and energy expenditure, and the top team will have incentive awards according to evaluation items such as the factory's daily management achievements and annual energy-saving efficiency. In addition, in order to directly link carbon reduction with operating costs, we annually review the trend of international carbon pricing, which is the basis for calculating the efficiency of carbon reduction in each factory, and is an important reference for managing our internal operations.

Energy consumption and GHG emissions management performance

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 has set up the control target for phase I in 2018: GHG reduction at 2% less than the base year 2005 by 2020. In support of the national and global policies, we set 2005 as the base year for the GHG reduction and energy management in accordance with national policies. The short-term target focuses on energy and carbon intensity control, and the long-term target stresses total cap of the emissions.

Targets and Status of GHG Reduction and Energy Management

Annual targets for management		Target achievements
2018	An annual electricity conservation rate of 1% and above	● (Already achieved)
	Carbon emission intensity remained flat compared to 2017 for each general plant (The factory daily average target in 2018 was 116.5 tCO ₂ e/MT production)	● (In progress) (Achievement rate of 95.32%)
	85% of steam is generated by the natural gas boiler	● (Already achieved)
2019	An annual electricity conservation rate of 1% and above	● (In progress)
	Reduce carbon emission intensity by a minimum of 2% compared to 2017 for each general plant (The factory daily average target in 2019 was 120 tCO ₂ e/MT production)	
Mid- and long-term (3-5 years)	Reduce to 80% (189,221.6 tCO ₂ e) of the 2005 emissions volume ^{Note 1} by 2030.	● (In progress)

Note 1: 2005 annual carbon emissions were 236,527 tCO₂e.

● Energy consumption GRI 302-1

In 2018, Uni-President's main energy source is electricity, followed by natural gas and fuel oil, with total energy consumption of 1,417,699.07 GJ^{Note 2}, which was higher compared with 2017 owing to the increased production. In terms of fossil fuels, the proportions have changed in the past three years, of which factory's fuel oil consumption dropped by 43.23% in 2018 compared to 2016 mainly due to the gradual replacement of fuel oil boilers with natural gas boilers.

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 in existing factories. Since the development of renewable energy in 2010, we have generated 107,292 kWh of green energy to reduce emissions by 59.44 tCO₂e in 2018.

Note 2: The calorific value conversion factor is based on the calorific value of energy products announced by the Bureau of Energy of the Ministry of Economic Affairs.

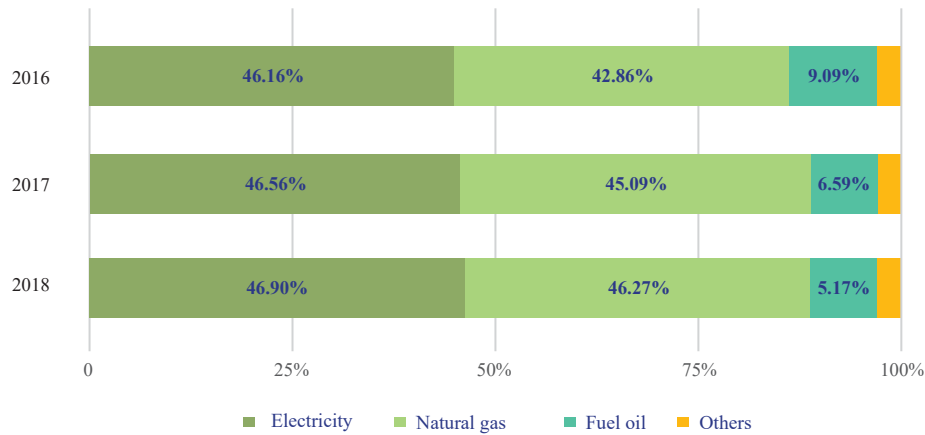
Energy consumption

Type of Energy	Unit	Energy consumption		
		2016	2017	2018
Purchased electricity	thousand kWh	181,961	181,303	184,652
Self-generating green electricity (solar energy, wind energy)	kWh	10,690	10,959	10,116
Fuel oil	kL	3,211	2,298	1,823
Diesel	kL	618	561	538
Biodiesel	kL	2.60	2.39	0.00
Petroleum	kL	144	145	134
Natural gas (NG)	thousand m ³	18,160	18,878	19,583
Liquefied petroleum gas (LPG)	kL	12	11	11
Consumption of non-renewable energy	GJ	1,419,266.96	1,402,250.45	1,417,662.64
Consumption of renewable energy	GJ	38.49	39.46	36.43

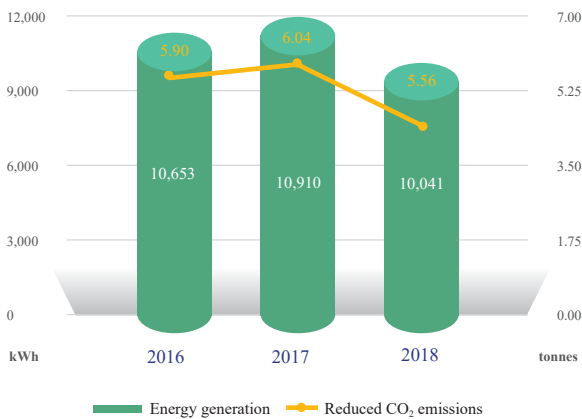
Note: The purchased energy is calculated according to the energy bill, while self-produced energy is calculated according to the results of the meter record.

Note: The calorific value conversion factor is based on the calorific value of energy products announced by the Bureau of Energy of the Ministry of Economic Affairs.

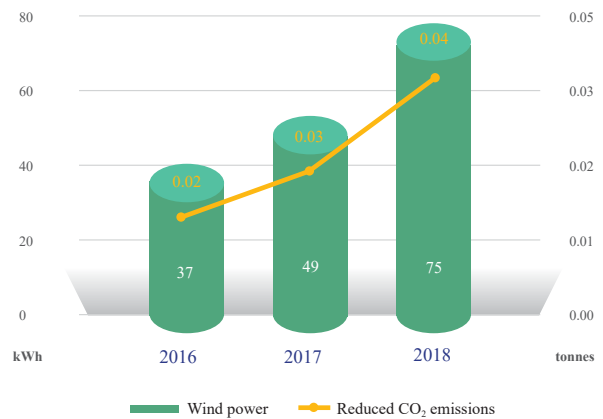
● Proportion of energy consumption from different energy sources



Renewable energy generation (solar)



Renewable energy generation (wind)



Note: Given that the Bureau of Energy has not announced the 2018 emission factor in the statistical period, we calculate the carbon emissions in 2018 based on the 2017 factor of 0.554 kg CO₂e/kWh, while carbon emission in other years are based on the statistical announcement.

● GHG emissions

GRI 305-1 GRI 305-2 GRI 305-4

In order to understand the amount of GHG emissions, we have 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 a full-scaled inventory every March.

Uni-President's 2018 annual GHG emissions were 159,507 tCO₂e. The intensity of GHG emissions was 121.95 tCO₂e/MT production, 4.68% higher than that of 2017. The main reason is that the electricity emission factor (0.554 kgCO₂e/kWh) announced by the Bureau of Energy in 2018 has increased by 4.53% compared to that of 2017, affecting the GHG emissions. The energy management team has reviewed factories failing to achieve the target and adjusted the target based on the actual implementation over the years.

GHG emissions of Uni-President

Type	Unit	2016	2017	2018	The rate of increase/decrease compared to the previous year
Scope 1	tCO ₂ e	59,419	56,544	57,356	Above 1.44%
Scope 2	tCO ₂ e	96,075	95,894	102,151	Above 6.52%
Total CO ₂ emissions	tCO ₂ e	155,494	152,438	159,507	Above 4.64%
Biodiesel CO ₂ emissions	tCO ₂ e	6.65	6.12	0	-
Carbon emission intensity	tCO ₂ e/MT production	109.63	116.5	121.95	Above 4.68%

Note: 1. According to ISO 14064-1 requirements, it took method of operation control to inventory GHG emissions by the boundary covers the Yongkang general factory (including the ice plant, and Xinying factory), the Taichung General factory, the Yangmei General factory (including the Ruifang factory), the Zhongli General factory (including the Madou factory), TMR, logistics warehouses, the Taipei Branch, and the Hukou factory.
2. Greenhouse gas types: CO₂, CH₄, N₂O, HFC_s, SF₆

Reduction action

In order to achieve mid- and long-term reduction targets, we gradually replace fuel oil with natural gas which reduces air pollution, coupled with the implementation of annual energy saving programs including equipment replacement, equipment parameter optimization and production process control. In 2018, the total energy saving programs in each factory reduced 6,647 tCO₂e emissions and saving NT\$ 36.59 million.

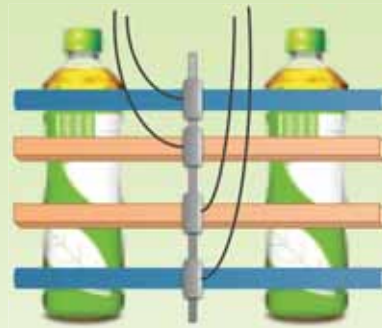
Yangmei Factory II - Optimization of PET Shrink Label

Steam reduction of	Reduced	Reduced expenses of
1,054.87 tonnes	1,982.1 tCO ₂ e	NT\$1.31 million

Reconstructing the heat shrinking furnace to narrow down the fall of production efficiency and steam consumption caused by shrinkage in the product's label.



Before



After

Note: The improvement of steam consumption is estimated by the onsite steam flow meter.

Hukou Bakery Factory - Optimize energy conservation of the Air Handling Units (AHU)

Annual energy saving of	Reduced expenses of
469.72 thousand kWh	NT\$1.29 million
Reduced	
260.23 tCO ₂ e	

Adjustment operation processes for the oven and packaging of the production stage, reduces the idling time of the AHU and the oven. It decreases the energy consumption between the gap of the idling time.



Note: The annual energy saving estimate is compared with the original energy consumption before the project is executed.

Madou bread factory - replacement of boilers

Annual gas reduction of

670.5 thousand kWh

Reduced expenses of

NT\$0.52 million

Reduced

125.97 tCO₂e

The existing boiler equipment has been replaced by a once-through boiler to improve the boiler's efficiency.

Note: The annual gas saving estimate is compared with the original gas consumption before the project is executed.



Xinshi Beverages Factory- replacement of the chilled water system

Annual energy saving of

279.42 thousand kWh

Reduced expenses of

NT\$1.11 million

Reduced

154.8 tCO₂e

The existing chilled water system is replaced by a high efficiency flooded water chiller to enhance operational efficiency.

Note: The annual energy saving estimate is compared with the original energy consumption before the project is executed.



In order to systematically promote energy management, our Hukou Plant acts as a demonstration factory, passed the certification of the ISO 50001, and promoted 6 energy conservation projects in Hukou Plant according to the implementation of ISO 50001, which is expected to reduce 478.6 tCO₂e per year. In the future, we will evaluate the introduction of ISO 50001 in other plants to gradually improve energy management.

Water resources management

GRI 103

Significance to Uni-President

Uni-President has a high dependence on water in the process of product manufacturing. Although there is sufficient rainfall in Taiwan, water resources are unevenly distributed, and on top of that, climate change has recently intensified torrential rain and water depletion, which increases the complexity of water management. Thus, we regard water as a major environmental and operational issue, and will dedicate efforts to improve our resilience and adaptation on water resource management.



Management strategies

To avoid different risks in water resources, Uni-President has three perspectives, including resource development, resource saving and emergency response, and manages water resources based on the energy management team’s hierarchical management system. We also held regular meetings to discuss issues related to water resources, set up policies, and review the performance of water conservation, as well as integrate water conservation concepts into details of planning, design, production and working environment via various means such as posters, slogans and training courses.

Risks and management of water resources

Source	Topics	Response actions
Legal	<ul style="list-style-type: none"> • Response to laws and regulations Regulations governing the imposing of water conservation charge (draft) Water Pollution Control Act 	<ul style="list-style-type: none"> • Establish water condition response teams to closely monitor water consumption in each factory and water condition in all areas. • Acquire green building certification for all new factory buildings. • Invest in and upgrade environmental equipment. • Target setting and supervision of water quality
Disasters	<ul style="list-style-type: none"> • Insufficient water resources • Increased possibility of rainstorms and floods 	<ul style="list-style-type: none"> • Establishing the Natural Disasters Response SOP and drilling emergency response regularly. • Promoting water conservation projects to enhance water-use efficiency. • Equipping all new factory buildings with the stormwater harvesting system. • Establishing a water rationing response plan

Targets for management

Targets for management	Achievement rate	2018 Key Achievements	Procedures and targets for sustainability
Supervise water condition to ensure stable production	●(Already achieved the phased target)	<ul style="list-style-type: none"> • No production loss due to water scarcity in 2018 	<ul style="list-style-type: none"> • Supervise water conditions and continue to optimize response measures and management mechanisms
Enhance the efficiency of water consumption	●(Already achieved the phased target)	<ul style="list-style-type: none"> • Promote water conservation, with total water saving of 90,670 tonnes and reduced management cost of NT\$1.12 million. • Increased water reclamation rate of 7% compared with that of 2017 	<ul style="list-style-type: none"> • Continue to optimize the efficiency of water consumption in each factory and introduce water conservation programs
Reduce wastewater discharge - Annual COD average intensity below 70mg/L	●(Already achieved the phased target)	<ul style="list-style-type: none"> • The improvement project of wastewater treatment in Xinshi factory has been commissioned, which is expected to reduce management cost by NT\$1.2 million/year. • COD average intensity decreased by 20% in 2018 compared to that of 2017 	<ul style="list-style-type: none"> • Annual COD average intensity below 65 mg/L in the short-term (1-3 years) • Annual COD average intensity below 60 mg/L in the mid- and long-term (3-5 years) • Continue to optimize wastewater management mechanisms to ensure wastewater discharge is in compliance with relevant laws and regulations

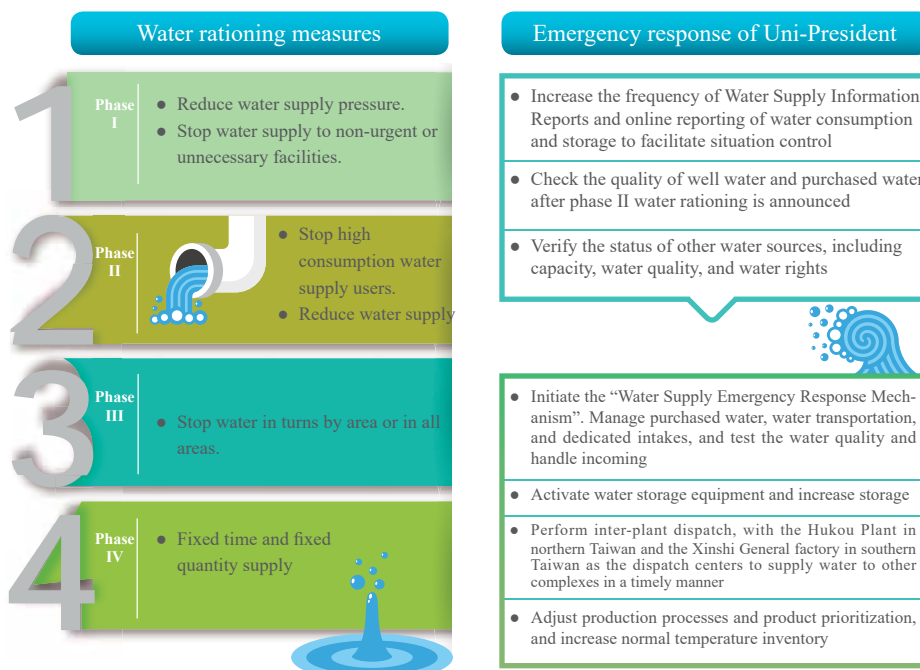
Supervision, response and adjustments on water resources

Uni-President's products are closely related to water resources. Hence, we have set up a water resources response team to prevent production losses caused by water instability. The manager of the technical group is appointed as the convener, and is responsible for cooperating between all relevant units and assigning work duties in order for different units to jointly develop response plans and strengthen the coordination between the emergency response team. We also signed a sales and purchase agreement with the water supplier, agreed on reasonable transportation costs with the water carrier, and effectively controlled its schedule to ensure water supply during water scarcity. 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.

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



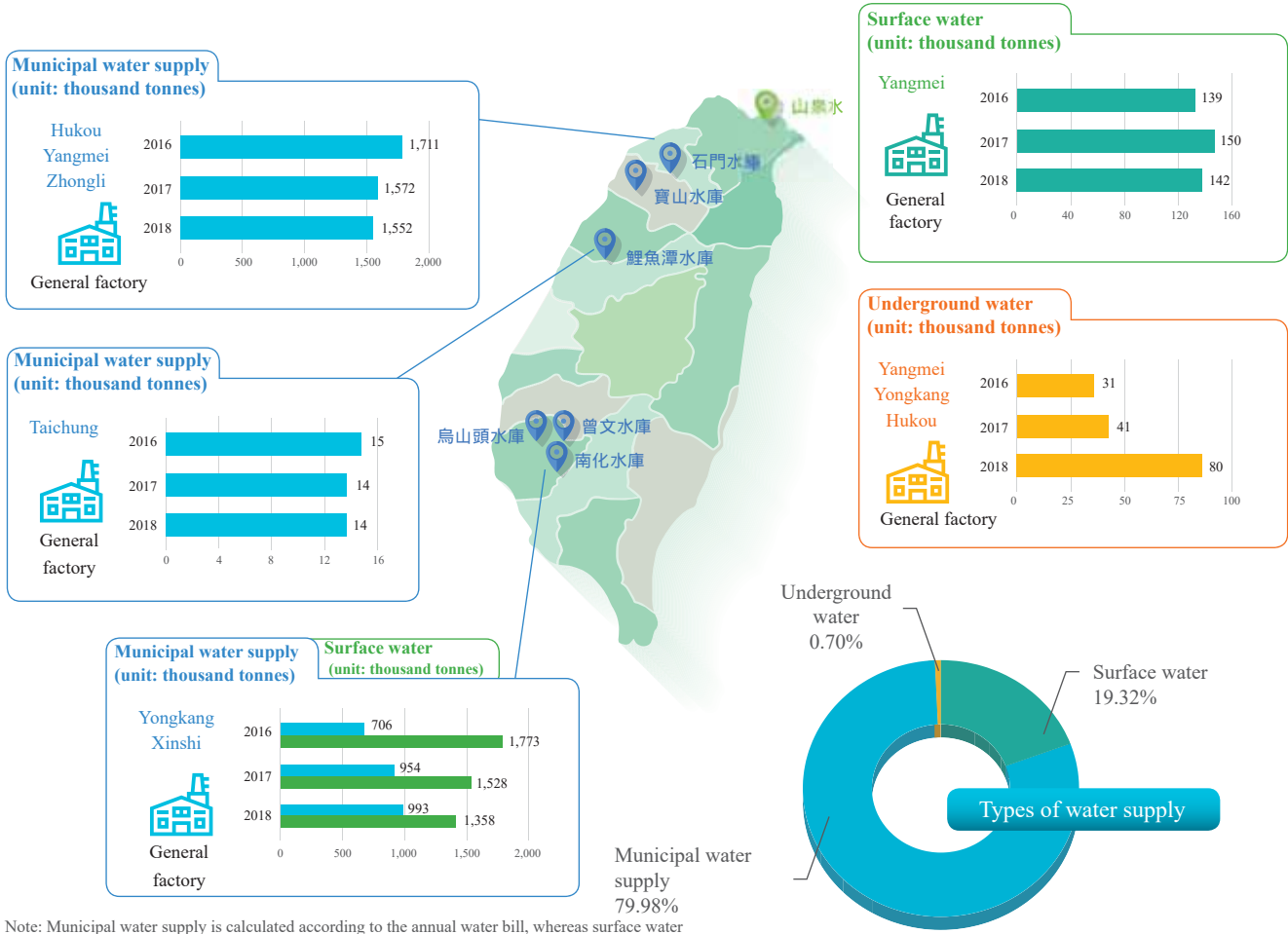
Water Shortages Countermeasures of Uni-President



Water consumption analysis in production areas GRI 303-1

In 2018, our factories in Taiwan consumed 4,375,000 tonnes of water (municipal water supply of 3,499,000 tonnes, surface water of 845,000 tonnes and underground water of 31,000 tonnes). The total water consumption increased by 2.7% compared to 2017 mainly due to the increased output. We will continue to enhance water use efficiency to mitigate impacts on water consumption driven by production output.

Water consumption in 2018

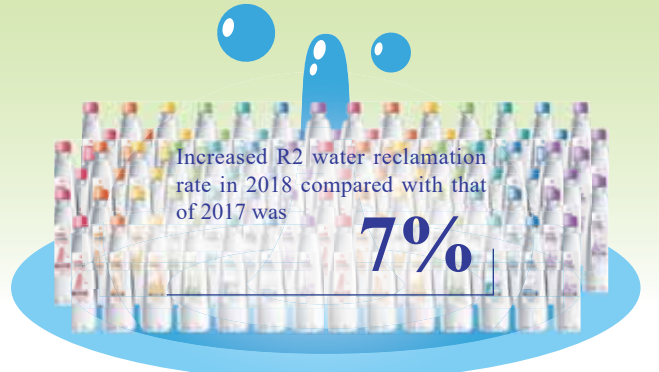


Note: Municipal water supply is calculated according to the annual water bill, whereas surface water and ground water are calculated according to the meter reading.

Water conservation action

Apart from the water consumption that is required in the production process, we actively promote efficient water usage in the plant via the 4 types of water conservation strategies and introduction of water saving programs. For reclaimed water in 2018, a total of about 1,907,380 tonnes of water was reclaimed from steam condensate, RO wastewater, water recycled from processes, and circulation water from washing towers, of which R2 (excluding circulation water for the cooling tower) has a reclamation rate of 27.4%, which increased by 7% compared to that of 2017.

The water saving project has saved 90.67 thousand tons of water in 2018, which is equivalent to 165,000 bottles of Uni-water.



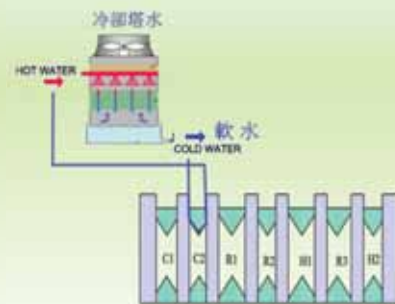
4 types of water conservation strategies

Water source cultivation	<ul style="list-style-type: none"> • Stormwater: Equip all new factory buildings with the stormwater harvesting system to harvest stormwater for use by the cooling tower and toilet flush • Air- conditioning 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 factory for the reference of calculating factory’s 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.

Xinshi Milk Factory Recycling cooling water

Conserved volume of
8,600 tonnes

1. Build a new cooling tower to recycle the soft water in the first cooling section, to be reused in the cooling tower after it is cooled down, in order to increase the recycling rate of the cooling water.
2. 9 barrels of finished products in the newly finished product zone are cooled down by soft water in the cooling tower to reduce the use of sterilized soft water.



Note: The water saving estimate is compared with the water consumption of the original process before the project is executed.

Xinshi Refrigeration Factory Recycling of defrost water for refrigerators

Conserved volume of
2,470 tonnes

1. Modify the defrosting discharge pipeline and valve for the ingredient/material freezers, discharge defrost water into the collecting tank and recycle it to the defrost water storage tank, in order to recycle defrost water and reduce water consumption and wastewater treatment expenditures.
2. Adjust the defrosting process for recycling defrost water, so that the temperature of recycled defrost water is between 15 °C and 18 °C, and the defrosting temperature of the refrigerator is suppress from rising by 5 °C (the storage temperature is 9 °C → 4 °C), which reduces electricity used for cooling during the defrosting process.



Note: The water saving estimate is compared with the water consumption of the original process before the project is executed.

Yangmei General Factory Recycling reclaimed water by the industrial soft water system

Reclaimed water of
9,000 tonnes

1. We set up the reclaimed water recycling process of the industrial soft water system. During the process, backwashing water is recovered to the sedimentation tank, the sediment is added with chlorine, and then filtered into recycled clean water.

Note: The reclaimed water estimate is compared with the original recycled water before the project is executed.

Wastewater Management GRI 306-1

Uni-President's types of wastewater are mainly organic wastewater, oil and suspended solids. We have set up wastewater treatment equipment for each factory, of which wastewater is discharged after front-end pretreatment and biological treatment, or directly discharged into wastewater treatment plants in the industrial zone. In order to comply with national discharge standards, we have established strict standards to inspect the functions of wastewater treatment plants and the concentration of discharged water in each factory. We have also set up targets for management on annual wastewater quality as the basis for assessing management effectiveness. In addition, the Xinshi factory improvement project is expected to be completed in June 2019, which will not only improve wastewater treatment efficiency and increase wastewater treatment capacity, but will also save freshwater pollution costs, drug waste and sludge disposal costs of NT\$1.2 million per year.

Wastewater management and relative procedures



Wastewater Management Targets and Achievements of Uni-President

Annual targets for management		Target achievements
2018	Annual COD average intensity below 70mg/L	● (Already achieved)
Short term (1-3 years)	Annual COD average intensity below 65mg/L	● (In progress)
Mid- and long-term (3-5 years)	Annual COD average intensity below 60mg/L	● (In progress)

In 2018, the factories discharged only 3,082,980 tons of plant wastewater, which showed a downward trend in the past three years. The COD average intensity was 34.07 mg/L, which was significantly lower than the custom target of 70 mg/L, while the average COD reduction equivalent remained the same compared with 2017.

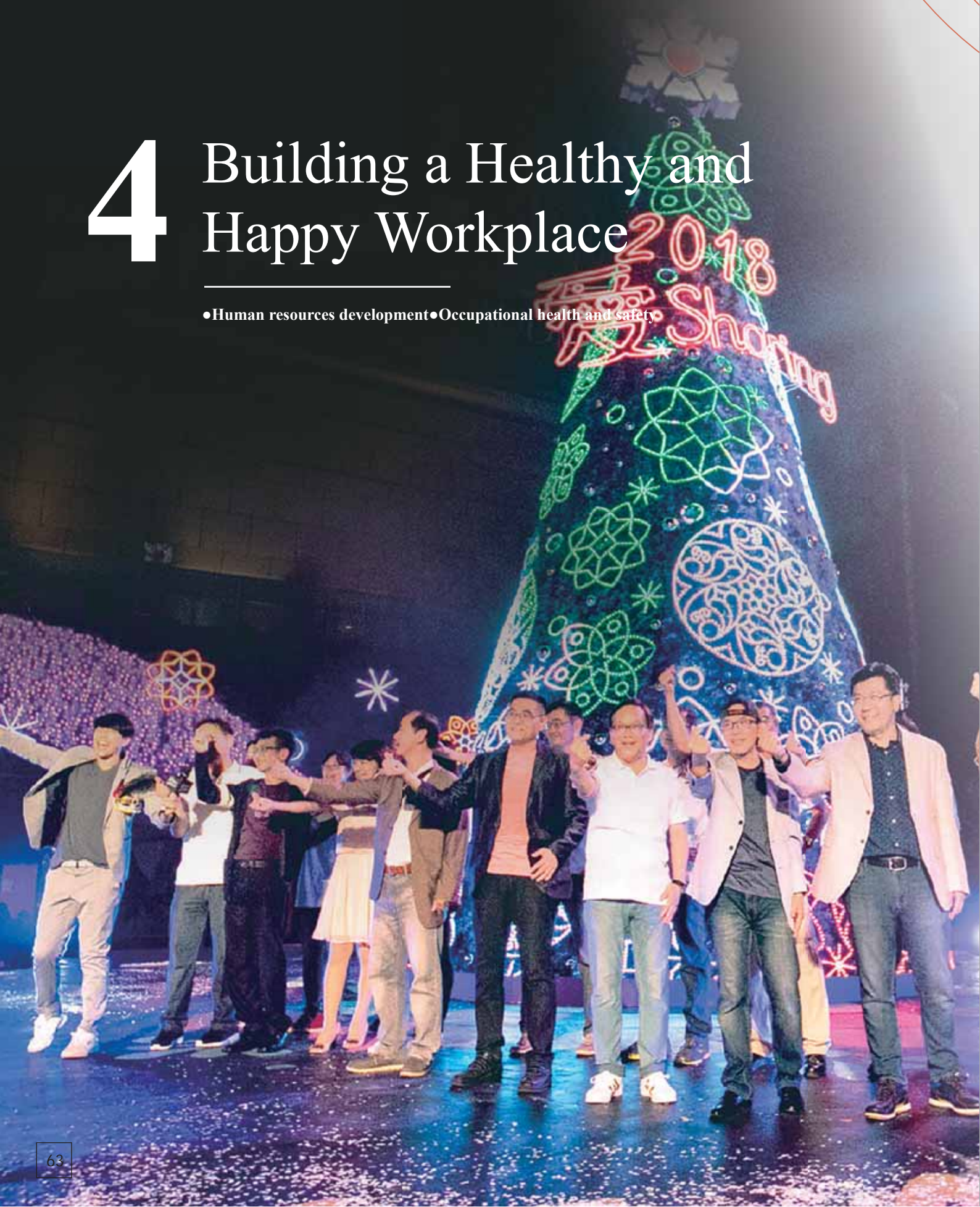
Wastewater Discharge in 2018

Wastewater Management Items	Unit	Annual discharge		
		2018	2017	2016
Discharge volume	tonnes/year	3,082,980	3,114,307	3,232,004
COD average intensity	mg/L	34.07	42.59	35.7
COD equivalent reduction	thousand tonnes	5.184	6.544	6.474
Average COD equivalent reduction	%	98.01	98.01	98.25
BOD average intensity	mg/L	8.81	11.17	8.1

4

Building a Healthy and Happy Workplace

•Human resources development•Occupational health and safety



Human resources development

GRI 103

Significance to Uni-President

Talents are the basis of business operations. We regard sufficient and high-quality human resources as an important factor for sustainable growth. The Ministry of the Interior announced that people of working-age had hit a 10-year low, which accounted for 72.52% of the total population by the end of 2018, indicating increased pressure for elderly care, and further highlighting the problem of a declining birthrate and aging population which thereby affect the development of human resources.

In addition, according to the “2018 Manpower Shortage Survey” of Manpower Group in the US, Taiwan’s manpower shortage ranked third in the world, and second only to Japan in the Asia Pacific region, which was the highest rank since Taiwan was included in the survey in 2006. In the 2018 IMD World Talent Report (IMD) in Switzerland, Taiwan ranked 27th in the 63 countries or regions, which was 4 less compared to 2017. In terms of talent development, Taiwan encountered a fall in rankings on attracting and retaining talents, which indicates that development of human resources is an overall problem in Taiwan.



Management strategies

Uni-President upholds the concept that “talent is the foundation of corporate growth”. Uni-President’s employees are very loyal to the company. Despite the low turnover rate, they also face the trends and risks of the aging and declining population in society. Therefore, we adhere to “professional skills, career development, and lifelong learning”, recruit diversified talents, and attract overseas employees in order to enhance the breadth and depth of human resources.

Hence, Uni-President is committed to stimulating the potential of employees, cultivating talents, setting up a dedicated unit for education and training, and building a learning organization. Thus, in accordance with internal regulations, employees of more than 60 years old are appointed as a project aide/senior commissioner to assist other employees in order to respond to the change of generations. With that, the senior employees can give play to their expertise to help foster new talents, while creating good business features and corporate culture, providing multiple benefits for employees, maintaining smooth communications between the labor force and management, complying with labor laws and regulations, while prohibiting any form of discrimination that infringes on an employee’s dignity and human rights, in order to continue to improve competitive advantages of employees and Uni-President towards excellence and a win-win situation. There were no violations of laws or regulations related to the economy in 2018.

2018 Targets for management	2018 Achievement rate	2018 Key Achievements
Create a reasonable and fair working environment	●(Already achieved)	Optimize internal management regulations and procedures
Diversified talents in Uni-President	●(Already achieved)	Number of recruited Management Associates and foreign employees



Vision and concepts

- Employee and family care
- Create a fair working environment
- Cultivating talents

Human resources profile

GRI 102-8

GRI 405-1

Uni-President's employees are very loyal to the company. Despite the low turnover rate, they also face the trends and risks of the aging and declining population in society. In 2018, there were 105 people at retirement age. Thus, in accordance with internal regulation, employees of more than 60 years old are appointed as a project aide or a senior commissioner to assist other employees in order to respond to the change of generations and enhance the breadth and depth of human resources, and the recruitment of MAs and foreign employees are expanded to keep up with the business development, in the hope to create more value for the company.

New/terminated employees

New employees					
Gender Age	Domestic employees		Foreign employees		Total
	Male	Female	Male	Female	
Aged below 30	60	36	16	3	115
Aged 30-50	18	8	0	0	26
Aged above 50	1	0	0	0	1
Total	123		19		142

Terminated employees					
Gender Age	Domestic employees		Foreign employees		Total
	Male	Female	Male	Female	
Aged below 30	43	15	1	0	59
Aged 30-50	46	23	0	0	69
Aged above 50	84	12	0	0	96
Total	223		1		224 ^{Note 1}

Workforce distributions

Governance units and total employees			
	Male	Female	Total
Governance unit	9	4	13
Employees	3,345	2,020	5,365

Uni-President aims to create a fair working environment and has dedicated efforts to ensure equal rights and interests to the employment. In 2018, the number of employees with disabilities totaled 92, accounting for 174%^{Note 3} of the total statutory number of employees^{Note 2}.

Note 2: According to Article 38, paragraph 2 of the People with Disabilities Rights Protection Act, the private schools, groups and private institutions whose total number of employees is more than 67 shall employ disabled people with disabilities with capability to work and the number of employees with disabilities shall be no less than 1 percent of the total number of the employees and no less than 1 employee.

Note 3: The percentage of the total number of disabled employees/statutory number of employees

Note 1: There were 105 people at retirement age in 2018.

Employee type and gender					
Gender Age	Domestic employees		Foreign employees		Total
	Male	Female	Male	Female	
Full time	3,330	2,017	15	3	5,365
Temporary	80	81	0	0	161
Total	5,508		18		-
Full time	3,330	2,017	15	3	5,365
Part-time	80	81	0	0	161
Total	5,508		18		-

Diversified employees

Uni-President attaches great importance to talent diversification, and hires different types of employees, including aboriginals, the physically and mentally disabled, and foreign employees, which account for 2.37% of the total number of employees.

Gender Age	Total employees								Total
	Senior level		Mid-level		Base level		General		
	Male	Female	Male	Female	Male	Female	Male	Female	
Aged below 30	0	0	1	4	5	1	359	204	574
Aged 30-50	24	20	240	139	296	19	995	1,085	2,818
Aged above 50	170	13	260	41	251	7	744	487	1,973
Subtotal	194	33	501	184	552	27	2,098	1,776	5,365
Total	227		685		579		3,874		

Total Absenteeism in 2018

(Unit: 200,000 worked hours)

Male	606.25
Female	936.97

Diversification of talent recruitment and training GRI 404-1 GRI 404-2

In order for better talent development and training, Uni-President established a dedicated unit for education and training in 1982, which was approved by the government in 1996 and formally became an education and training center for Uni-President. The company actively develops talents, plans learning maps for all levels of employees, and deeply cultivates the functional training of all levels of talents, while developing a group platform for resource sharing, in the aim to attract, develop and retain more talents.

Uni-President was ranked as 8th for the “Top 100 Most Popular Employers in the New Generation” by Cheers Magazine, and is the Top 1 in commodity manufacturing. This honor suggests that our outstanding operational performance and efforts to build a well-established training system have earned recognition among the youth.

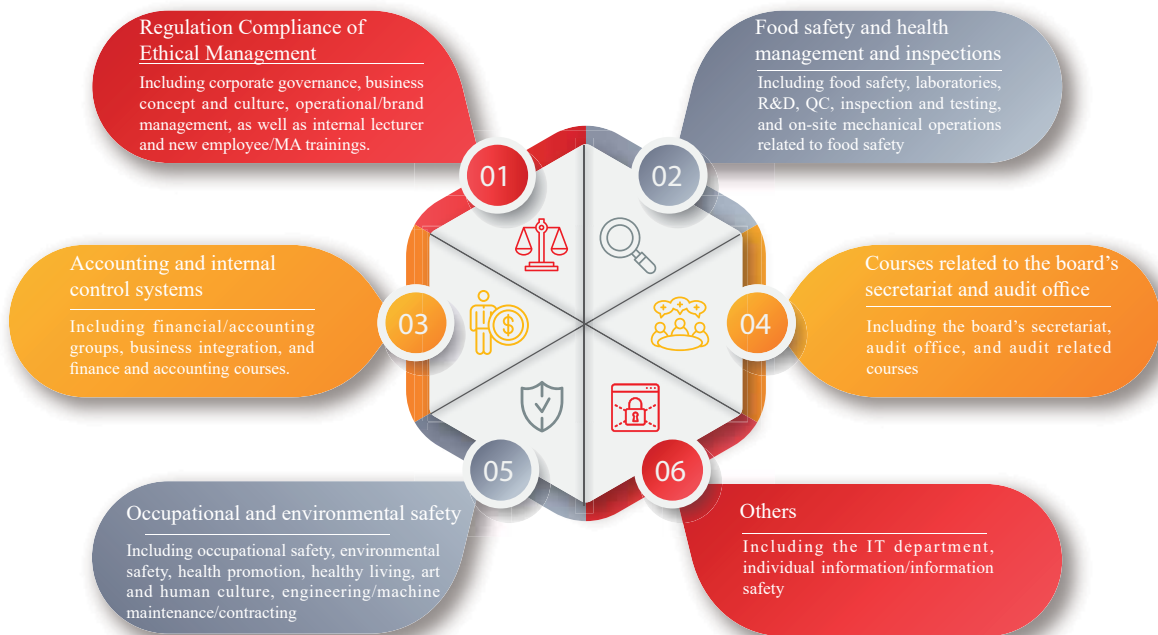
2018 Education and training courses

Uni-President cultivates multiple talents according to functions including general, management, professional skills, physical and mental health and self-development. In addition, we pay special attention to the concept of ethical management. Thus, we planned six main courses including regulation compliance of ethical management, food safety and health management and inspections, accounting and internal control systems, courses related to the board’s secretariat and audit office, occupational and environmental safety, and others. We not only conduct internal training courses, but also external training to discover employees’ talents, and enable employees to broaden their views in the hope to achieve continuous development and innovation for the company.

Course



Ethical Management Courses





In 2018 we invested a sum of NT\$22.55 million in employee learning resources, i.e. NT\$4,204 per employee on average. The average training length for each employee was 34.58 hours, which increased by 0.87 hours compared to that of 2017. In addition, we also develop relevant training regulations for different levels of employees. The minimum training hours per year for senior level managers, mid-level managers and base level employees are 36 hours, 30 hours, and 24 hours, respectively.

Total Training Hours of Employees in 2018

2018	Male		Female		Total training hours per person	Total number of persons
	Number of hours	Number of persons	Number of hours	Number of persons		
General employees	48,838.5	20,673	29,271.5	14,409	78,110.0	35,082
Base level	36,251.0	11,830	18,259.0	2,252	54,510.0	14,082
Mid-level	29,629.0	8,809	11,360.5	3,491	40,989.5	12,300
Senior level	10,046.5	3,399	1,867.5	645	11,914.0	4,044
Total	124,765.0	44,711	60,758.5	20,797	185,523.5	65,508

Welfare system GRI 401-2 GRI 401-3

Uni-President has maintained a reasonable and fair working environment via mechanisms such as the promotion system, salary raise, performance appraisal, rewards and punishments, and regularly reviews management regulations over a certain period. It's management systems are in line with the changing world, such as responding to current prices and consumption standards, and amendment of business travel rules, in the hope to motivate employees by improved employee welfare and care, as well as the sound salary and welfare system. We also allow employees to notice the value of their work and feel respected to enable Uni-President's employees in self-development while contributing to our development.

2018 Welfare system, items, and expenses

We share our interests on business management to our employees, and continue to commit to improve the software and hardware facilities and quality of employees' food, clothing, housing, transportation, education, and entertainment. In addition, we also have a comprehensive welfare system and provide care for employees in the aim to create a happy working environment.

Employee welfare

In addition to venues for recreation and exercise, including the library, recreation room, staff lounge, table-tennis room, pool ball room, and basketball court, we provide employees with dormitories, cafeterias, carparks, a company bus, daycare and breastfeeding rooms.



All employees enjoy Labor Insurance, National Health Insurance, group insurance, travel allowance, marriage allowance, birth allowance, children education allowance, funeral allowance, birthday cash gift, retirement reward, gifts on three major folk festivals and special offer items, and health examination.

In addition to special offer items and staff discounts for purchasing Uni-President products, employees enjoy the statutory maternity leave, paternity leave, and parental leave. Women workers pregnant for over 32 weeks may apply for paid prenatal maternity leave.

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 2018 (A)	4	31	35
Estimated number of employees reinstating after parental leave of absence in 2018 (B)	4	18	22
Actual number of employees reinstating after parental leave of absence in 2018 (C)	2	16	18
Actual number of employees reinstating after parental leave of absence in 2017 (D)	4	18	22
Number of employees continuing service 12 months after reinstating from parental leave of absence in 2017 (E)	2	17	19
Reinstatement rate (C/B)	50%	89%	82%
Retention rate (E/D)	50%	94%	86%

Average salary of full-time employees in non-management positions

Uni-President maintained a reasonable and fair working environment, with the fair pay rule such as equal pay between men and women, as well as between foreign workers and local workers.

In accordance with Article 4 of the Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TPEX Listed Companies, we disclose the average salaries of the full-time employees^{Note 4} in non-management positions as shown on the right. In 2017, we shared profits with employees on the disposal of long-term equity investment, which caused a higher average salary of the full-time employees in non-management positions than that of 2018. Apart from the impact of this major event in 2017, we also continue to raise employee salaries every year.

Year	Full-time employees in non-management positions	Average salary of full-time employees in non-management positions (NT\$ thousand)
2018	5,291	1,160
2017	5,369	1,172
Difference	-78	-12

Note 4: In 2017, the employees in non-management positions are employees apart from managers defined in Letter No. Tai-Cai-Zheng-san-zi No. 920001301, whose working hours meet the specified normal working hours of Uni-President.

Communication and employee rights

GRI 102-41

At Uni-President, we attach great importance to positive relationships between employees and 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. In addition, Uni-President also attaches great importance to human rights issues, formulates policies related to human rights^{Note 5}, complies with local labor laws, and prevents violation of human rights.

The Uni-President trade union has been established for more than 40 years and actively conducted employee meetings and maintained their freedom of speech. As of the end of December 2018, there were a total of 5,311 members, accounting for 99% of total employees. In the trade union, the highest priority has been given to safeguarding and fighting for members' rights and interests, and the negotiation results are presented in the form of Group Agreements. The Group Agreements were approved by the 17th term of the 10th board of directors in November 2017, and is valid from January 1, 2018 to December 31, 2020. The employers and employees have high consensus on maintaining the traditional harmonious interaction and continue to develop a win-win situation for the working environment.

Note 5: Please refer to the company website <https://www.uni-president.com.tw>

Occupational health and safety

GRI 103

Employees spend at least one-third of their time every day in the workplace, and any occupational accident or illness, regardless of the length of time, will result in serious loss to the company, bring harm to employees, and affect Uni-President's production and business operations. Therefore, given that work and working environment may bring material impact to the company, it is the company's responsibility to create a safe and healthy working environment and maintain the physical and mental health of employees.

Significance to Uni-President

Uni-President pays great attention to the safety and health of employees, and helps employees feel safe and assured in their work, and has established sound regulations for matters such as road safety, pre-employment physical examinations and annual health check-ups, safety education and advocacy, mechanical equipment maintenance and repairs, the use of protective gear, and safety work practices for on-site employees, in order to prevent occupational disasters, improve safety quality, and create a safe and comfortable working environment.

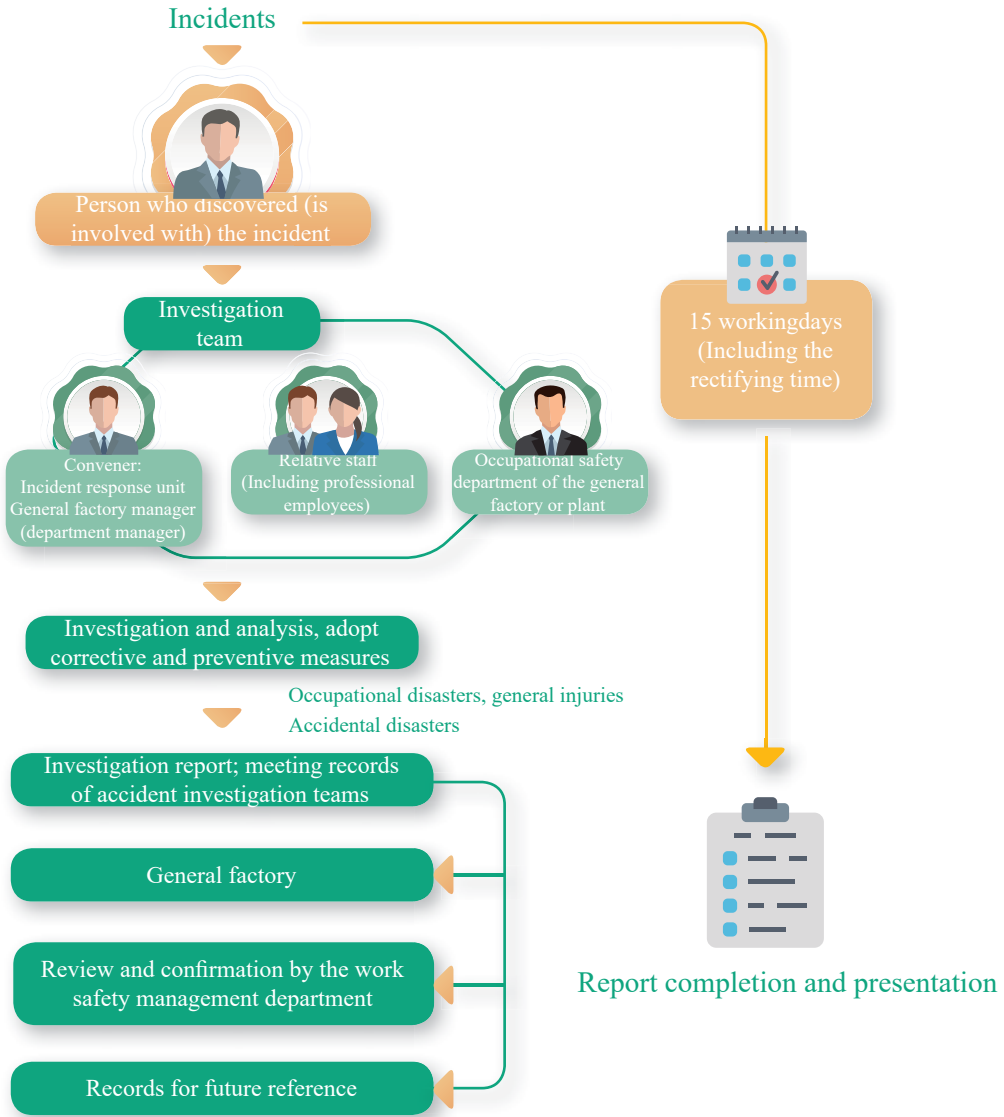
Management strategies

Uni-President adheres to safety principles for building a safe, comfortable and healthy workplace to ensure the safety of all employees. It has conducted various types of occupational safety education and training and advocates relative via systematic safety and health management and health care management in order to enhance and implement occupational safety. In terms of contractors, all contractors and outsourced workers of Uni-President's plants are considered employees, and are required to comply with the company's safety and health regulations. Furthermore, contractor safety seminars were organized on an annual basis in order to exchange ideas and improve communication between both parties. Construction safety inspections were conducted by the occupational safety room, engineering division, and the occupational safety department of Uni-President's general factories to jointly prevent occupational disasters through guidance and reviews, which thereby improve the safety quality, and implement "self-protection, mutual care and supervision" with the hope to achieve the ultimate goal of "zero disaster" under continual improvement.



Accident investigation and relative procedures

Applicable to accidents such as occupational disasters, general injuries, and accidental disasters.



Targets for management

Targets for management	Achievement rate	2018 Key Achievements
Building a dynamic and high-quality workplace	● (Already achieved)	Awarded the 2018 Taiwan i Sport mark
Occupational safety level 3 auditing	● (Already achieved)	Deficiencies tracking and improvement
Organize health promotion courses	● (Already achieved)	Recognize occupational stress and overworking
Conduct general and special health check-ups	● (Already achieved)	Hierarchical management and tracking

Vision and concepts

- Zero occupational disasters
- Improve safety and quality
- Enhance physical and mental health of employees

Occupational health and safety management system

An OHS management system is implemented through the identification, risk assessment and control of hazard factors to reduce the hazard risk to employees and improve the enterprise safety culture through systematic and continuous improvements. Uni-President's Yongkang General Factory, Xinshi General Factory, Yangmei General Factory, Zhongli General Factory, Taichung General Factory and Hukou Plant were all certified by the occupational safety and health management system OHSAS 18001 (Occupational Health and Safety Assessment Series) and CNS 15506 (Taiwan Occupation Safety and Health Management System, originally named TOSHMS). In the two production management diagnosis meetings each year, we enable each unit to report the performance and exchange experience of OHS management and actively implement employee safety and health care, in order to raise the level of overall safety and health protection.

Occupational Health and Safety Committee GRI 403-1

The company has established a safety and health committee for the whole company and general factories/parks, and held 1 meeting every three months to review matters related to occupational safety and health, for example: review of occupational disaster investigation reports, review of safety and health education and training programs, review of health management and health promotion matters, review of safety and health performance, and review of monitoring reports for the operating environment.

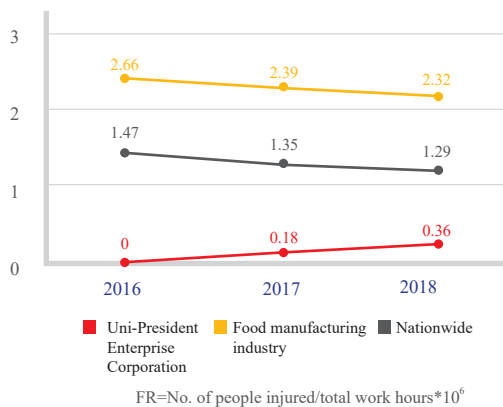
Occupational Health and Safety Committee

Total members in the committee	81
Number of workers in the committee	27
Total employees	5365

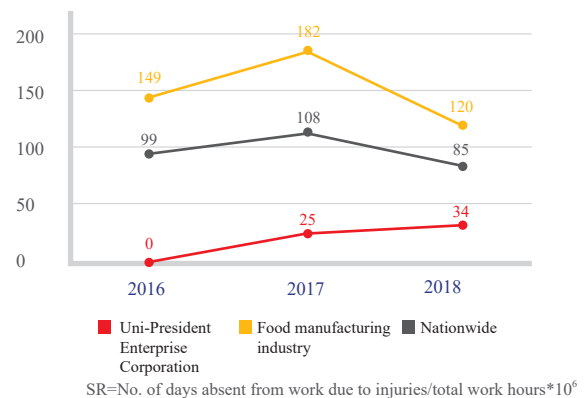
Occupational safety performance GRI 403-2

Uni-President has specially formulated the "Incentives for Accumulated Disaster-Free Days" and "Disaster-Free Incentive Measures" in order to motivate employees to be aware of occupational safety and health and prevent occupational disasters. The units and employees who reach the accumulated disaster-free days or disaster-free working hours will receive bonuses or incentive awards.

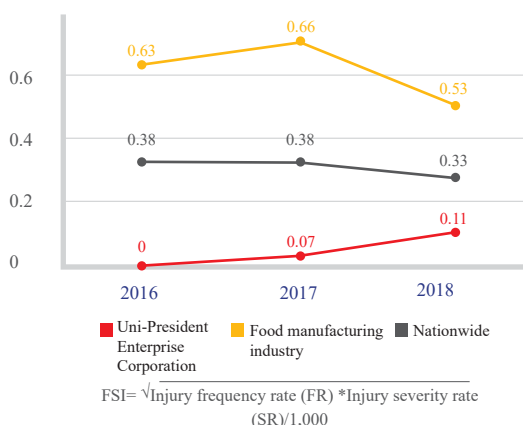
Injury frequency rate (FR)




Injury severity rate (SR)




Frequency-Severity Indicator (FSI)



Total Work Hours of Employees in 2018 (unit: hours)


6,890,195
Male


4,047,046
Female

Enhance the concept of occupational health and safety

Internal training and education

Considering that corporate safety culture is the source of promoting occupational safety and health, Uni-President specially designed 15 SOP teaching plans for the work safety topics to develop and strengthen the employees' awareness on occupational safety. The plans include fire safety equipment management, hot work management, emergency response management, employee health monitoring management, operating environment monitoring management, hazard identification, risk assessment and control management, hazardous materials management, change management, confined space management, contract engineering safety and health management, electrical safety management, outsourcing contractor safety and health management, safety observations management, stacker safety management, and free radiation safety management. In 2018, the number of occupational and environmental safety related courses totaled 81,816.5 hours and 30,395 employees.



Sharing and exchange

In addition to internal education and training related to occupational safety, we also cooperated with the Labor Affairs Bureau of Tainan City Government for a long period of time to conduct the "Health and Safety Family Education and Training" with the spirit of "Large Factories Support Small Factories" and "Forever Safety and Health". The main training subjects were the contractors of Health and Safety Family Education and Training and the Uni-President plant manager and safety and health management staff. The family members understand more on the Occupational Safety and Health Act through mutual exchanges, mutual learning and development. We manage the safety of equipment from the source, ensure relevant the system of employees' physical and mental health, implement a sound safety and health system, and thereby achieve disaster prevention and promote occupational safety and health.



Building a Healthy Workplace

Health examinations; description of high-risk occupational diseases GRI 403-3

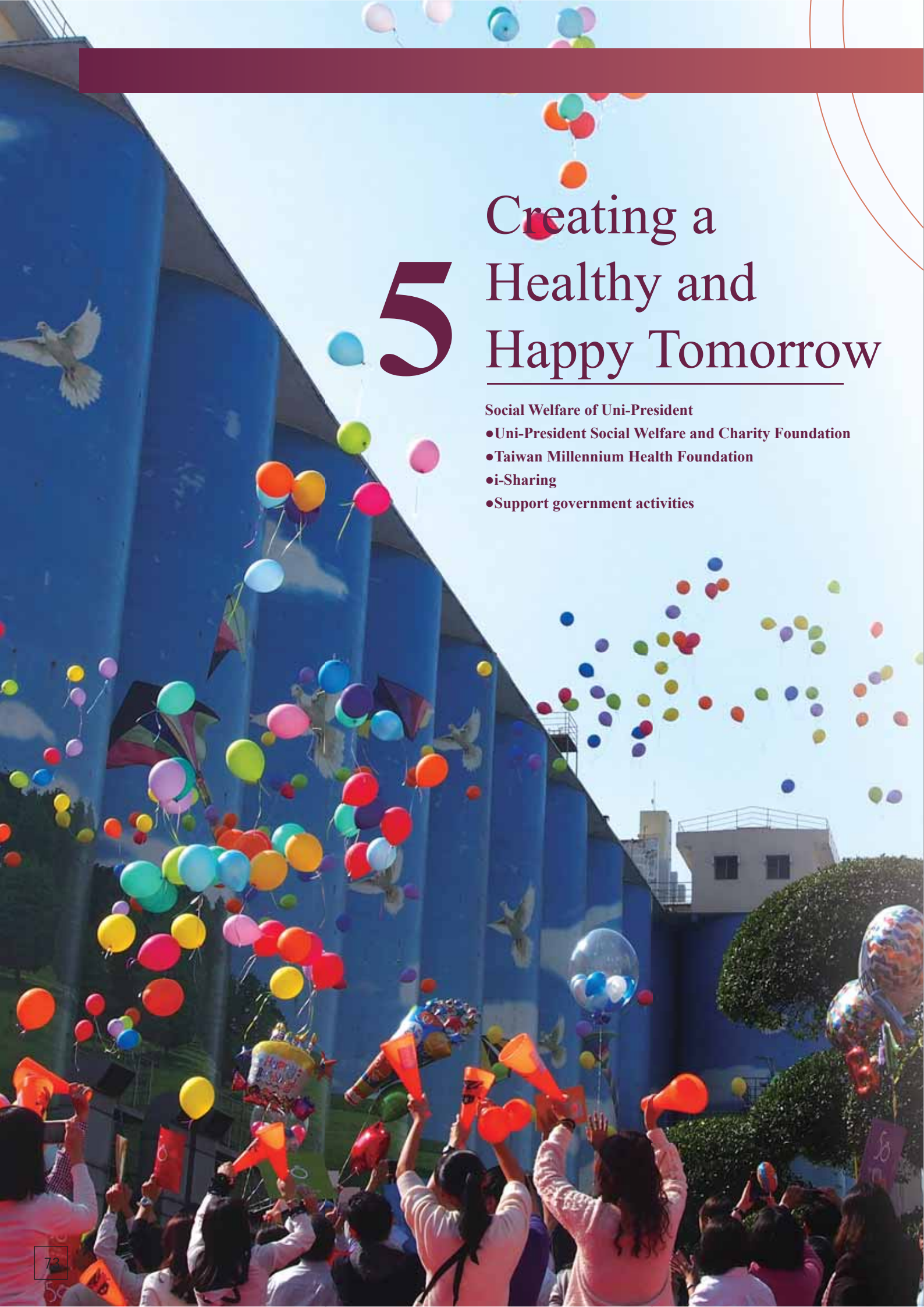
In order to provide employees with a safe and healthy working environment, Uni-President performs employee health check-ups on a regular basis. In 2018, we invested around NT\$618 million in employee health check-ups for a total of 5,206 employees, and analyzed anomalies and traceability management according to the 2018 employee health check-up report. Due to industrial characteristics, some of our operating areas have noise pollution that are particularly harmful to health in workplaces. Therefore, we specialize in special health check-ups for noise to ensure the safety and health of our employees. There were 240 employees who participated in the health check-ups for noise. After that, we performed relevant monitoring and improvement measures according to the health check-up report, such as improvement on the source of environmental noise pollution, as well as wearing earplugs or earmuffs.

Taiwan i Sport mark

The health of employees is Uni-President's largest asset, we proactively organized various health promotion activities and health talks in order to establish a good working environment for employees. We also encourage employees to participate in sports activities and competitions, and we were awarded the two-year Taiwan i Sport⁶ mark from the Sports Administration, Ministry of Education, in 2018, indicating that Uni-President has established a dynamic and high-quality working environment.



Note 6: Taiwan i Sport mark application procedures: <https://2018isports.gvm.com.tw/about.html>



Creating a **5** Healthy and Happy Tomorrow

Social Welfare of Uni-President

- Uni-President Social Welfare and Charity Foundation
- Taiwan Millennium Health Foundation
- i-Sharing
- Support government activities

Social Welfare of Uni-President

GRI 413

With rapid changes in society in recent years, there are increasingly more vulnerable groups that need external assistance, in order to have the opportunity of creating a peaceful and beautiful life. Starting from the core business, Uni-President cares for vulnerable groups in society and advocates physical and mental health, in order to bring hope to families of vulnerable groups and deepen the concept of the general public on physical and mental health.

We have two foundations - Uni-President Social Welfare and Charity Foundation (Uni-President Foundation) and the Taiwan Millennium Health Foundation (Millennium Health). Uni-President provides care for vulnerable groups and promotes physical and mental health via the two foundations, in the hope to bring positive influence and create a sustainable society.

This chapter briefly describes the relationship between the action of the Uni-President Foundation and the Millennium Love Foundation and Uni-President's core business, as well as the focusing topics and key performances of the two foundations in 2018, and will present the implementation status of Uni-President Foundation, the Millennium Love, i-Sharing, and response to the government in 2018.



Uni-President Foundation

[Association with Uni-President's core businesses]

Uni-President has developed from flour factory to a leading enterprise for food and daily life products. We donate supplies and funds, donate funds for emergency support, empowerment and elderly care.

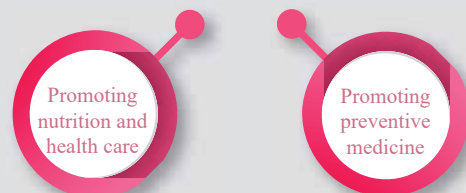


Millennium Love

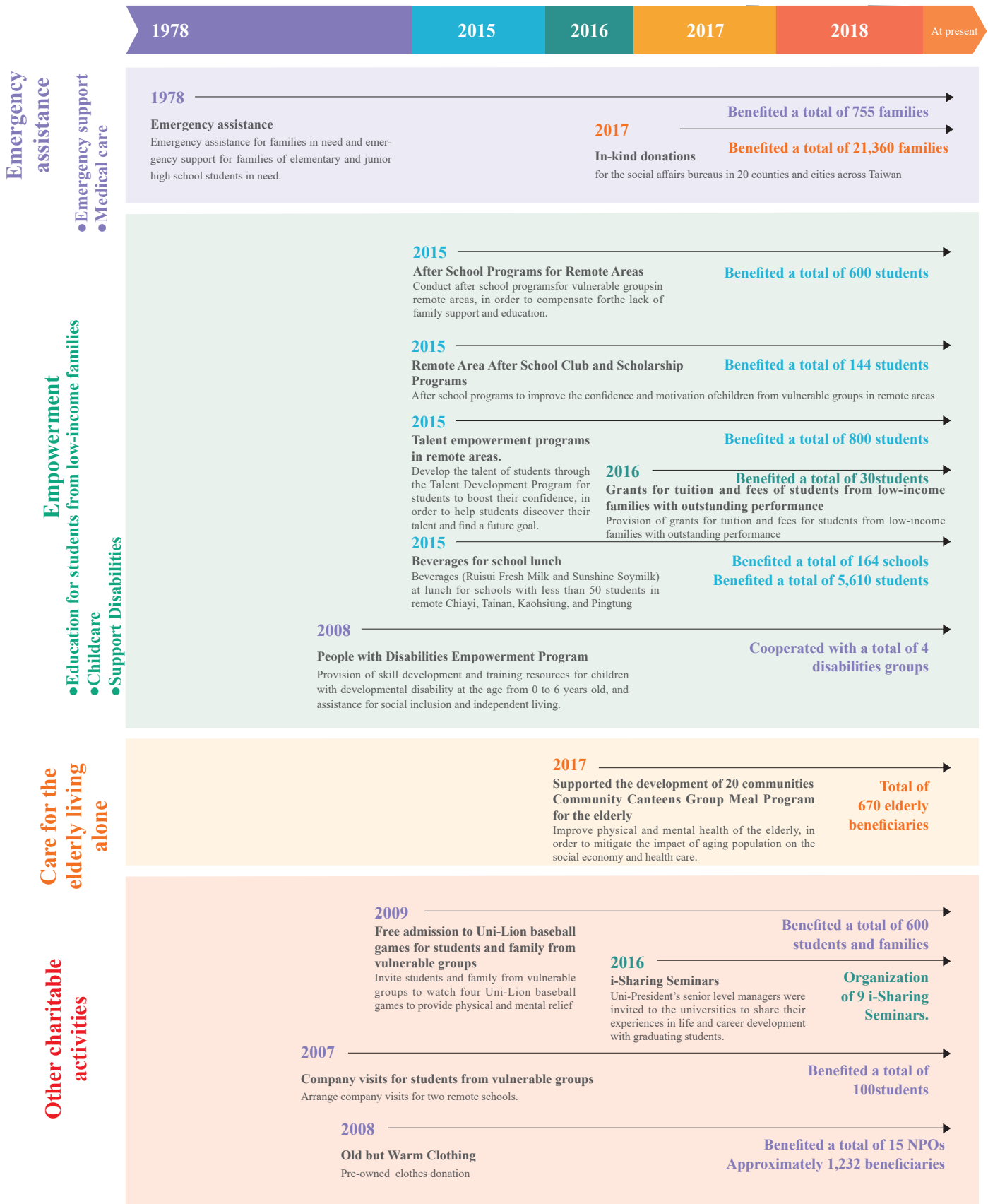
[Association with Uni-President's core businesses]

UPE and its affiliates provide commodities including grains, Dairy and Beverage Group, vegetarian food, General Foods Group, Baking Business Group and organic food. Food and beverages are related to public health. In addition, Uni-President and its affiliate - PCSC has become a part of people's daily lives in Taiwan. In order to provide social welfare, we promote physical and mental health care according to our professionalism in food production and ubiquity of people's daily lives.

[Focusing topics]



We rely on quantitative tracking and management to provide social welfare and maximize resource efficiency. Uni-President Foundation and Millennium Love continue to quantitatively track the implementation of social welfare programs to provide important reference for future development.



Emergency assistance

- Emergency support
- Medical care

Empowerment for students from low-income families

- Education for students from low-income families
- Childcare
- Support Disabilities

Care for the elderly living alone

Other charitable activities

64,080 beneficiaries **164** schools Invested **NT\$ 6,246,599** **670** elderly people

In-kind donation supported an additional of approximately 50,000 beneficiaries, adding up to a total of 65,000 beneficiaries Provision of beverages for school lunches, set up an additional 68 schools, adding up to a total of 164 schools Invested an additional NT\$0.6 million, adding up to a total NT\$6 million in the education program for vulnerable groups Group Meal Program at community canteens, participated by an additional 170 elderly people, which resulted in a total of 670 elderly people.



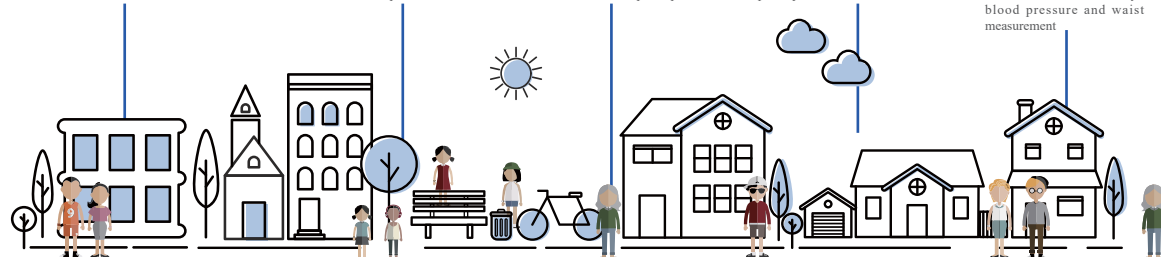
Taiwan Millennium Health Foundation



<p>2008 Millennium Health Station Set up Millennium Health Stations at 7-eleven convenience stores, which currently has 667 stations, each equipped with a blood pressure meter, waist circumference scale and health education leaflet.</p>	<p>2018 Millennium Health Station Operate 100 Millennium Health Stations, with multiple services such as icash, OPENPOINT, and ibon printing, in order to provide cloud services for self-care management Organized Millennium Health Station x YongLin Healthcare Internet Joint Press Conference and joint activities of "Intelligent Health Check-Ups".</p>	<p>Service approximately 3.7 million customers Used by a total of 720,000 customers</p>
<p>2008 National Health Examination Day Partnered with 667 7-eleven Millennium Health Stations to provide health check-ups including blood pressure and waist measurement</p>	<p>2012 2012 Health Care Service on Campus Conduct waist measurement activities for families in cooperation with the Department of Health of the Taipei City Government, and Changhua County Government, which invite the parents of children in the 4th and 5th grade of primary school.</p> <p>2012 2018 80-90cm Waist Measurement Day Held a press conference on "Love and Happiness Waist Measurement", giving out waist scales and launching advocacy activities through the group's distribution channels.</p>	<p>A total of 34,000 participants Grades 4 and 5 of primary schools in Taipei A total of 5,823 students 10,000 students of grade 4 of primary schools in Changhua County performed waist measurement for their parents and returned the work sheet. Participated by 22 celebrities via FB. Attracted 25.85 million people Provided a total of 1,290,000 waist measurement scales</p>
<p>2006 Metabolic syndrome understanding survey Understanding waist measurement and metabolic syndrome of the public by phone and online poll.</p>	<p>2018 2018 Metabolic syndrome and Sarcopenia understanding survey</p> <p>2018 Promote the prevention of Sarcopenia Conduct briefings and activities in cooperation with the Millennium Health Station to promote the prevention of Sarcopenia.</p>	<p>Under a 95% confidence level, the error rate is ±2.58% in 1,500 completed public surveys Conducted 662 activities in cooperation with the Millennium Health Station, with a total of 16,000 participants</p>
<p>2011 Taiwan Millennium talks, expert conferences and seminars on preventive medicine</p> <ul style="list-style-type: none"> Organized public welfare lectures, invited physicians or nutrition and health scholars to address disease prevention or health issues of public concern Conduct expert meetings and seminars to discuss the risk indicators of Sarcopenia in 2018 		<p>Organized 8 seminars in Taipei and 3 seminars in Kaohsiung 1 expert conference and 1 seminar A total of 3,071 participants</p>

Attracted 25,850,000 people **15,823** students **16,000** people **3,071** participants **34,000** participants

25,850,000 people have been notified of the 2018 80-90cm Waist Measurement Day. Organized school activities, with a total of 15,823 students who performed waist measurement for their parents. Conducted the first activity to promote the prevention of Sarcopenia, with a total of 16,000 participants Organized seminars on preventive medicine, with a total of 3,071 participants There was a total of 34,000 participants in the "National Health Examination Day" blood pressure and waist measurement



Uni-President Social Welfare and Charity Foundation

With the spirit of “care for society and supporting vulnerable groups”, the Uni-President Foundation continues to promote emergency assistance, empowerment, assistance for the elderly, and other charitable activities by combining the Group’s professionalism and resources, and hopes to become a supporting force for society and build a society with mutual support as well as consensus of social care.

Emergency assistance and nutrition program

In 2018, we continued to provide emergency assistance to victims of accidental disasters through donations of funds, supplies, and medical resources. Provide in-kind donations for the social affairs bureaus (departments) in 20 counties and cities, as well as beverages at lunch for schools with less than 50 students in remote Chiayi, Tainan, Kaohsiung, and Pingtung. In addition, we donated a Rescue Portable Radar Life Detector to the Annan Hospital of Tainan City, in the hope of increasing the speed of detecting the position of the injured during disaster relief operations.

[Empowerment] Education for students from vulnerable groups in remote areas

Since 2015, the Uni-President Foundation has been deeply involved in the education of vulnerable groups, in the hope of bringing about a change of people’s fortunes in society. In 2018, we have dedicated efforts to gain positive influence in society, and have established an additional after-school class, resulting in a total of 12 after-school classes in Pingtung, Kaohsiung, Tainan and Chiayi, with the aim of solving the problem of insufficient learning resources for vulnerable families in remote areas which may cause poor learning and low educational achievement. We also award scholarships to students with excellent academic performance and outstanding students in vulnerable families in order to enhance their motivation and initiatives in learning, and enable students to study without financial difficulties. Apart from providing care, we also invite university students who received the scholarship of the Uni-President Foundation to act as brothers and sisters to lead children during activities at the after school class in remote areas, and thereby develop the concept of the students giving back to society, in the hope of sustainable care and mutual help.

Apart from scholarships, we also develop the talent of students in order to help students to discover their talent and find a future goal. We have organized the Summer Science Camp in schools of remote areas, and arranged for Mr. Huang, the principal of Talou Elementary Schools, to teach students in Cigu Elementary School and Dingjhou Elementary School in a science camp on making solar electric vehicles. Students not only learn new scientific knowledge during the process, but also develop the ability to think and solve problems when making electric vehicles.



[Empowerment] i-Sharing Seminars

i-Sharing Seminars focusing on the empowerment of future leaders. Our high-level management, including Uni-President’s Managing Director Lin Cang-Sheng, former General Secretary Wu Jin-Song and General Secretary Tu Zhong-Zheng, Uni-Lions Pro Baseball Team’s General Manager Su Tai-An, and PCSC’s General Manager Hsu Kuang-Yu, enthusiastically participated in university activities to share with students their experience and attitudes in face of challenges, as well as how choices have been made, in order to help the graduating students on their career plans and development.

[Care for the elderly] Community Canteens Group Meal Program for the elderly

In order to improve care for the elderly in the community, the Uni-President Foundation expanded the program in 2018, inviting elderly people to participate in community group meals, which not only provides delicious food, but also increases opportunities for the elderly to interact effectively with the community, improve their physical and mental health, thereby reducing pressure on the economy and medical care of society.

The specialty in 2018 is that we invited Uni-President’s chef Kuo-Hua Huang to teach cooking skills to volunteers in the group meal canteen, in the hope of making the dishes more delicious, attracting more elderly participants, and providing care to more elderly people.

Moon Festival Charitable Activity

Uni-President Foundation held the Moon Festival Charitable Activity named “Moonlight Food Festival; Love and Happiness”, and invited nine NPO groups, elderly and children to participate, which was participated by a total of 200 VIPs.

The activity includes over 10 creative competitions, point collecting games, physical and health tests, and DIY activities. The children are encouraged in self-motivation and self-challenge in the design of point collecting games. In addition, we have grouped students with the elderly, and students will guide the elderly to participate in point collecting games, in the hope of enhancing the elderly’s social connection.

We aim to attract more people through the Moon Festival Charitable Activity, which would not only raise public attention on the aging population, but also on vulnerable groups.



The 40th Anniversary of Uni-President Social Welfare and Charity Foundation

The 40th Anniversary of Uni-President Social Welfare and Charity Foundation was held in 2018. In order to celebrate and review Uni-President’s 40 years of history, we organized a charitable activity entitled “Love and Gratitude - A Day of Fun and Happy Living”.

During the activity, we invited the elderly, secondary and primary students, and students were arranged to guide the elderly in the point collecting games in order to enhance the relationship between them.

Since the Uni-President Social Welfare and Charity Foundation was first established, the emergency assistance reached NT\$300million, which benefited over 35,000 families. In recent years, we’ve also started to focus on providing care for the elderly and education in remote areas, and aim to arouse the spirit of care and sharing through the 40th Anniversary of the Uni-President Social Welfare and Charity Foundation.

Taiwan Millennium Health Foundation

Modern lifestyle habits and changes in diets are prone to “metabolic syndromes”, which significantly increase the chances of getting diabetes, high blood pressure, heart disease and stroke. In order to continuously improve national awareness on health issues and self-management, Millennium Love continued its health initiatives in 2018, and organized expert meetings and lectures to turn scientific knowledge into easy language for the public to understand and improve social welfare.

National Health Examination Day & 80-90cm Waist Measurement

In order to raise the public’s awareness of self-care and management and make better use of Uni-President’s ubiquity of people’s daily lives, Millennium Love partnered with 667 7-eleven Millennium Health Stations to provide health check-ups, including blood pressure and waist measurement, in the National Health Examination Day in June, 2018. On the National Health Examination Day, a total of 548 nurses assisted in health education, with 90 volunteers who guided the public in uploading measurement values to the Millennium Health Platform so that people can develop the habit of using the cloud platform to record health conditions. We enable members to log into the platform and check measurement results after registration, in the aim of developing the habit of regular health measurements by the public. A total of 34,000 participants in addition, for the first time in 2018, the 22 county and city health bureaus jointly organized the education and training of the Millennium Health Station to promote two-way exchange in the National Health Day and with the purpose of enhancing the quality of future activities through exchange and sharing.

Apart from organizing the National Health Day, we also deepen the public’s health concept on waistlines with slogans such as “Waistline 8-9-10, Keep Fit to Stay Healthy” and “Waist circumference shall be no more than 90 cm for healthy men and no more than 80 cm for women to prevent metabolic syndrome and 3 highs”. In 2018, we invited Janet and George as Health Representatives to advocate the importance of 80-90cm Waist Measurement Day. Provided a total of 1,290,000 waist measurement scales. Participated by 22 celebrities via Facebook which attracted 25.85 million people. With the aim of improving public understanding on waist measurement by the influence of celebrities.

In addition, we established the 7-eleven Millennium Health Station in 2018 which provided blood pressure, heart pulse and weight measurements as well as forehead temperatures and BMI calculations in 100 7-eleven convenience stores. Used by a total of 722,000 customers from the launch date up until December 2018. Since the launch date of the health check-up, the measurement was used by a total of 36,000 customers from the launch date up until December 2018, of which there were 100 health check-ups that reached a total of 1,410 participants in each event, indicating that the platform provides convenient self-care services to the public.

Metabolic syndrome and Sarcopenia understanding survey

In order to understand the public’s concept of metabolic syndrome, Millennium Love conducts electronic interviews and online questionnaires on an annual basis as a reference for future disease prevention advocacy. In comparison with surveys in 2017, Millennium Love surveyed 1,500 people in 2018 and discovered that the public have improved their detailed knowledge of metabolic syndrome - five indicators of metabolic syndrome, the definition of 3 highs, and healthy waist circumference, especially the fact that the percentage of correct answers for the definition of 3 highs has risen by 10.4%. This shows that the public’s understanding of the 3 highs, chronic diseases and metabolic syndrome has grown significantly via the promotion of Millennium Love.

Of the 1500 elderlies aged above 50 that were interviewed, only 37.9% have heard of Sarcopenia. This indicates that Sarcopenia is not commonly known by the public. Thus, the Millennium Health Station viewed the prevention of Sarcopenia as an important topic to be promoted in the future.



Promote the prevention of Sarcopenia

In 2018, the foundation promoted the prevention of Sarcopenia in response to the aging population, and advocates early prevention of lifestyle related diseases of the elderly. In order to enhance the concept on preventing Sarcopenia, the Millennium Health Station conducted a briefing which discussed the measurement of calf circumference to assess the amount of muscles, and provided food diets and exercises in response to the prevention of Sarcopenia. Millennium Love is the first foundation to announce the measurement indicators of calf circumference for Sarcopenia. The disclosure of medical information in the recent press conference is very accurate, with keyword achievement rate of over 95%, in order to pass on the concept of preventing Sarcopenia and the perspective on “prevention is better than treatment”.

In addition to intellectual propaganda, Millennium Love held the first Sarcopenia activity in 2018, and provided calf circumference measurements at 662 Millennium Health Stations in Taiwan for senior citizens over 50 years old, in order to encourage early prevention and treatment on Sarcopenia and reduce the risk of falling down and disability caused by muscle deficiency and muscle weakness in elderly people. This activity was participated by a total of 16,000 people, and the first 30 participants may receive high-protein combination meals of tea eggs and Uni-President No-Sugar Added and Hi-Fiber Soymilk are given to the participants.



Taiwan Millennium talks, expert conferences and seminars on preventive medicine

In order to provide people with the correct preventive medicine and health care knowledge and promote the concept of “prevention is more important than treatment”, Millennium Love invited doctors and scholars on 8 health seminars at the Taipei Chiang Kai-shek Memorial Hall in 2018, and held 3 seminars in cooperation with Kaohsiung City National Science and Technology Museum. The lecture topics included hearing, mobility, and gastrointestinal diseases, that are highly relevant topics for the elderly. In 2018, Taiwan and China held seminars with a total of 3,071 participants, which all received enthusiastic responses from the public.

In addition, Millennium Love invites its directors, specialist groups, and the Public Health Agency to participate in expert meetings on the promotion of Sarcopenia, in order to discuss the measurement of calf circumference as a risk factor for Sarcopenia, and hold the “International Conference on Sarcopenia Research” for Japanese and Korean lecturers to participate and exchange experiences with neighboring countries to assess the feasibility of calf circumference as a basis for sarcopenia diagnosis. We aim to promote future development based on experience exchanging in expert conferences and seminars.



i-Sharing

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.

i-Sharing: Christmas Tree Lighting Event

“i-Sharing” sets up a topic for the city each year, in order for different Christmas experiences in Taiwan. In the fourth annual “i-Sharing” Christmas event in 2018, we will bring you to Milan, Italy, and provide the urban spirit which integrates design, fashion and life, giving you unforgettable and impressive Christmas memories with the romance of Milan.



Support government activities - Taichung World Flora Exposition

The Flora Exposition was held in Taichung City in 2018, which was an important opportunity for Taiwan to present its resilience and strength to the world. The 2018 Flora Exposition slogan - “The Sound of Blooming” represents the warmth and beauty of life, which was the spirit that Uni-President always hoped to present to the public. We fully supported the Taichung World Flora Exposition in cooperation with the Taichung City Government. To attract more visitors and advocate the core concepts of Green, Nature and People to the public, there are more than 5,000 7-eleven convenience stores in Taiwan which provided OPEN! CHANNEL digital displays during the Taichung World Flora Exposition to broadcast the film of Taichung World Flora Exposition - “The Sound of Blooming” for four weeks. We also planned joint marketing activities in the hope that the public can support this international event in Taiwan.

In addition to the support on marketing, we also dedicate labor and resources to support the main events in Taiwan. Uni-President Enterprise Corporation sponsored 10,000 bread and 30,000 Starbucks coupons for 50% off to the volunteers of Taichung World Flora Exposition, in the hope of not only presenting the Flora Exposition’s image of goodness and beauty to the public, but also to become the leading company in Taiwan, and dedicate efforts to convey Taiwan’s beauty to the world.





About This Report

This report is prepared in accordance with the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies” and the Global Reporting Initiative (GRI) GRI Standards, and includes strategic guidelines such as complementary indicators for food manufacturing. With the 5 orientations, including to build an enterprise on transparency and integrity, create a safe and healthy food culture, commit to sustainable environment, build a healthy and happy workplace, and create a healthy and happy tomorrow, we will disclose Uni-President’s views and countermeasures in the face of material issues during sustainable development.

Reporting period, boundary and scope

The main period of the published data in this report is from January 1, 2018 to December 31, 2018, with part of the data tracing back to related performances before 2018. The scope of this report is mainly focused on Uni-President’s businesses in Taiwan, including the 5 general factories in Yongkang, Xinshi, Taichung, Yangmei, Zhongli, and Hukou. During the period of this report, there was no significant change in the company’s scale, structure or ownership, with no material impacts on the

status of the report.

We plan to gradually include our overseas businesses into the reports in the future to present comprehensive information related to the Group’s corporate social responsibility. Please refer to p.316-p.322 in our 2018 Annual Report for details regarding the Group’s structure.

The financial information provided in this report, denominated in NTD, has been audited by the CPA and is published in the annual report for the general shareholders’ meeting. All non-financial data is provided by relevant internal departments. The data was then compiled in accordance with requirements of GRI Standards and indicators to reflect Uni-President’s performance. Adhering to the GHG emission inventory standard with respect to ISO-14064-1. 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 index in the report is compiled with only material issues identified, information on other topics are supplementary to our performance results of sustainable development.

Latest verification of each factory management system

Item	Plant	Certification date and its validity period
ISO 50001:2011	Hukou plant	October 6, 2017 - October 6, 2020
ISO 14001:2015	Yongkang General Factory	December 28, 2018 - December 23, 2019
	Xinshi General Factory	December 12, 2017 - December 11, 2020
	Taichung General Factory	December 28, 2018 - December 23, 2019
	Yangmei General Factory	December 15, 2018 - December 14, 2021
	Zhongli General Factory	February 5, 2019 - February 4, 2020
	Hukou plant	February 6, 2017 - February 5, 2020
ISO 22000:2005	Appendix - The plants’ food products certified by ISO 22000 and FSSC 22000 in 2018	
FSSC 22000		

External assurance

Uni-President has engaged PwC Taiwan to conduct independent limited assurance on the information (including the 4 general factories located in Yongkang, Xinshi, Yangmei and Zhongli, as well as the Hukou plant) of this report in accordance with the Assurance Standard No.1 “Assurance Engagement of Examinations or Audits of Non-historical Financial Information” issued by the Accounting Research and Development Foundation. The assurance report can be found in the appendix of the report.

Publication

Uni-President publishes the CSR report annually on our company website at
<http://www.uni-president.com.tw/CSR/index.html>
 2018 CSR report issuance date: August 15, 2019
 2017 CSR report issuance date: August 14, 2018

Contact

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 Email: public@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 QR Code provided below to download their CSR reports.



7-ELEVEN



Tait.



Ton Yi



ScinoPharm





The plants' food products certified by ISO 22000 and FSSC 22000 in 2018

General Factory	Yongkang General Factory 1 and 2	Expiration date
ISO 22000 Item	Packing of edible soybean oils in plastic bottle	November 20, 2017 - November 16, 2020
FSSC 22000 Item	Ready-to-eat fried noodles (including instant noodles in bags, snacks and bowls)	May 5, 2016 - March 30, 2019
	Non-fried instant noodles and rice noodles	
	Dried uncooked noodles	
	Wheat flour in bags	
	Instant noodles (including instant noodles in bags/bowls, seasonings/sauces in bags)	April 5, 2017 - March 21, 2020
General Factory	Xinshi General Factory	Expiration date
FSSC 22000 Item	Refrigerated non-carbonated beverages, including tea drinks, coffee and cereal drinks in cartons	April 11, 2016 - March 29, 2019
	Coffee drinks in glass bottles	
	Cereal drinks in plastic bottles	
	Refrigerated fresh milk, Dairy and Beverage Group and fermented milk in plastic bottles	
	Fresh milk and Dairy and Beverage Group in cartons	
	Refrigerated fresh milk, flavored milk in glass bottles	
	Refrigerated pudding in plastic cups	
	Non-alcoholic (non-carbonated) beverages in cartons	
	Non-alcoholic (non-carbonated) sterile beverages in PET bottles	
	Frozen sausages in refrigerated bags	
	Cooked sausages in refrigerated bags	
	Cooked ham in refrigerated bags	
	Cooked hot dogs in refrigerated bags	
	Frozen dumplings	
	Frozen cooked meatballs	
	Refrigerated cooked dumplings and buns	March 15, 2017 - March 3, 2020
	Ice cubes in plastic bags	
	Slush in plastic cups	
Ice lollies in plastic bags		
Ice cream in cups and drums		
General Factory	Yangmei General Factory	Expiration date
FSSC 22000 Item	Bottled drinking water, mineral water and alkaline water	April 18, 2017 - March 27, 2020
	Refrigerated milk, flavored milk in cartons	April 18, 2018 - March 30, 2020
	Refrigerated fresh milk, flavored milk and fermented milk in PE bottles	
	Refrigerated fresh milk, flavored milk in PP cups	
	Refrigerated tea drinks in cartons	
	Coffee drinks and tea drinks in PP cups	
	Drinks in PET bottles	
	Drinks in cartons	
	Refrigerated pudding in PP cups	
	Soy milk in PE bottles and cartons	
	Refrigerated drinks in PET bottles	
Edible ice	Note 1	
General Factory	Zhongli General Factory	Expiration date
FSSC 22000 Item	Preservable bread, baked cake (vanilla cake and sponge cake), croissants, muffins and steamed cakes	January 8, 2018 - November 29, 2020
	Frozen cakes (cheesecake) and frozen croissant sandwiches	January 23, 2018 - December 22, 2020
	Frozen doughs	
	Preservable bread and toast	April 5, 2017 - March 21, 2020
	Toast	

Note 1: The production factories for edible ice cubes include Hukou cube ice plant (certificate validity period: from April 5, 2017 to March 21, 2020) and Wugu cube ice plant (certificate validity period: from July 2, 2018 to March 26, 2021).

GRI Standards Content Index

General disclosure and material topics

Topic	Disclosure Title	Pages	Corresponding Section and Notes		
GRI 102: Universal Stan- dards 2016	Organizational profile				
	GRI 102-1	Name of the organization	19	Business performance and profitability	
	GRI 102-2	Activities, brands, products, and services	19-20	Business performance and profitability	
	GRI 102-3	Location of headquarters	19	Business performance and profitability	
	GRI 102-4	Location of operations	19	Business performance and profitability	
	GRI 102-5	Ownership and legal form	19	Business performance and profitability	
	GRI 102-6	Markets served	19	Business performance and profitability	
	GRI 102-7	Scale of the organization	19	Business performance and profitability	
	GRI 102-8	Information on employees and other workers	65	Human resources development	
	GRI 102-9	Supply chain	34-35	Food Safety	
	GRI 102-10	Significant changes to the organization and its supply chain	81	About This Report	
	GRI 102-11	Precautionary Principle or approach	18	Business performance and profitability	
	GRI 102-12	External initiatives	21	Business performance and profitability	
	GRI 102-13	Membership of associations	21	Business performance and profitability	
	Strategy				
	GRI 102-14	Statement from senior decision-maker	3-6	Messages from the Chairman and Presidents	
	Ethics and integrity				
	GRI 102-16	Values, principles, standards, and norms of behavior	18	Business performance and profitability	
	Governance				
	GRI 102-18	Governance structure	22-23	Corporate Governance	
	Stakeholder engagement				
	GRI 102-40	List of stakeholder groups	10	Sustainable Management	
	GRI 102-41	Collective bargaining agreements	68	Human resources development	
	GRI 102-42	Identifying and selecting stakeholders	11	Sustainable Management	
	GRI 102-43	Approach to stakeholder engagement	13-14	Sustainable Management	
	GRI 102-44	Key topics and concerns raised	13-14	Sustainable Management	
	Reporting practice				
	GRI 102-45	Entities included in the consolidated financial statements	81	Business performance and profitability	
	GRI 102-46	Defining report content and topic Boundaries	81	About This Report	
	GRI 102-47	List of material issues	12	Sustainable Management	
	GRI 102-48	Restatements of information	--	Previous information not been re-edited	
	GRI 102-49	Changes in reporting	--	There is no significant change in the reporting boundary and scope compared with the previous report	
	GRI 102-50	Reporting period	81	About This Report	
	GRI 102-51	Date of most recent report	81	About This Report	
	GRI 102-52	Reporting cycle	81	About This Report	
	GRI 102-53	Contact point for questions regarding the report	81	About This Report	
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	GRI 102-56	External assurance	89-90	CPA's Independent Limited Assurance Report	
	GRI 201: Economic Perfor- mance 2016	GRI 103	Management Approach	18	Business performance and profitability
		GRI 201-1	Direct economic value generated and distributed	20	Business performance and profitability
	GRI 302: Energy 2016	GRI 103	Management Approach	12, 46-48, 52	Climate Change and Energy Management
		GRI 302-1	Energy consumption within the organization	54	Climate Change and Energy Management
	GRI 303: Water 2016	GRI 103	Management Approach	12, 46-48, 58	Water resources management
		GRI 303-1	Water withdrawal by source	60	Water resources management
	GRI 305: Emissions 2016	GRI 103	Management Approach	12, 46-48, 51	Environmental management in operations
		GRI 305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	51	Environmental management in operations
	GRI 306: Effluents and Waste 2016	GRI 103	Management Approach	12, 46-49, 58	Water resources management
		GRI 306-1	Water discharge by quality and destination	62	Water resources management
		GRI 306-2	Waste by type and disposal method	49	Environmental management in operations
	GRI 307: Environmental Compliance 2016	GRI 103	Management Approach	12, 46-49	Environmental management in operations
		GRI 307-1	Non-compliance with environmental laws and regulations	51	Environmental management in operations

Topic	Disclosure Title		Pages	Corresponding Section and Notes
GRI 403: Occupational Health and Safety 2016	GRI 103	Management Approach	69-70	Occupational health and safety
	GRI 403-1	Workers representation in formal joint management-worker health and safety committees	71	Occupational health and safety
	GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	71	Occupational health and safety
	GRI 403-3	Workers with high incidence or high risk of diseases related to their occupation	72	Occupational health and safety
GRI 416: Customer Health Safety 2016	GRI 103	Management Approach	12, 26-38	Food Safety
	GRI 416-1	Assessment of the health and safety impacts of product and service categories	27, 38	Food Safety
	GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	33	Food Safety
GRI 417: Marketing and Labeling 2016	GRI 103	Management Approach	12, 29, 38-39	Food Safety
	GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	33	Food Safety
	GRI 417-3	Incidents of non-compliance concerning marketing communications	33	Food Safety
GRI 419: Socioeconomic Compliance 2016	GRI 103	Management Approach	18, 64	Business performance and profitability Human resources development
	GRI 419-1	Non-compliance with laws and regulations in the social and economic area	18, 64	Business performance and profitability Human resources development

Other topics

Topic	Disclosure Title		Pages	Corresponding Section and Notes
GRI 401: Employment 2016	GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	67	Human resources development
	GRI 401-3	Parental leave	68	Human resources development
GRI 404: Training and Education 2016	GRI 404-1	Average hours of training per year per employee	67	Human resources development
	GRI 404-2	Programs for upgrading employee skills and transition assistance programs	66	Human resources development
GRI 405: Diversity and Equal Opportunity 2016	GRI 405-1	Diversity of governance bodies and employees	65	Human resources development
GRI 205: Anti-corruption 2016	GRI 205-2	Communication and training about anti-corruption policies and procedures	24	Anti-corruption
GRI 305: Emissions 2016	GRI 305-1	Direct (Scope 1) GHG emissions	55	Climate Change and Energy Management
	GRI 305-2	Energy indirect (Scope 2) GHG emissions	55	Climate Change and Energy Management
	GRI 305-4	GHG emissions intensity	55	Climate Change and Energy Management
GRI 308: Supplier Environmental Assessment 2016	GRI 308-2	Negative environmental impacts in the supply chain and actions taken	35-36	Food Safety
GRI 414: Supplier Social Assessment 2016	GRI 414-2	Negative social impacts in the supply chain and actions taken	35-36	Food Safety
GRI 413: Local Communities 2016	GRI 413-1	Operations with local community engagement, impact assessments, and development programs	74-80	<ul style="list-style-type: none"> ●Uni-President Foundation ●Millennium Love ●i-Sharing: i-Sharing: Christmas Tree Lighting Event and New Year's Eve Party ●Support government activities 2018 Taichung World Flora Exposition

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.	Confidence projects	Pages	Basis	Procedures
1	<p>We have already established operating procedures of the Food Safety Committee in accordance with “Organizational Structure and Operating Procedures of the Food Safety Committee”, which covers 100% of our product types.</p> <p>The Food Safety Committee held 38 food safety meetings in 2018. (including one for Southeast Asia and one for the Uni-President Group)</p>	27	<p>In accordance with “Organizational Structure and Operating Procedures of the Food Safety Committee”, the organization established, the total number of committee meetings held in 2018, and the percentage of product categories affected.</p> <p>The scope of the proportion is based on the “Organizational Structure and Operating Procedures of the Food Safety Committee”, the percentage is 100% when the scope covers all of the Uni-President's product types.</p>	Sub-paragraph 1, item 1
2	<ul style="list-style-type: none"> ● Number of notifications in 2018: 365 ● Proportion of product category affected: 100% ● Number of cases requiring follow-up: 39 <p>The above-mentioned cases have been tracked and solved before January 11, 2019.</p>	33	<p>The total number of FSCRA notifications in 2018, its tracking and completion status, as well as the percentage impact of all product categories.</p> <p>The scope of the proportion is based on the Procedures of the Food Safety Center Rapid Alarm (FSCRA) System, the percentage is 100% when the scope covers all of the Uni-President's product types.</p>	Sub-paragraph 1, item 1
3	<p>Employees can express their opinions on all company food products (100%) at the food safety hotline. In 2018, there were 3 cases of employee feedback on the food safety hotline, all of which have been tracked and solved before November 19, 2018.</p>	29	<p>The total number of food safety complaints handled by the audit office in accordance with the Employee Participation in Product Safety Measures, its implementation status, as well as the percentage impact of all product categories.</p> <p>The scope of the proportion is based on the Employee Participation in Product Safety Measures, the percentage is 100% when the scope covers all of the Uni-President's product types.</p>	Sub-paragraph 1, item 1
4	<p>We have established the Rewards and Allowances for License and Certificate Acquisition, which applies to all Uni-President employees. As of December 31, 2018, a total of 119 employees obtained food safety certifications.</p>	29	<p>As of December 31, 2018, the total number of employees who obtained food safety certifications approved by the Rewards and Allowances for License and Certificate Acquisition, and the proportion of certifications applicable to employees.</p> <p>The scope of the proportion is based on the Rewards and Allowances for License and Certificate Acquisition, the percentage is 100% when the scope applies to all Uni-President employees.</p>	Sub-paragraph 1, item 1
5	<ul style="list-style-type: none"> ● Total number of food manufacturing factories: 23 ● Number of audited food factories: 23 ● Proportion between the number of audited factories and impacts on products: 100% 	38	<p>Total number of food manufacturing factories, and the number of food manufacturing factories audited by the general factories based on the Internal Food Factory Quality Audit SOP in 2018.</p> <p>The percentage has been calculated based on the total number of food manufacturing factories audited onsite divided by the total number of food manufacturing factories.</p>	Sub-paragraph 1, item 1
6	<p>In 2018, the Food Safety Center conducted 102 supervision and regulatory changes, which covers all product categories (100%). The Food Safety Center initiated 95 regulation identifications in accordance with regulatory changes. All of them were completed by February 14, 2019.</p>	33	<p>The total number of regulation identification cases initiated by the Food Safety Center through the regulation identification system with respect to the Product Legal Change Management SOP in 2018 and its status, and the percentage of product types affected.</p> <p>The scope of the proportion is based on the collection, documentation, and communication of new or changed laws and regulations related to domestic/international products, the percentage is 100% when the scope covers all of the Uni-President's product types.</p>	Sub-paragraph 1, item 1
7	<p>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 for details regarding related laws and regulations (https://consumer.fda.gov.tw/Pages/List.aspx?nodeID=518).</p>	33	<p>The website for the announcements of food laws and regulations by the Taiwan Food and Drug Administration, Ministry of Health and Welfare..</p>	Sub-paragraph 1, item 2
8	<p>There were no penalties due to violation of the Act Governing Food Safety and Sanitation and its enforcement rules, regulations and principles in 2018.</p>	33	<p>The total number of violation notices, penalties and the categories of violation of the Act Governing Food Safety and Sanitation, its enforcement rules and related regulations and standards in 2018.</p>	Sub-paragraph 1, item 2

No.	Confidence projects	Pages	Basis	Procedures
17	In 2018, the QC Section and Food Safety Laboratory compiled with a total of 204 groups of practical testing items (excluding the test items for test projects commissioned by external customers) for ingredients, materials, and finished products.	30	In 2018, 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 1, item 7
18	<ul style="list-style-type: none"> Anomaly rate of finished products: 0.08% Anomaly rate of ingredients/materials: 0.38% 	31	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 2018.	Sub-paragraph 1, item 7
19	<p>Please refer to the Food Safety Control Expenses in 2018 in the report.</p> <ul style="list-style-type: none"> Food safety control expenses (Note 1): NT\$329.85 million As a percentage of the entity's operating revenue in the individual financial statement: 0.85% <p>Note 1: Food safety control expenses include laboratory expenses and external inspection fees</p>	31	The percentage of 2018 food safety management expenses divided by the net operating revenue in the individual financial statements audited by the certified public accountant.	Sub-paragraph 1, item 7
20	<p>In 2018, Uni-President's seven affiliates were audited, including 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. Affiliate Food Safety System Evaluation Items:</p> <ol style="list-style-type: none"> Management and Compliance Supplier Evaluation Management R&D and Design Management Ingredients/ Materials Management Finished Product Management Warehouse and Transportation Management Nonconforming Product Management and Traceability Management Food Protection/Emergency Response Management 	28	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 2018.	Self-assured items
21	In 2018, the QC Section audited 37 suppliers in 81 visits. Process management was the main cause of defects. Corrections of all defects were already completed before February 1, 2019.	36	The total number of audits on domestic suppliers, the total number of domestic suppliers, the type of audit deficiencies and the date when corrections of all deficiencies in the inspections completed by the QC section in accordance with the "Checklist on Audit Management for Inspections of Ingredient/Material Suppliers on an Irregular Basis" were established according to the GHP and Food Traceability System in 2018. "Completed Improvement" is defined as: The implementation of the supplier's response to deficiencies in the Improvement Follow-Up Form and the implementation date are tracked and confirmed by the QC staff.	Voluntary assurance item
22	In 2018, the Food Safety Audit Team audited 302 suppliers onsite in 757 visits. Good Hygiene Practice (GHP) was the main defect. Corrections of all defects were all completed by December 31, 2018.	36	The total number of traceability audits on domestic suppliers, the total number of domestic suppliers, the type of audit deficiencies and the date when corrections of all deficiencies in the audits completed by the Food and Safety Audit Team in accordance with the "Supplier Production Audit and Level 2 Ingredients/Materials Traceability Inventory and Production Audit Regulations" were established according to the Food Traceability System in 2018. "Completed Improvement" is defined as: The implementation of the supplier's response to deficiencies in the Improvement Follow-Up Form and the implementation date are tracked and confirmed by the Food Safety Audit Team.	Voluntary assurance item
23	In 2018, the number of participants in food safety training reached 22,642, with a total training of 54,460 hours.	29	The total number of hours and the total number of employees completing food safety-related training in conformity with the Education and Training Regulations in 2018.	Voluntary assurance item

No.	Confidence projects	Pages	Basis	Procedures
9	The ratio of FSC™ procurement amount to the total procurement amount of paper packaging materials was 43.22% in 2018.	44	The percentage of FSC™-certified materials procurement in the total amount of paper packaging materials procurement in 2018 based on the statistics from the procurement system.	Sub-paragraph 1, item 3
10	In 2018, the food products certified by FSSC 22000 accounted for 88.95% of Uni-President's total food product. Note: Product certification proportion = Annual quantity of certified food products/total annual quantity of food products (unit: the minimum packaging unit of each food product)	37	The percentage of food production lines that passed the FSSC 22000 certified by the third-party based on the certification scope and period. The percentage of certification was calculated from dividing the total number of certified food products by the total output of food products.	Sub-paragraph 1, item 4
11	For detailed product certifications of each factory, please refer to the FSSC 22000 certified items in the appendix list "The plants' food products certified by ISO 22000 and FSSC 22000 in 2018".	37 83	The information of annual food production of plant and its FSSC 22000 certification in 2018 are disclosed based on the scope of the obtained FSSC 22000 certificate.	Sub-paragraph 1, item 4
12	Uni-President has followed the "Supplier Evaluation Procedures based on GHP" and the "Food Safety Management Principles", to set up different evaluation items based on types of suppliers. In which 143 suppliers applicable to the Supplier Evaluation SOP completed onsite evaluation, namely 25.3% evaluation completion rate. The pass grade is 60 marks or above. Suppliers must receive this score and have a clean record of severe defects to be qualified, for example: whether the Food Safety and Hygiene Management System fails or whether foods have immediate safety hazards but immediate improvement is possible. Only one supplier failed the evaluation. Note 1: Food suppliers having transactions in 2018 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.	35	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 2018 is calculated by dividing the number of suppliers completing onsite evaluation by the total number of ingredient/material suppliers that had transactions in 2018.	Sub-paragraph 1, item 5
13	As of December 31, 2018, Uni-President uploaded a total of 202 products to the Food Traceability Management System, accounting for 43% of all Uni-President food products (excluding feed for livestock and aquatic animals). We also achieved the 100% use of electronic receipts according to the legal requirements. The complete data has been uploaded to the Ministry of Health and Welfare's "Food Traceability Management System" (http://ftracebook.fda.gov.tw).	36	As of December 31, 2018, Uni-President uploaded the total of products to the Food Traceability Management System, as well as its proportion to all of Uni-President food products (excluding feed for livestock and aquatic animals). The percentage is calculated based on the products uploaded on the Food Traceability Management System to the self-produced food products (excluding feed for livestock and aquatic animals) As of December 31, 2018, the percentage of electronic receipt usage by Uni-President according to the legal requirements. The percentage is calculated based on the number of the products with electronic receipt divided by the number of the self-produced food products (excluding feed for livestock and aquatic animals)	Sub-paragraph 1, item 6
14	Uni-President has conducted traceability in accordance with the "Food Traceability Management System" established based on internal regulations, which covers 100% of our product types (excluding animal and aquatic feed).	36	The status of Uni-President's traceability in accordance with the "Food Traceability Management System". The percentage is in accordance with the "Food Traceability Management System", which is 100% when the scope covers all of Uni-President's product types (excluding animal and aquatic feed).	Sub-paragraph 1, item 6
15	Please refer to the TAF and TFDA Certification Acquired by the Food Safety Laboratory in 2018 in this report	30	The Food Safety Laboratory and the QC Laboratory have obtained certification from the National Accreditation Foundation (TAF) and the Taiwan Food and Drug Administration (TFDA).	Sub-paragraph 1, item 7
16	As of December 31, 2018, up to 556 test items of Uni-President's laboratories were certified by the TAF and TFDA as food-related test items. Please refer to the "List of TFDA- and TAF-Certified Items" in this report for certified items.	30 31	The test items and total number of items of the food safety laboratory and QC laboratory certified by TAF and TFDA.	Sub-paragraph 1, item 7

會計師有限確信報告

資會綜字第 19003071 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，對 貴公司選定 2018 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 2018 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 2018 年度企業社會責任報告書第 86 至 88 頁之「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 81 頁之「報告期間、邊界與範疇」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，以發現前述資訊在所有重大方面是否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。

本會計師係依據所辨認之風險領域及所評估之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設計及執行下列確信程序：

- 對參與編製確信標的資訊之相關人員進行訪談，以瞭解編製前述資訊之流程、所應用之資訊系統，以及攸關之內部控制，以辨認重大不實表達之領域。
- 基於對上述事項之瞭解及所辨認之領域，對確信標的資訊選取樣本進行查詢、觀察、檢查及重新執行測試，以取得有限確信之證據。



此報告不對 2018 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



2 0 1 9 年 8 月 1 5 日

