

Introduction

Sustainable Management



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Sustainable Management

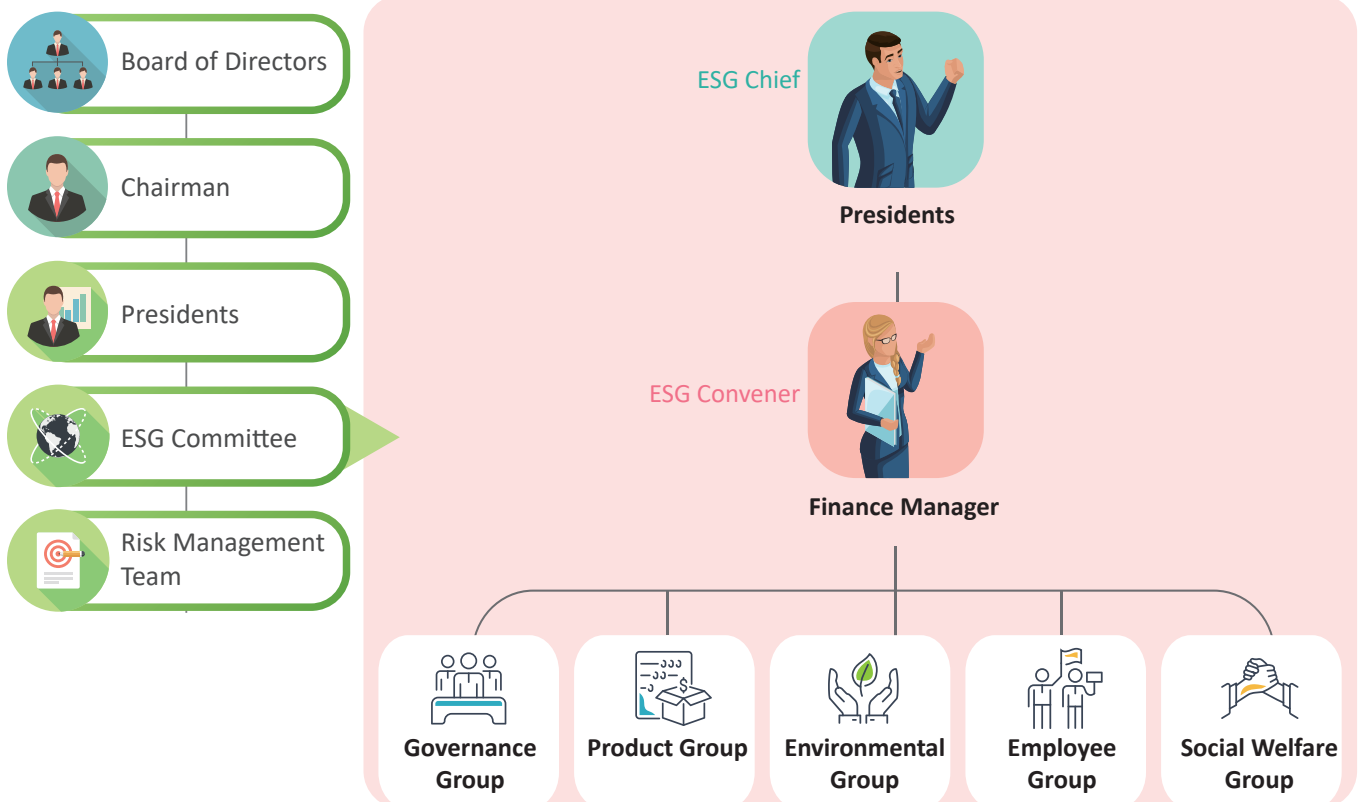
ESG Committee

The management responsibility of companies in social, environmental and economic aspects is to help companies create common value with society to further improve the sustainability competitiveness of companies. Therefore, we will progressively implement social responsibilities within the organization with respect to the directions and objectives specified in the Uni-President Sustainable Development Code of Practice. In 2017, we formally established a “CSR Committee,” renamed the “ESG Committee” in 2022. The Committee is chaired by the president and convened by the Head of the Finance Group. There are five functional groups under the Committee, namely corporate governance, products, environment, employees and social welfare.

The ESG Committee is Uni-President’s main division for sustainable development. Externally, the committee is responsible for reviewing the ESG report, and internally, 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 ESG Committee. Aside from regular operations, the Committee follows up 16 sustainability indicators and tracks the implementation progress on a quarterly basis. As well as this, the Committee reports to the Board of Directors at least once a year on the implementation status for the current year, key performance reviews and future work. The Board of Directors urges the management team to make adjustments when necessary and the Committee takes in the views of the Board to strengthen the items needing adjusted.

To achieve our corporate vision of “becoming an industry that is closely linked to modern life,” whether it is raw material traceability, food production and packaging, logistics and distribution, or customer health, we are committed to integrating the spirit of sustainable governance into our daily operations and rely on the joint cooperation of all our stakeholders. By taking this approach, we have built a key element being “everyone doing their part in the management of Uni-President.”

Uni-President Enterprises
Corporation Sustainable
Development Code of
Practice



Sustainability Performance Tracking

Aspect	Tracking Performance
Environmental Management	Water resource use, energy use, waste recycling, GHG emissions, and plastic use issues.
Food safety management	Vendor visits/on-site assessment results, regulatory compliance tracking
Sustainable procurement management	FAC and SSAP procurement status
Occupational safety management	Occupational health and safety issues
Product R&D management	Product demand survey and product raw material consumption tracking

Material Topic Analysis and Response

GRI 102-40, GRI 102-44, GRI 103-1









Uni-President adopts the materiality principle to develop systematic processes in identifying material stakeholders and sustainability issues, as well as to manage and set goals to be used as a basis for the preparation of the ESG report. We first identify major stakeholders, and perform investigations on major stakeholders to identify the material issues of in 2021.



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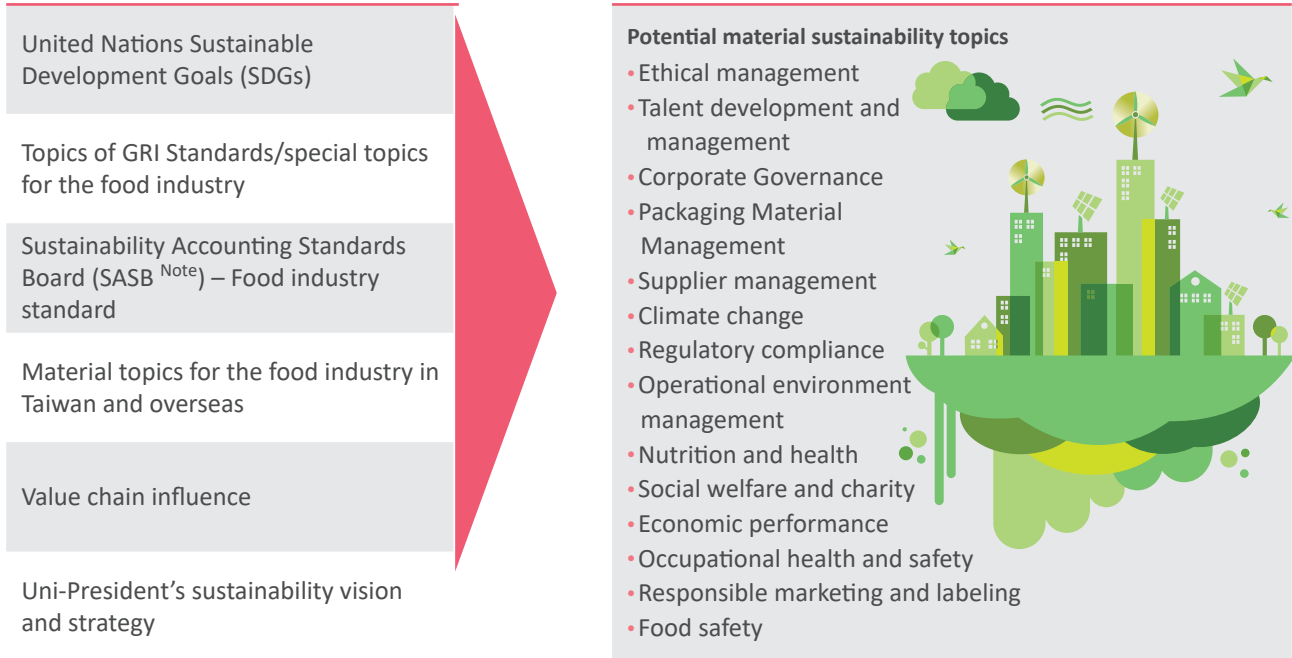
Identifying stakeholders

We conduct identification based on “the degree of significance of stakeholder influence on Uni-President.” and “the degree of dependence of Uni-President on stakeholders” and have compiled various types of stakeholders, as follows:

Stakeholder Type	Significance to Uni-President
 <p>Fund providers (Including banks, shareholders, and professional investors)</p>	<p>Fund providers help the business operations and the sustainable development of Uni-President through injections of capital. Uni-President treats all fund providers with fairness, and discloses honest and transparent information.</p>
 <p>Consumer</p>	<p>As consumers are our main source of revenue, it is our duty to provide them with safe and delicious food. By utilizing Group resources, we fulfill the typical customer needs through the Group’s resources, making life better and more convenient.</p>
 <p>Government</p>	<p>Regulations promulgated by the government guide the development of industries through authorities. At Uni-President, we understand and proactively manage all laws and regulations. When the government needs inputs from the industry, we respond proactively.</p>
 <p>Employees</p>	<p>At Uni-President, we regard our employees as the foundation of the Company. In order for the Company to align with the trends of the day, we provide a comprehensive education and training mechanism and a work environment that is based on dignity and equality. We also take workplace safety seriously to attract more outstanding people in order to nurture them for future development needs, so that they will grow and thrive with the Company.</p>
 <p>Suppliers</p>	<p>As suppliers are key partners for Uni-President to develop a food safety mechanism, they are selected through various types of internal assessments. We also enhance food safety awareness in the food industry through the coaching of suppliers.</p>
 <p>Third-party certification authorities</p>	<p>Third-party certification authorities are important partners for us to examine our performance. Uni-President has attained third-party certifications in terms of financial, environmental or food safety performance so as to gain information credibility. We continue to improve and refine our internal operations through third-party certifications.</p>
 <p>Academic units</p>	<p>The academic unit is one of our partners when it comes to innovation and research and development. We continue to keep a sound and close relationship with academic units so that we can continue our academic research and implement it in the industry.</p>
 <p>Public interest groups</p>	<p>As a part of society, profitability is not only our top priority. We also take responsibility in enhancing the prosperity of society as a whole. We utilize our core functions and strive to support public charities, while increasing the public’s awareness on health.</p>

2

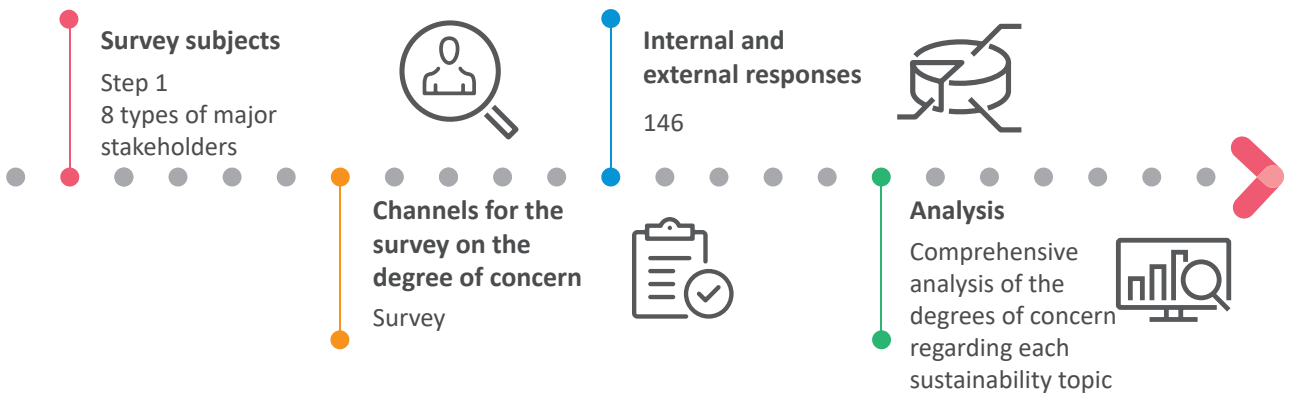
Preliminary inventory on sustainability topics



Note: Sustainability Accounting Standard Board

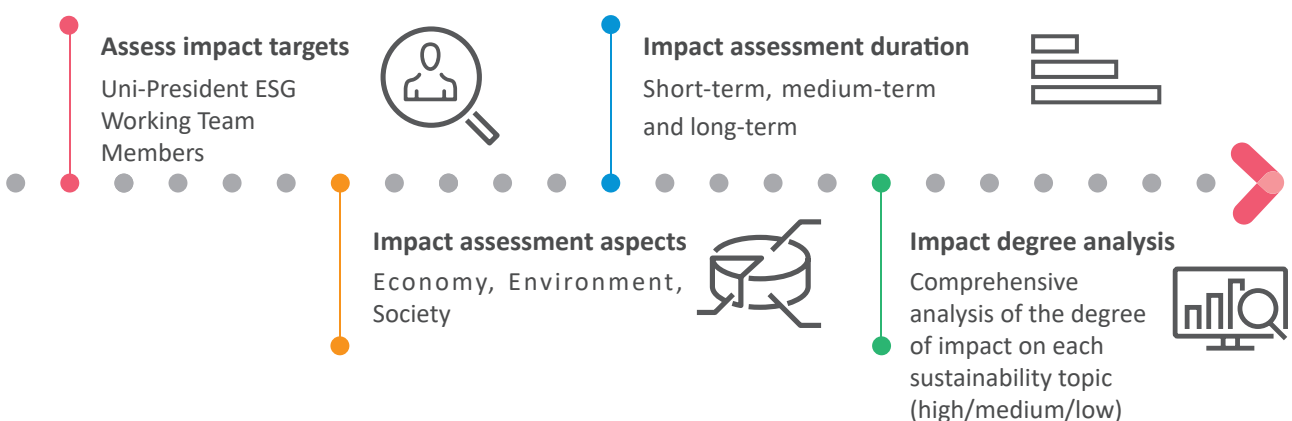
3

Analysis of the degree of concern around sustainability topics



4

Analysis of the degree of impact of sustainability topics



5

Complete of Material Topics

2021 Uni-President Material Topics



Level	Topic	Its meaning for Uni-President
High degree of material sustainability topics	Food safety	Assessment of the impact of products on consumer health and safety, food safety management systems, food safety education and training, product tracking and traceability, and food safety laboratory
	Regulatory compliance	Including regulatory compliance in relation to economic, environmental and social factors
	Ethical management	We perform business activities based on the principles of fairness, honesty, trustworthiness and transparency. Meanwhile, we also assess corruption risks, anti-corruption policies and actions, so as to establish a corporate culture and a control mechanism for ethical management
	Operational environment management	The management and status of the consumption and recovery of the Company's energy and raw materials use in operations, as well as the emissions and water resources. These include wastewater, waste status and management actions, GHG emissions and reduction.
	Packaging Material Management	Package procurement, standard, use and packaging material reduction policy
Medium degree of material sustainability topics	Responsible marketing and labeling	Accurate product or advertising promotional information and labeling as well as clearly labeled ingredients
	Economic performance	The status of the Company's operating profitability, including financial information on the Company's operations, expenses and profitability, and government financial subsidies
	Nutrition and health	Related management measures related to food health and nutrition, and sustainable food and nutritional care, diet, and culture promotion
	Occupational health and safety	Occupational health and safety management, including accident investigation and handling processes, work safety inspections, employee examinations, Occupational Safety Committee management status, employee occupational safety training, and case study promotion
	Corporate governance	Governance framework, duty, system, and composition, selection of the governance unit, functions of directors, and performance assessment
Potential material sustainability topics	Climate change	The impact on the Company's operations brought on by climate change, identification of risks and opportunities, management strategies and response actions of climate change.
	Talent development and management	Talent cultivation plans and their implementation, including training programs or courses covering functions, self-enlightenment, physical and spiritual growth and stimulation of innovative ideas
	Social welfare and charity	Development and impact of operational activities imposed on local communities, communication and assessment, social welfare and care activities

6 Responding to material topics

After analyzing the materiality of topics, each material issue was confirmed by the internal units of Uni-President. Each responsible team then assessed the completeness, scope of impact, boundary and the collection and reporting period. By doing this, we have met and responded to the important information and performance concerned by stakeholders. Each department prepared this report with respect to the principles of completeness, responsiveness, and stakeholder inclusiveness to ensure that the information regarding material issues is accurately disclosed in the report.

After preparing the report, departments continue to examine and review the report to ensure that the information and performances contained in this report are not inappropriately or unfaithfully presented. Departments also prepare the report for the following year with reference to the review result of this report.

Level	Topic	Corresponding Chapter and Page No.	
High degree of material sustainability topics	Food safety	2.1 Food Safety Commitment	37–38
		2.2 Food Safety Management	39–47
	Regulatory compliance	1.4 Strict regulatory compliance	31
	Ethical management	1.3 Insist on Ethical Management	30
	Operational environment management	3.1 Environmental Management Responsibility	63–70
		3.3 Water Resources Management	82–88
		3.4 Pollution prevention and management	89–91
Packaging Material Management	3.5 Packaging Materials Management	92–93	

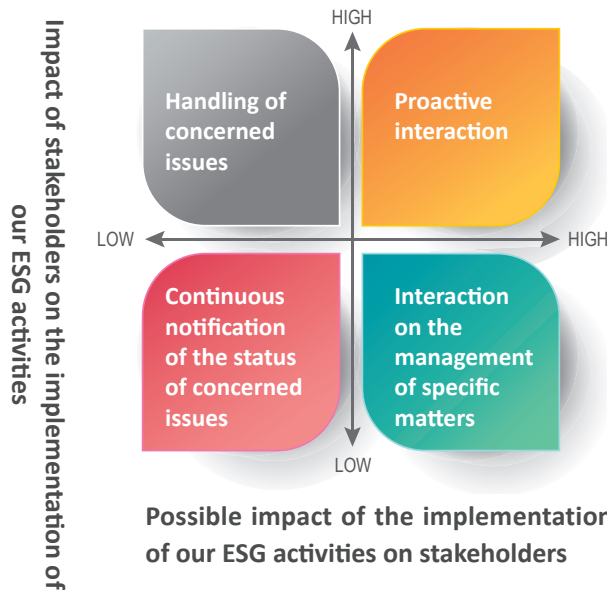
The Impact of Material Sustainability Topics to the Value Chain of Uni-President




Material Topic	Value chain								GRI Topic
	Employees	Consumer	Fund providers	Government	Suppliers	Certification authorities	Academic units	Public interest groups	
Food safety	●	●	●	●	●	●	●		GRI 416: Customer Health and Safety
Regulatory compliance	●	●	●	●	●				GRI 307: Environmental Compliance GRI 419: Socioeconomic Compliance
Ethical management	●	●	●	●	●	●	●	●	GRI 205: Anti-Corruption
Operational environment management	●		●	●		●			GRI 302: Energy GRI 303: Water and Effluents GRI 305: Emissions GRI 306: Waste
Packaging Material Management		●	●	●	●		●		NA






Stakeholder engagement

GRI 102-40, GRI 102-42-102-43

Responding to the needs of stakeholders is the foundational for Uni-President to implement sustainable development. This year, we have identified eight types of stakeholders. According to their influence on Uni-President's ESG activities and the degree of influence by Uni-President's ESG activities, we have proposed four major engagement approaches. By doing this, we effectively respond to issues concerning stakeholders and have acquired their suggestions. The communication status of each stakeholder was reported at the board meeting held on May 11, 2022. The following table is this year's material sustainability topics, sustainability topics that are of priority or concern to shareholders, as well as the performance of the engagement of stakeholders.



Stakeholders	Topics concerned	Communication Frequency and Method	2021 Communication Performance
 Capital Providers	<ul style="list-style-type: none"> Economic performance Ethical management Food safety Regulatory compliance 	<ul style="list-style-type: none"> Hold a shareholders' meeting each year Occasional investor conferences Announce major information as required by the competent authority Regularly publish financial statements/ annual reports/ ESG report Official website information disclosed Contact: Investor Relations: Mr. Fang TEL: 06-253-6789 ext. 6510 Corporate Relations Management Team: Ms. Wu TEL: 02-8786-6888 ext. 2536 	<ul style="list-style-type: none"> Released financial statements each quarter 110 major pieces of information released 6 domestic and international investor conferences 1 shareholders' meeting ESG report published each year; the 2020 CSR report has been published
 Consumer	<ul style="list-style-type: none"> Responsible marketing and labeling Food safety Ethical management 	<ul style="list-style-type: none"> Official website and brand marketing network Regular release of ESG report Consumer Service Hotline 0800-037-520 Consumer Service Email customer@mail.pec.com.tw 	<ul style="list-style-type: none"> Satisfaction survey of the Consumer Service Center reached 94.17 points ESG report published each year
 Employees	<ul style="list-style-type: none"> Food safety Economic performance Responsible marketing and labeling 	<ul style="list-style-type: none"> Announcement of management policies, rewards, punishments, and changes. Regular labor-management communication meetings/labor unions Training center/internal recruitment/job rotation Periodic Welfare Committee meetings and publishing of financial statements Periodic publishing of Uni-President monthly magazines and ESG report President's mailbox Internal food safety hotline Contact: Human resources: hr@mail.pec.com.tw 	<ul style="list-style-type: none"> 4 labor-management meetings 4 Occupational Health and Safety Committee meetings Union participation rate of 100% Released 12 Uni-President monthly magazines

Stakeholders	Topics concerned	Communication Frequency and Method	2021 Communication Performance
 <p>Suppliers</p>	<ul style="list-style-type: none"> • Food safety • Ethical management • Responsible marketing and labeling • Regulatory compliance 	<ul style="list-style-type: none"> • Communication meetings from time to time • Evaluation, plant visit and guidance mechanism/audit management • e-Procurement system announcement • Supplier grievance channels • Regular release of ESG report • Reporting Email for ethical violations https://www.uni-president.com.tw/other_service/box_2.asp 	<ul style="list-style-type: none"> • Performed occasional visits on 15 suppliers • Performed annual assessments on 168 suppliers • Performed food safety risk inspection on 42 internal plants, outsourcing plants and QC/research units
 <p>Government</p>	<ul style="list-style-type: none"> • Corporate governance • Ethical management • Regulatory compliance 	<ul style="list-style-type: none"> • Regular compliance audits • Support for social events/initiatives • Assist in the formulation of related regulations • Regular release of ESG report • Contact: Media Contact of the Public Affairs Office: Mr. Yao TEL: 06-253-6789 ext. 6297 	<ul style="list-style-type: none"> • 447 products were established on the track and trace system as required by food safety-related laws and regulations • ESG report published each year
 <p>Public interest groups</p>	<ul style="list-style-type: none"> • Ethical management • Regulatory compliance • Nutrition and health 	<ul style="list-style-type: none"> • Held and participated in charity events, emergency assistance/education/nutrition projects for vulnerable groups • Periodic publishing of ESG report/Uni-President Monthly magazines/Foundation website and annual reports • The Social Welfare Foundation of Uni-President Contact TEL: 06-2536789 ext. 8332 Email: noralieu@mail.pec.com.tw • The Taiwan Millennium Health Foundation contact TEL: 02-87860996 Email: healthinfo@1000-love.org 	<ul style="list-style-type: none"> • Emergency aid provided to 715 families throughout Taiwan • Supplies provided to 21,360 households throughout Taiwan • 9 “Value Concept Conveyance” campus seminars • A total of 17 affiliated companies took part in the 80–90cm Waistline Measurement event which gave away free waist circumference tape measures. Free stickers were also given to those receiving their vaccines in seven related companies, with a total of 965,000 tape measures and stickers given. • National Health Examination Day hosted, with approximately 48,000 people taking part • Released the annual Foundation report
 <p>Third-party certification authorities</p>	<ul style="list-style-type: none"> • Food safety • Regulatory compliance • Packaging Material Management 	<ul style="list-style-type: none"> • Regular compliance audits • Regular communication meeting • Audit management • Reporting Email for ethical violations https://www.uni-president.com.tw/other_service/box_2.asp 	<ul style="list-style-type: none"> • Annual audit meeting
 <p>Academic institutions</p>	<ul style="list-style-type: none"> • Food safety • Nutrition and health • Ethical management • Regulatory compliance • Responsible marketing and labeling 	<ul style="list-style-type: none"> • Participate in external ratings • Participate in research programs/seminars • Official website/brand marketing network communication • Regular release of ESG report • Consumer Service Email • Reporting Email for ethical violations https://www.uni-president.com.tw/other_service/box_2.asp 	<ul style="list-style-type: none"> • Won 2021 Taiwan Sustainability Award and bronze for the TCSA “Corporate Sustainability Report Awards.” • Held 1 preventive medicine seminar, which was attended by a total of 260 people. • Completed the making of 18 “Online Luncheon with Renowned Physicians/Nutritionists” online program, with an average of 10,000 viewers.

Sustainable Value Chain

As “integrity and hard work, innovation and improvement” is our management motto, we handle matters adhering to the principle of “integrity” and follow our corporate spirit of “hard work.” At Uni-President, we constantly “innovate and improve” our products and management system. By providing consumers with well-thought-out and comprehensive products and services, we have laid the foundation for the development of a corporate sustainable business. Whether it is raw material traceability, food production and packaging, logistics and distribution, or customer health, we are committed to integrating the spirit of sustainable governance into our daily operations and rely on the joint cooperation of all our stakeholders. By taking this approach, we have built a sustainable value chain and achieved the vision of “a lifestyle industry that is inseparable from the people” with the key element being “everyone doing their part in the management of Uni-President.”



At Uni-President, we continue to formulate strategies for sustainability. Through adopting effective measures, we integrate the concepts of sustainability into all aspects of business operations. Moreover, we completed a sustainability-linked loan of US\$70 million with HSBC Bank (Taiwan) in June 2021, the first sustainability-linked loan that was signed in the food industry. The loan is for 2 years targeting improvements on GHG emissions, energy efficiency, water consumption and circular economy, highlighting our commitment to new financing means and vision for a more sustainable business.



**Sustainable
governance
blueprint**



**Shaping a Safe
and Healthy Food
and Drink Culture**



**Commitment to
Environmental
Sustainability**



**Building a Happy
and Healthy
Workplace**



**Creating a Healthy
and Happy
Tomorrow**

Core Concepts

Our R&D mission is to provide “safe, tasty and healthy food” for consumers. Based on this, we have built various safety management models for food raw materials to ensure the safety and health of consumers.

As “performing above and beyond regulations” is a management cornerstone, we proactively adopt various environmentally friendly actions. Through our role and positioning, we aim to share our industrial experience and technology with the value chain.

Adhering to the motto of “professional cultivation, career development and lifelong learning,” we create a reasonable, safe and fair work environment. Meanwhile, we also share management results with our employees.

We integrate our core competencies to create a better life and society with “caring for the socially disadvantaged” and “promoting the prevention of lifestyle disease concepts” as our starting point.

Management Strategy

- Care for the health and safety of customers
- Implement food safety audits
- Proactively promote product R&D and innovation, while refining products and satisfying consumer needs

- Promote energy conservation and carbon reduction projects and manage reduction goals
- Implement water resources management
- Promote pollution prevention
- Introduce and evaluate the most optimized, environmentally friendly and functional packing materials

- Implement work safety – self-protection, mutual protection, and guardianship
- Build a learning atmosphere in the organization to improve the health of employees and increase human capital
- Implement employee equal care

- Through the Uni-President Social Welfare and Charity Foundation, we aim to promote the six major objectives: disability, emergency relief, medical care, schooling, childcare, and elderly care.
- Promote social education, research and development, international academic exchanges that foster the idea of nutritional health and preventive medicine through Taiwan Millennium Health Foundation



<p>Short-term target (2022)</p>	<ul style="list-style-type: none"> Customer complaints on Food Safety Point 1 – No anomalies The number of points for Food Safety Point 2 issues decreased by 10% from the same period last year. Residue in finished products – No anomalies Public sector audits – No violations 	<ul style="list-style-type: none"> The annual average power saving rate of each general plant is >1% Waste recycling rate maintained above 95% Annual COD average intensity below 48 mg/L Continue to enhance raw material utilization rate, with soybeans of 98%, tea of 93% and fresh milk of 96.85%. Promote plastic circular economy with products packed with single materials that are easy to recycle, on par with international trends. Continue to optimize the efficiency of water consumption in each plant and introduce water saving programs, while monitoring water conditions and continuing to optimize response measures and management mechanisms 	<ul style="list-style-type: none"> Diversified talent in Uni-President Create a reasonable and fair workplace Disaster-free workplace 	<ul style="list-style-type: none"> Promote the support program of the disadvantaged based on the six major objectives: disability, emergency relief, medical care, schooling, childcare, and elderly care to fulfill corporate social responsibility Raise the awareness of prevention over treatment to reduce the risk of chronic diseases
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<p>Mid-to Long-term Goal (2025)</p>	<ul style="list-style-type: none"> Implement 3-point food safety management Strengthen the promotion of food safety culture of all affiliated companies Continue to improve the quality and taste of existing products Improve three major product categories including fresh food, bakery, and nutrition through product R&D 	<ul style="list-style-type: none"> Reduce to 80% (189,221.6 tCO₂e) of the 2005 emissions volume by 2025. Continue to optimize the consumption efficiency of each plant's water resources The average concentration of COD lower than 40mg/L Waste resource recovery rate reaching over 95.0% Continue to develop and use environmentally friendly materials and plastic packaging material reduction. 	<ul style="list-style-type: none"> Diversified talent in Uni-President Create a reasonable and fair workplace Disaster-free workplace 	<ul style="list-style-type: none"> Promote the support program of the disadvantaged based on the six major objectives: disability, emergency relief, medical care, schooling, childcare, and elderly care to fulfill corporate social responsibility Raise the awareness of prevention over treatment to reduce the risk of chronic diseases
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<p>SDGs Response</p>	<p>2 消除飢餓</p> <p>2.4</p>	<p>12 責任消費與生產</p> <p>12.6, 12.8</p>	<p>6 淨水與衛生</p> <p>6.3, 6.4</p>	<p>12 責任消費與生產</p> <p>12.4-6, 12.8</p>	<p>3 健康與福祉</p> <p>3.d</p>	<p>5 性別平等</p> <p>5.1</p>	<p>1 消除貧窮</p> <p>1.5</p>	<p>4 教育品質</p> <p>4.5</p>
	<p>15 陸地生態</p> <p>15.2</p>		<p>7 可負擔能源</p> <p>7.3, 7.a</p>	<p>13 氣候行動</p> <p>13.1, 13.3</p>	<p>8 就業與經濟成長</p> <p>8.5, 8.8</p>		<p>2 消除飢餓</p> <p>2.1, 2.2</p>	<p>10 減少不平等</p> <p>10.2</p>

Respond to sustainability initiatives in a proactive manner

GRI 102-12

As we strive for the promotion of sustainability, not only do we implement internal governance, we also proactively participate in various external organizations to keep abreast of global sustainability trends to be a leader in industry development. Uni-President is the founding member of the Taiwan Corporate Sustainable Forum (TCSF) in 2008 and Taiwan Business Council for Sustainable Development (BCSD) and we continue to dedicate ourselves to implement corporate sustainability and corporate social responsibility management in Taiwan.

At the same time, we demonstrate our dedication on sustainability through actions with international standards. As for packaging, we recognize, support and use FSCTM certified packaging materials. The packaging of Uni-President's "MineShine" series were the first aseptic cartons in Taiwan to be certified by the FSCTM. As for the implementation of responsible procurement of raw materials, we have purchased soybeans certified by the Soy Sustainability Assurance Protocol (SSAP) since 2018.

Meanwhile, we continued to strengthen our corporate image of health, environmental protection and animal care. In October 2021, we officially announced that non-regulatory animal testing was banned. To comply with Animal Protection Act and applicable bylaws, the testing of animal in the current stage of the certification of health food is reviewed and passed by the "Institutional Animal Care & Use Committee" to carry out experimental design and humane management.

Initiative/ Participated Projects	Description
Participate in the Taiwan Corporate Sustainability Forum	The Taiwan Corporate Sustainable Forum (TCSF) is a flexible platform jointly organized by 20 domestic representative enterprises; members of the Forum regularly communicate and organize forum activities on sustainability issues beyond the regulations to promote cross-industry learning and industrial integration. This Forum focuses on providing the latest global sustainability news and building a Taiwan Vision 2050 Project. The Taiwan Vision 2050 Project was put together by the World Business Council For Sustainable Development (WBCSD). Members of the TCSF set up various workshops from local perspectives, and discussed with experts, scholars and internal employees to build Taiwan Vision 2050.
Support on the use of FSC TM certified packaging materials	The standard of the international nonprofit organization FSCTM (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 the "responsibility of forest management." The purpose is to guarantee to consumers that the wood fibers in the aseptic carton pack can be traced from the supply chain to its source in the forest, and that the cardboard used in the aseptic carton pack comes from FSCTM certified forests and other controlled sources. The FSCTM 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 soybeans certified by the Soy Sustainability Assurance Protocol (SSAP)	The U.S. Soybean Sustainability Assurance Protocol (SSAP) is a nationwide system that is audited by third parties that verifies sustainable soybean production. The third-party sustainability certification for management practices is based on a national system of sustainability and conservation laws and regulations combined with careful implementation of best production practices by the nation's 302,963 soybean farms. The guidelines involve six major aspects including crop rotation, soil turning reduction, and land conservation, which can also achieve multiple effects such as energy saving, carbon reduction, as well as water and soil conservation.
Banning of non-statutory animal testing	As a means to be in line with international research trends while caring for the welfare of animals, Uni-President does not sponsor or commission/outsource third parties to carry out animal testing that are not required by laws or regulations. The application for health food policy will be prioritized by research experiments for human consumption and we do not sponsor or commission/outsource third parties to carry out animal testing. If it cannot be avoided, the animal testing unit will be asked to adhere to the 3R principles (replace, reduce and refine). To comply with the Animal Protection Act and applicable bylaws, the testing of animals in the current stage of the certification of health food is reviewed and passed by the "Institutional Animal Care & Use Committee" to carry out experimental design and humane management.

About Uni-President

GRI 102-1-GRI 102-7, GRI 102-13, GRI 201-1

From a flour mill to an international group, not only has Uni-President been keeping up with the times to strive for innovation, but it has also been a leader in terms of trends.

With a goal of deepening our Asian market and entering the global market, at Uni-President, we will practice our business policy of “taking advantage of the trends, understanding the conditions of the market and improving techniques.” As well as this, we will be committed to our operating philosophy of “hard work and focused management” and an attitude of “not being impetuous” to go along with social trends, consumer expectations and food safety regulations. Furthermore, will take a pro-active approach to discover and create the resources available within the Group to provide diverse products and services, maximizing the Group’s overall effectiveness and jointly creating maximum value.

Company profile



Business Strategy

A sound financial and economic foundation is one of the cornerstones of a company’s sustainability. The production, sales, people, development, money invested by a company as well as its operating activities and effective risk control are also key concerns of stakeholders.

At Uni-President, we divide our business strategy into short-term and long-term plans. In terms of our short-term business strategy – we continue to build our position in the industry by strengthening brand value, optimizing production benefits and allocating highest value-added product structures and marketing resources to enhance profitability. In the meantime, we will also ensure we have a full grasp of stakeholders’ needs, while implementing ethical management and corporate social responsibility.

In terms of long-term operational development, to initiate the growth momentum for the second 50 years of Uni-President, the Company continues to adopt the business strategy of “one core + four pillars.” With “lifestyle brand” being the strategic core, we have set “creating maximum operational value for the Company” as a long-term Management Target, and “manufacturing + R&D,” “trade + logistics,” “experience + retail,” and “alliance + M&A,” in order to build an Asian distribution and lifestyle platform.

In addition to continuing to stabilize the infrastructure and organizational capabilities of all markets, we will strengthen the construction of operational systems and cultivation of human resources. By doing this, we are able to improve the quality of life while creating the economic value that should be created in pursuing “sustainable success” and “eternal progress.”

Expanding the Group's business territory (2017–2021)



Bought
Woongjin Foods Co., Ltd



Acquired 8% of Grape King Bio Ltd

Financial Information (Including Tax)

Unit: NT\$ million

	2017	2018	2019	2020	2021
Consolidated revenue	399,861	431,446	447,978	447,320	473,502
Consolidated gross margin	132,741	145,285	153,963	154,030	156,106
Consolidated net profit after tax	59,965	26,945	28,484	30,801	28,796

Accountant Rotation and Independence

Each year, we take the initiative to assess the independence of our certified accountants. This year, the results were submitted to the Audit Committee on March 8, 2022 and the Board of Directors on March 9, 2022 for review, which were approved. The certified accountants of PwC Taiwan were in line with Uni-President's independence assessment criteria (see pages 56 and 62 of the 2021 annual report). There is also a duty rotation policy within PwC Taiwan to maintain the independence of certified accountants, and an independence statement is issued to the Company each year.

Tax Governance

As tax governance is our top priority, we abide by all relevant tax laws and regulations. Moreover, we have especially established the "Tax Policy" and related tax management duties. Our tax governance guidelines are filing tax with honesty, assessing and responding to tax risks, keeping open and honest communication, as well as 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>

Unit: NT\$ thousand

Individual income tax expense paid	2017	2018	2019	2020	2021
	314,578	62,312	830,834	749,961	616,829

Economic performance

Unit: NT\$ million

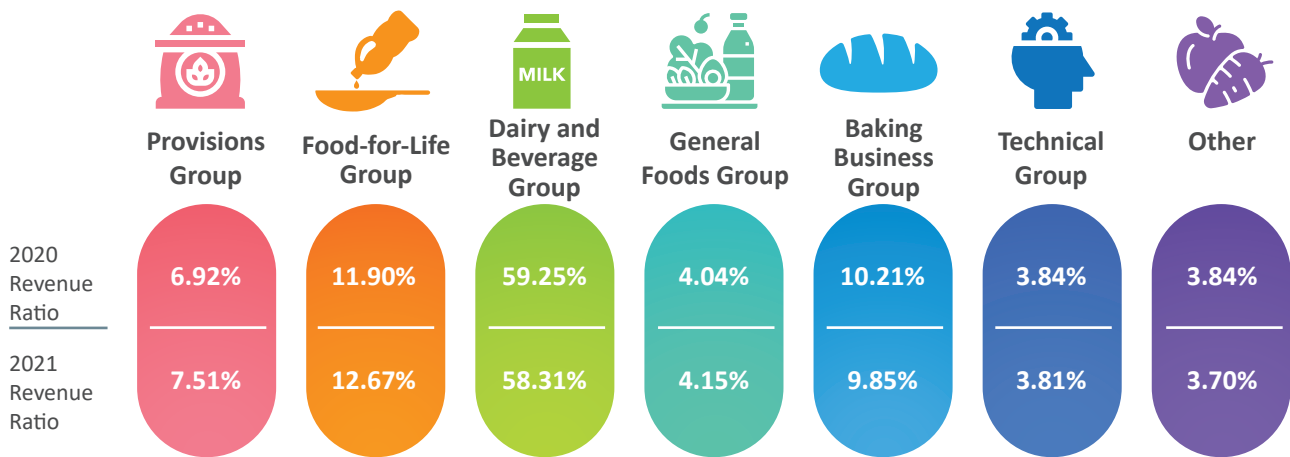
Type	2020	2021
Direct economic value generated		
Revenue (Note 1)	60,177,018	58,924,206
Direct economic value generated		
Operating costs	25,949,759	27,122,825
Employee wages and benefits	8,238,454	7,932,685
Payments to providers of capital (Note 2)	14,661,101	15,757,253
Payments to the government by country	2,186,486	1,956,277
Community investments	15,496	11,511
Economic value retained	9,125,722	6,143,655

Note 1: Including operating income, interest income, dividends, rents, royalty income, and share of profits and losses of subsidiaries, affiliated companies and joint ventures recognized under the equity method in 2021 (NT\$17,003,609,000).

Note 2: Including the distribution expenses of earnings and dividends of NT\$15,341,442,000 in 2021.

Product Revenue Ratio

Uni-President's products are mainly divided into seven groups, including Provisions Group, Food-for-Life Group, Dairy and Beverage Group, General Foods Group, Baking Business Group, Technical Group, and others. Among them, the Dairy and Beverage Group and the Food-for-Life Group are our main products which accounted for 70.98% of total revenue. While the Provisions Group, Food-for-Life Group and General Foods Group had a slight increase in 2021 in revenue compared to the previous year.



Participation in Foundations and Associations

Adhering to the concept of social harmony and mutual assistance, we take a proactive approach in participating in relevant business associations and international organizations. In doing so, we further build mutual cooperation relationships through meetings and exchanges. Uni-President proactively participates in a total of 52 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 a general member, we are also a director, executive director, member of the council and supervisor of some business associations and organizations.

Association Membership

