

Foreword

Sustainable Management



- Material Topic Analysis and Response
- Stakeholder engagement
- We Strive for Sustainable Governance
- Respond to sustainability initiatives in a proactive manner

◀ Sustainable Management ▶

◀ Material Topic Analysis and Response ▶

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 implementation of sustainable development and the response to stakeholder expectations. When we are identifying material topics, we use the following steps

Step	Description	Purpose
Step 1	Identifying stakeholders	Perform an inventory on stakeholders and build an effective communication channel according to the relationship between stakeholders and Uni-President
Step 2	Preliminary inventory on sustainability topics	Summarize global sustainability trends, issues concerning the industry, Taiwan's local policies, and Uni-President's future development strategies and perform preliminary inventories on potential material topics
Step 3	Analysis of the degree of concern around sustainability topics	Conduct an investigation on internal and external stakeholders to understand their degree of concern on each sustainability topic
Step 4	Analysis of the degree of impact of sustainability topics	Carry out internal discussions to analyze the impact of each sustainability topic on the economy, environment and society, and evaluate its degree of impact
Step 5	Confirmation of material topics	Complete identification of material topics
Step 6	Responding to material topics	Respond to material topics for 2020

• Step 1 : Identifying Stakeholders









Based on the following two principles, we have identified eight types of stakeholder :

The degree of influence
stakeholders have over
Uni-President



The degree of
dependence
Uni-President has on
stakeholders



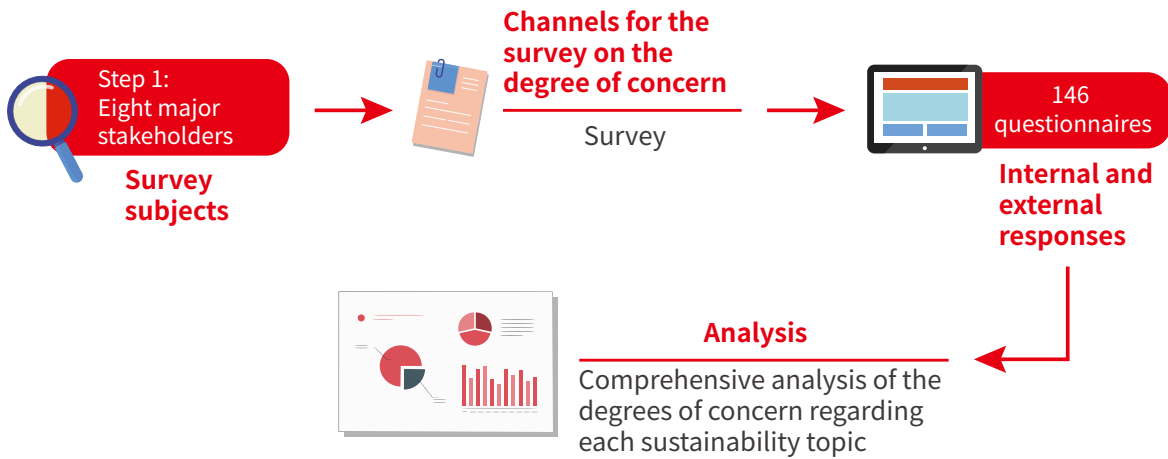
Stakeholder Type	Significance to Uni-President
 Capital Providers (e.g. banks, shareholders, professional investors)	Capital Providers help the business operations and the sustainable development of Uni-President through injections of capital. Uni-President treats all Capital Providers with fairness, and discloses honest and transparent information.
 Consumer	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 integrate consumers' needs, helping make life better and more convenient.
 Government	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.
 Employees	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.
 Suppliers	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 provide the food industry's with food safety awareness through the coaching of suppliers.
 Third-party certification authorities	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 also continue to improve and refine our internal operations through third-party certifications.
 Academic units	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.
 Public interest groups	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.

• Step 2 : Preliminary Inventory on Sustainability Topics

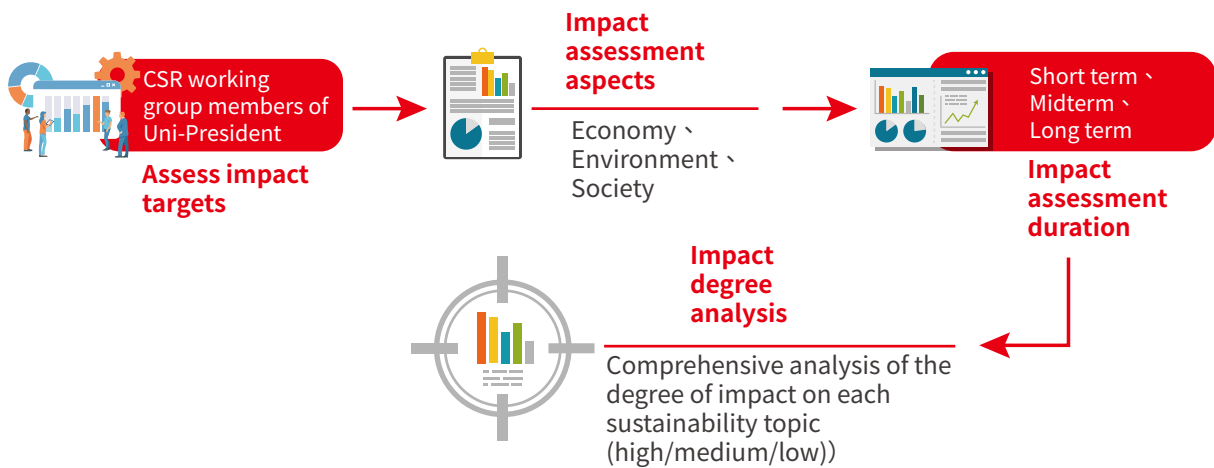
 United Nations Sustainable Development Goals (SDGs)	Potential material sustainability topics <ul style="list-style-type: none"> ● Ethical management ● Talent development and management ● Corporate governance ● Packaging Material Management ● Supplier management ● Climate change ● Regulatory compliance ● Operational environment management ● Nutrition and health ● Community welfare and charity ● Economic performance ● Occupational health and safety ● Responsible marketing and labeling ● Customer Health and Safety 
 Topics of GRI Standards/special topics for the food industry	
 Sustainability Accounting Standards Board (SASB) – Food industry standard	
 Material topics for the food industry in Taiwan and overseas	
 Value chain influence	
 Uni-President's sustainability vision and strategy	

Note : Sustainability Accounting Standard Board.

• Step 3 : Analysis of the Degree of Concern on Sustainability Topics

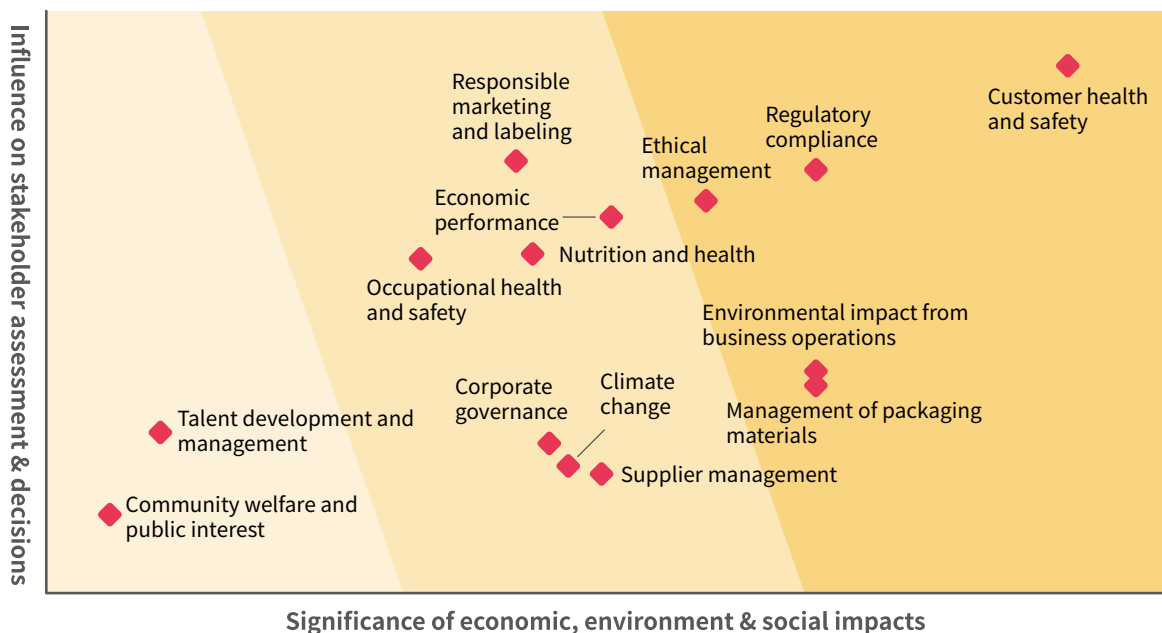


• Step 4 : Analysis of the degree of impact of sustainability topics



• Step 5 : Complete Material Topics

2020 Uni-President's Material Topics








Issues Levels	Issues	Its meaning for Uni-President	Corresponding Chapter	Page No.
High degree of material sustainability topics	Customer Health and 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	2.1 Food Safety Commitment 2.2 Food Safety Management 2.4 Responsible Production	Page 39 Page 40 Page 51
	Regulatory compliance	Including regulatory compliance in relation to economic, environmental and social factors	1.1 Transparent and Ethical Enterprise Commitment 1.4 Regulatory Compliance 3.1 Environmental Management Responsibility	Page 27 Page 32 Page 59
	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	1.1 Transparent and Ethical Enterprise Commitment 1.3 Ethical Management	Page 27 Page 31
	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 recourses. These include wastewater, waste status and management actions, GHG emissions and reduction	3.1 Environmental Management Responsibility 3.3 Water Resources Management 3.4 Pollution Prevention	Page 59 Page 73 Page 78
	Packaging Material Management	Package procurement, standard, use and packaging material reduction policy	3.5 Packaging Material Management	Page 80
Medium degree of material sustainability topics	Responsible marketing and labeling	Accurate product or advertising promotional information and labeling as well as clearly labeled ingredients	2.6 Responsible Marketing and Labeling	Page 56
	Economic efficiency	The status of the Company's operating profitability, including financial information on the Company's operations, expenses and profitability, and government financial subsidies	About Uni-President	Page 24
	Nutrition and health	Related management measures related to food health and nutrition, and sustainable food and nutritional care, diet, and culture promotion	2.5 Product R&D and Innovation	Page 53
	Occupational health and safety	Occupational safety and health 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	4.2 Occupational health and safety	Page 88
	Corporate governance	Governance framework, duty, system, and composition, selection of the governance unit, functions of directors, and performance assessment	1.2 Corporate Governance	Page 28
	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	3.2 Climate Change and Energy Management	Page 63
Potential material sustainability topics	Supplier management	Management policy for new suppliers, including assessment standards in relation to the environment and society	2.3 Supplier Management	Page 47
	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	4.1 Talent Development Management	Page 83
	Community welfare and charity	Development and impact of operational activities imposed on local communities, communication and assessment, social welfare and care activities	5.1 Preventive Medicine and Nutritional Care 5.2 Care for the Disadvantaged 5.3 Connecting Uni-President Group to Expand Influence	Page 96 Page 100 Page 103

• Step 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.

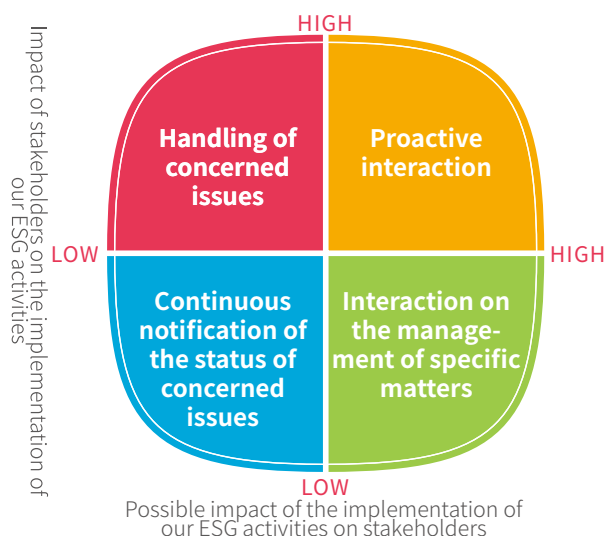
After preparing the report, departments continue to examine and review the report to ensure that the information and performances contained in this report are not inappropriately or unfaithfully presented. Departments also prepare the report for the following year with reference to the review result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




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






Material Topic	Within the organization	Outside the organization							GRI Topic
	Employees	Consumer	Capital Provider	Government	Suppliers	Certification authorities	Academic units	Public interest groups	
 Customer Health and 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 : Effluents and Waste
 Packaging Material Management	-	●	●	●	●	-	●	-	-

Stakeholder engagement

Responding to the needs of stakeholders is the foundational for Uni-President to implement sustainable development. This year, we have identified eight types of stakeholder. 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 2021/5/12. 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.



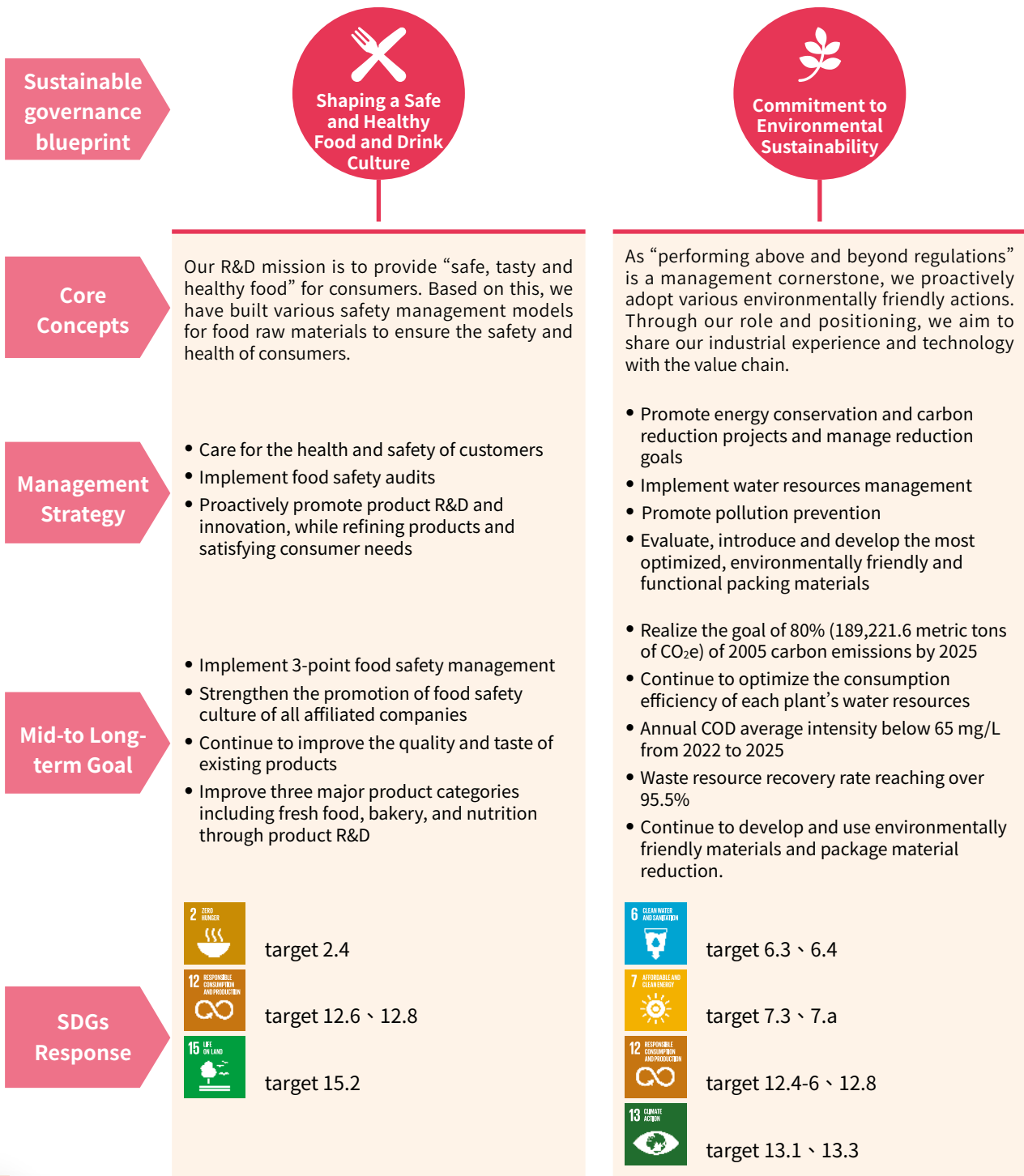
Stakeholders	Prioritized Concerned Sustainability Topics	Communication Frequency and Method	2020 Communication Performance
 Capital Providers	<ul style="list-style-type: none"> Business performance Ethical management Customer Health and Safety Regulatory compliance 	<ul style="list-style-type: none"> Hold a shareholders meeting each year Occasional investor conferences Announce major information as required by the competent authority Regularly publish financial statements/annual reports/CSR reports Official website information disclosed Contact Investor Relations Department : Mr. Fang Tel : 06-253-6789 ext. 6510 Corporate Relations Management Team : Ms. Ou Tel : 02-8786-6888 ext. 2536	<ul style="list-style-type: none"> Released financial statements each quarter 78 major pieces of information released 6 domestic and international investor conferences 1 shareholders meeting CSR report published each year; the 2019 CSR report has been published
 Consumer	<ul style="list-style-type: none"> Responsible marketing and labeling Customer Health and Safety Ethical management 	<ul style="list-style-type: none"> Official website and brand marketing network Consumer Service Center (customer hotline/0800-037520, E-mail service) Regularly announce CSR reports 	<ul style="list-style-type: none"> Satisfaction survey of the Consumer Service Center reached 98.14 points CSR report published each year; the 2019 CSR report has been published
 Employees	<ul style="list-style-type: none"> Customer Health and Safety Economic performance Responsible marketing and labeling 	<ul style="list-style-type: none"> Labor-management meeting and occupational health and safety meeting Official website information disclosed Contact : Human resources : hr@mail.pec.com.tw 	<ul style="list-style-type: none"> 4 labor-management meetings 4 Occupational Safety and Health Committee meetings Trade union participation rate reached 99% Released 12 Uni-President monthly magazines

Stakeholders	Prioritized Concerned Sustainability Topics	Communication Frequency and Method	2020 Communication Performance
 Suppliers	<ul style="list-style-type: none"> Customer Health and Safety Ethical management Responsible marketing and labeling Regulatory compliance 	<ul style="list-style-type: none"> Communication meetings from time to time Assessment, plant visit and counseling mechanism/audit management e-Procurement system announcement Supplier grievance channels Regularly announce CSR reports Reporting E-mail for ethical violations https://www.uni-president.com.tw/other/service/box_2.asp 	<ul style="list-style-type: none"> Performed occasional visits on 23 suppliers Performed annual assessments on 142 suppliers Performed food safety risk inspection on 51 internal plants, outsourcing plants and QC/research units
 Government	<ul style="list-style-type: none"> Corporate governance Ethical management Regulatory compliance 	<ul style="list-style-type: none"> Participate in policy promotion meetings of the competent authorities from time to time and conduct supervision and inspection accordingly Regular compliance audits Assist in the formulation of related regulations Regularly announce CSR reports Contact : Media Contact of the Public Affairs Office : Mr. Yao TEL : 06-253-6789 ext. 6297 	<ul style="list-style-type: none"> 436 products were established on the track and trace system as required by food safety-related laws and regulations Release a CSR report each year
 Public interest groups	<ul style="list-style-type: none"> Ethical management Regulatory compliance Nutrition and health 	<ul style="list-style-type: none"> Regularly hold the campus seminar “Value Concept Conveyance” Regularly hold health medicine promotion activities and seminars Regularly release Foundation reports The Social Welfare Foundation of Uni-President TEL : 06-2536789 ext. 8332 E-mail : noraliu@mail.pec.com.tw The Taiwan Millennium Health Foundation contact TEL : 02-87860996 E-mail : healthinfo@1000-love.org 	<ul style="list-style-type: none"> 6 “Value Concept Conveyance” campus seminars Emergency aid provided to 710 families Organized 80–90 cm Waistline Day event and 1.14 million free waistline tape measures were given away A total of 30,000 people participated in the National Health Day Released the annual Foundation report
 Third-party certification authorities	<ul style="list-style-type: none"> Customer Health and Safety Regulatory compliance Packaging Material Management 	<ul style="list-style-type: none"> Regular compliance audits Regular communication meeting Audit management Reporting E-mail for ethical violations https://www.uni-president.com.tw/other/service/box_2.asp 	<ul style="list-style-type: none"> Annual audit meeting
 Academic units	<ul style="list-style-type: none"> Customer Health and 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 Regularly announce CSR reports Reporting E-mail for ethical violations https://www.uni-president.com.tw/other/service/box_2.asp 	<ul style="list-style-type: none"> Participated in the TCSA Sustainability Report Awards in 2019 and won a Bronze Award for dining and food industry Organized the online program “Celebrity Physician / Nutritionist Online Luncheon” 7 preventive medicine seminars were organized

◀ We Strive for Sustainable Governance ▶

• Building a Sustainable Value Chain Based on the Uni-President Spirit

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.”





Building a Happy and Healthy Workplace

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.

- 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
- Diversified talent in Uni-President
- Create a reasonable and fair workplace
- Disaster-free workplace



target 3.d



target 5.1



target 8.5, 8.8



Creating a Healthy and Happy Tomorrow

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.

- Through the Uni-President Social Welfare and Charity Foundation, we aim to promote the 6 major objectives: disability, emergency relief, medical care, schooling, childcare, and elderly care.
- Through the Taiwan Millennium Health Foundation, we advocate for health medicine, nutritional care and preventive medicine programs.
- 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



target 1.5



target 2.1, 2.2



target 4.5



target 10.2

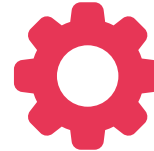
Uni-President 2020 Sustainable Governance Performance



3-point Food Safety Management for Customer Complaints



Drug residue management



Product Innovation and R&D

2020 Goals

- Food Safety Point 1 – No anomalies
- Food Safety Point 2 decreased by 30% from the same period last year
- Public sector audit – No violations

Residue in finished products – No anomalies

Technical research on the mechanism of delicious products

R&D of technology for new bakery, fresh food and high nutrition healthy products and processes

2020 Performance

- In 2020, food Safety Point 2 decreased by 53% from the same period last year

• Public sector audit – No violations

- Researched the high value plant milk technology research and product development
- Soybean reduction and reuse application technology introduced
- Matcha Bubble Milk Tea launched at 7-Eleven

- Savory bread and refined pastry developed
- Launched the “Fresh Dried Noodles” and “Fresh Beef Noodles”
- Planned of advanced lipid modulation certificate for Metamin
- Developed LP33 anti-allergy capsules which are stored under room temperature

Achieved

Achieved

Achieved

Achieved

2021 Goals

- Customer complaints on Food Safety Point 1 – No anomalies
- Points for food Safety Point 2 decreased by 10% from the same period last year
- Public sector audit – No violations

• Residue in finished products – No anomalies

- Light bakery products developed
- New delicious yoghurt developed
- Sugar-free grain milk products developed
- Freshly brewed tea developed to meet to the need of consumers

- Developed delicious strong tea technology
- Upgraded pastry refinement technology
- Healthy baked products
- Developed fresh food pouch products



Energy Conservation and Carbon Reduction



Improve Water Efficiency



Pollution Prevention



Enhance Environmental Friendliness of Packaging Materials

- The annual average power saving rate of each general plant is >1%
- 90% of the steam source was from natural gas or biomass fuels
- The average target for each plant in 2020 was 117.75 kg CO₂e/ton production

- Supervision of water condition to ensure stable production
- Enhancement of the efficiency of water consumption
- Annual COD average intensity below 70 mg/L

- Waste resource recovery rate reaching over 95.5%
- Reduction of air pollutant emissions

- Evaluate, introduce and develop the most optimized, environmentally friendly and functional packing materials

2020 Goals

- Power saving rate in all plants was >1%
 - 92.55% of the steam source was from natural gas or biomass fuels
 - Average CO₂ emission intensity was 116.32 kg/ton, with an annual target achievement rate of 101.21%
 - Continued to promote energy conservation and carbon reduction projects
- Carbon reduced by 4,798 metric tons CO₂e
Saved power by 5,085 kwh
Saved fuel oil and diesel oil by 26 kiloliters
Saved natural gas by 631 m³
- Yangmei general plant won the silver medal of the 2020 Energy Saving Benchmark Award by MOEA

- No production loss due to water scarcity in 2020
- Saved water by approximately 44,000 tons, saving NT\$1,129,000
- In 2020, the COD concentration was 32.68 mg/L; the COD reduction equivalent reached 7.355 kilotons (98.58%)

- Waste resource recovery rate was 95.93%
- Yangmei plant completed the replacement of natural gas boilers

- Through the adjustment of PP carton structure and the 4,530 mL PE bottle weight reduction, a total of 114 tons of plastic materials can be reduced each year

2020 Performance

Achieved

Achieved

Partially Achieved

Achieved

- The annual average power saving rate of each general plant is >1%
- 93% of the steam source was from natural gas or biomass fuels
- Units that reached the target last year use average carbon emissions intensity reduction of 1% as the target for 2020; units that did not reach the target last year use average carbon emissions intensity reduction of 2% as the target for 2020

- Monitor water conditions and continue to optimize response measures and management mechanisms
- Continue to optimize the efficiency of water consumption in each plant and introduce water saving programs
- Annual COD average intensity was below 65 mg/L

- Waste recycling rate above 95.5%
- Yongkang plant completed the replacement of natural gas boilers

- Continued to introduce optimized, environmentally friendly and functional packaging materials

2021 Goals



2020 Goals

Build a Disaster-free Workplace

- 0 occupational disasters
- 0 general injuries
- 0 accidental disasters
- 0 occupational safety violations

Cultivate talent capital

- Create a reasonable and fair workplace
- Diversified talent in Uni-President

Create a Good Life and Society

- Support the disadvantaged
- Promotion of the prevention of lifestyle disease concepts

2020 Performance

- 0 occupational disasters and occupational safety violations
- The budget for work safety in 2020 reached NT\$65.2 million
- The Safety and Health Family of Xinshi General Plant won the Occupational Safety and Health Excellence Award in 2020
- The Safety and Health Family of Yongkang General Plant won the Merit Award in 2020

- Optimized internal management regulations and procedures
- Recruited business partners or foreign employees
- 2020 Cheers Top 20 Most Desired Companies for the New Generation
- 2020 Cheers Top 1 Most Desired Company in Life Manufacturing Industry

- Nutritional lunch beverages were provided to 230 schools, and community canteens for the elderly project was conducted in 25 communities benefiting 7,305 disadvantaged schoolchildren and 1,065 seniors.
- 6 schools were visited, reaching approximately 3,000 students and teachers
- 7 preventive medicine seminars were organized, with a total of 1,900 participants
- 30,000 participants in measuring waistline and blood pressure all over Taiwan in National Health Day

Partially Achieved

Achieved

Achieved

2021 Goals

- 0 occupational disasters
- 0 general injuries
- 0 accidental disasters
- 0 occupational safety violations

- Create a reasonable and fair workplace
- Diversified talent in Uni-President

- Support the disadvantaged
 - More afterschool classes and school talent programs were added, benefiting classes, schoolchildren, and schools
 - Sponsored 5 NPOs for the physically challenged
- Promotion of the prevention of lifestyle disease concepts
 - Continuously organize the National Health Examination Day, 80–90cm Waist Measurement Day, and Health Care Service on Campus
 - Organize the online and physical program of the preventive medicine seminar
 - Continuously Organize the online and physical program to announce the Balanced Diet

◀ Respond to sustainability initiatives in a proactive manner ▶

At Uni-President, we make every effort to promote sustainable enterprise development – not only did we join Taiwan Corporate Sustainable Forum (TCSF) as a founding member in 2008 to implement sustainability for local businesses, we at the same time also value the importance of CSR management. We use certified packaging materials endorsed and supported by the non-profit international organization FSC™ (Forest Stewardship Council™) as well as adopting responsible raw material procurement. Moreover, the packaging for our MineShine beverages were the first aseptic carton packaging in Taiwan to be certified by the FSCTM. Also, we began to purchase soybeans certified by the Soy Sustainability Assurance Protocol (SSAP) in 2018.

Initiative/Participated Projects	Description
Participate in the Taiwan Corporate Sustainability Forum	The Taiwan Corporate Sustainable Forum (TCSF) is a flexible platform jointly organized by 24 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 CSR 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.
Support the use of packaging materials certified by FSC™	The standard of the international non-profit organization FSC™ (Forest Stewardship Council) is currently recognized as the highest standard for the sustainable sourcing of wood fiber and measures whether a forest operation is properly performing “responsible forest management.” The purpose is to assure consumers that the wood fibers in the aseptic cartons can be traced from the supply chain all the way back to the forest, and that the paperboard used in the aseptic cartons comes from FSC™ certified forests and other controlled sources. The FSC™ trademark is supported by all sectors, including NGOs and corporations, which all provide mechanisms and standards corresponding to green consumption, ensuring 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 U.S. 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 U.S.'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.



About Uni-President

To achieve the goals of rooting ourselves deeply in the Asian market and enter the global market, a stable operation is a vital foundation. Based on this notion, we will continue to expand markets and improve profit through robust long- and short-term business plans. Furthermore, we will continue to strengthen corporate governance and risk management, while at the same time supporting and implementing long-term development strategies to boost our core advantages.

Company profile



Business Strategy

A comprehensive financial and economic foundation is one of the cornerstones of a company's sustainable development, it is also one of the key points of concern for stakeholders. At Uni-President, we divide our business strategy into short-term and short-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, the Company continues to adopt the business strategy of “One Core and Four Pillars” With “lifestyle brand” being the strategic core, we have set “creating maximum operational value for the Company” as a long-term management goal, and “manufacturing plus R&D,” “trading plus logistic,” “experience plus retail,” and “association plus M&A,” as development directions.

Financial Information (Including Tax)


Unit: NT\$ million

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

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. Our income tax expenses for the past three years are as follows; our Tax Policy is available for download on the [Company's website](#).

Unit : NT\$ thousand

 Individual income
tax expense paid

2017	2018	2019	2020
314,578	62,312	830,834	749,961

• Economic performance

Unit : NT\$ thousand








Type	2019	2020
Direct economic value generated		
Revenue ^{Note 1}	56,674,917	60,177,018
Direct economic value generated		
Operating costs	25,348,413	25,949,759
Employee wages and benefits	7,772,599	8,238,454
Payments to providers of capital ^{Note 2}	14,706,682	14,661,101
Payments to the government by country	3,604,470	2,186,486
Community investments	14,481	15,496
Economic value retained	5,228,272	15,496

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 2020 (NT\$19,113,378,000).

Note 2 : Including the distribution expenses of earnings and dividends of NT\$14,205,039,000 in 2020.

• Product Revenue Ratio

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, the Dairy and Beverage Group and the Instant Food Group are our main products which accounted for 71.15% of total revenue.

Year	 Dairy and Beverage Group	 Instant Food Group	 Provisions Group	 General Foods Group	 Baking Business Group	 Technical Group	 Other
2019	59.33%	11.40%	7.37%	3.80%	9.96%	4.33%	3.81%
2020	59.25%	11.90%	6.92%	4.04%	10.21%	3.84%	3.84%

• Participation in Foundations and Associations

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, and proactively attend meetings to exchange ideas with our peers in the industry to build up a relationship of mutual support and cooperation.

