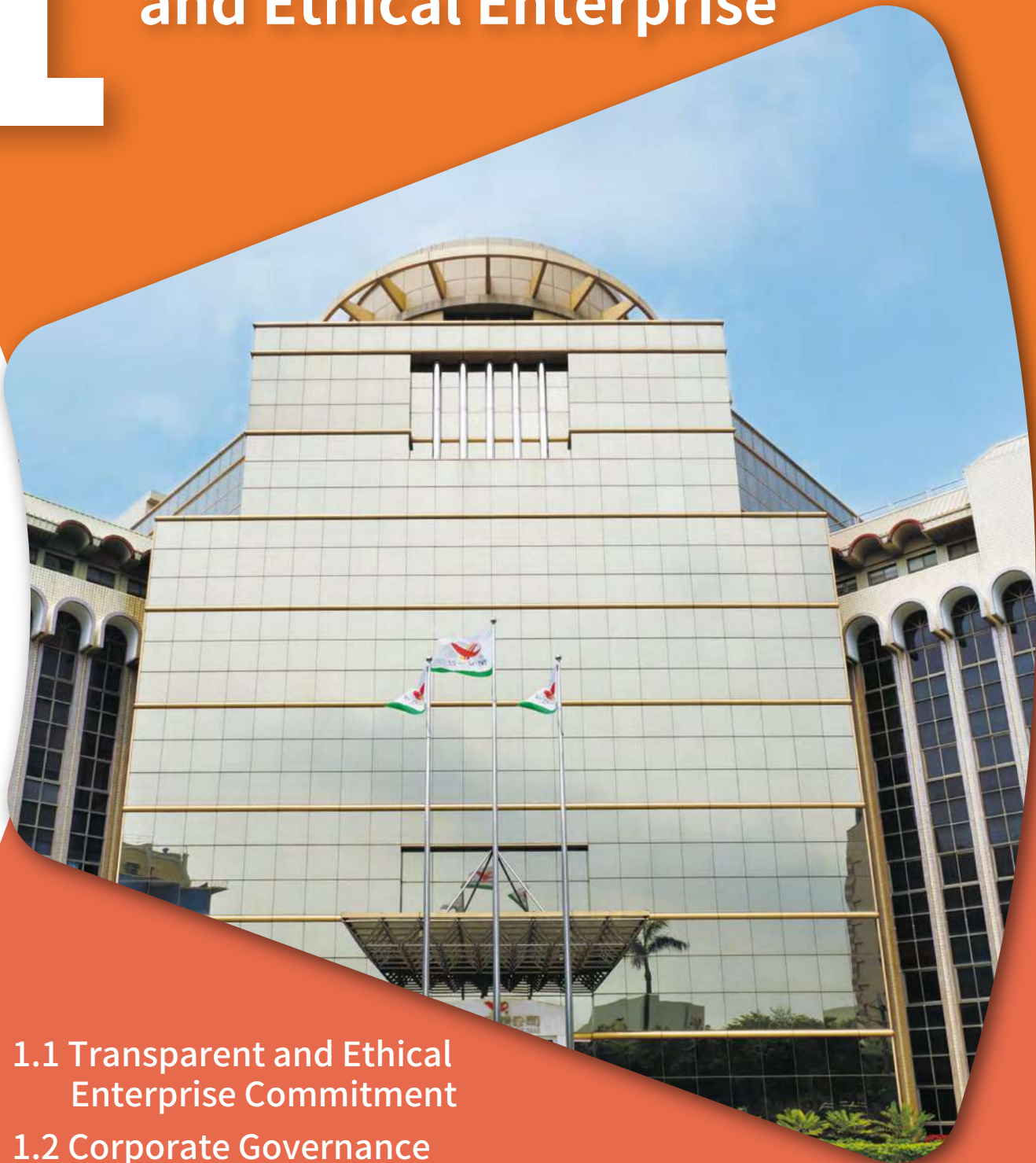


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Managing a Transparent and Ethical Enterprise



- 1.1 Transparent and Ethical Enterprise Commitment
- 1.2 Corporate Governance
- 1.3 Ethical Management
- 1.4 Regulatory Compliance
- 1.5 Risk Management

Managing a Transparent and Ethical Enterprise

1.1 Transparent and Ethical Enterprise Commitment



Material Topic

Ethical management and regulatory compliance



Policy and Commitment

- Carry out business activities based on integrity as well as the principles of fairness, honesty, trustworthiness and transparency
- Abide by the laws and regulations of the countries and regions in which we operate our businesses, with regulatory compliance being the minimum standard



Goal

- Deeply plant the ethical corporate management principles into the Company's corporate ethics and culture to enhance its reputation, while pursuing sustainable management
- Create a sound regulatory compliance culture, and uphold integrity and discipline so as to foster the Company's robust operations



Responsibility and Resource

- Form an Ethical Management Team as the dedicated unit
- Plan sufficient manpower and financial resources to promote ethical management



Action Plan

- Set up a corporate culture and adequate risk control mechanism based on ethical management, and formulate corporate management principles, conduct guidelines and Uni-President's management outline for prevention of insider trading
- Proactively focus on the development of abroad and local ESG measures and regulations, and adjust the Company's internal systems and business operations accordingly
- Pay attention to internal and external ethical management-related cases and strengthen related inspections and promotions when necessary
- Enhance the promotion of ethical management and implement it in daily task execution
 - To the board of directors : Routine annual promotion at the board meeting
 - To all employees : Launch related courses at the Uni-President Corp. Training Institute to reinforce regulatory compliance concepts. At the same time, the Ethical Management Practice Team sends ethical management-related measures and cases to all employees through emails. Also, related promotions are carried out through Uni-President Monthly



Evaluation Mechanism

Report to the board of directors on the implementation status of ethical management and regulatory compliance on an annual basis



Grievance Mechanism

An independent internal reporting mailbox and hotline has been set up for internal and external personnel

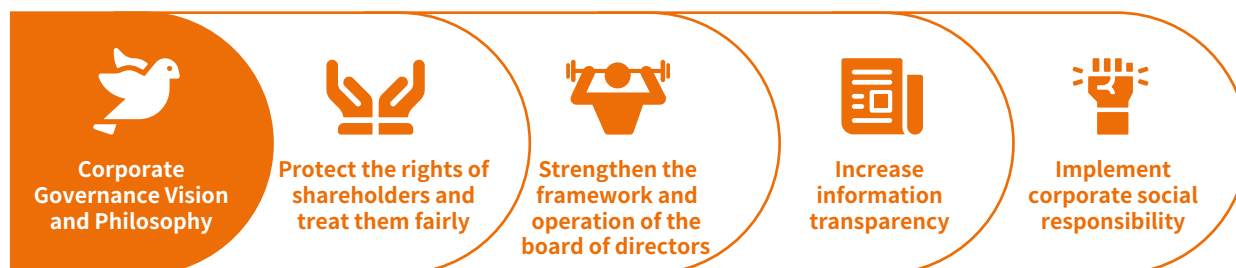
1.2 Corporate Governance

The Importance of Corporate Governance to Stakeholders and Uni-President

A company's competitiveness is based on a sound framework of board of directors, transparent, timely financial information, and an ethical corporate culture and effective internal audits. Stakeholders place emphasis on whether a company is equipped with robust corporate governance implementation so as to enhance the company's performance, and balance each stakeholder's interests while also protecting the rights of shareholders. A sound corporate governance system will help a company reduce its operational risks, enhance its competitiveness, as well as creating the basis for sustainable business operations.

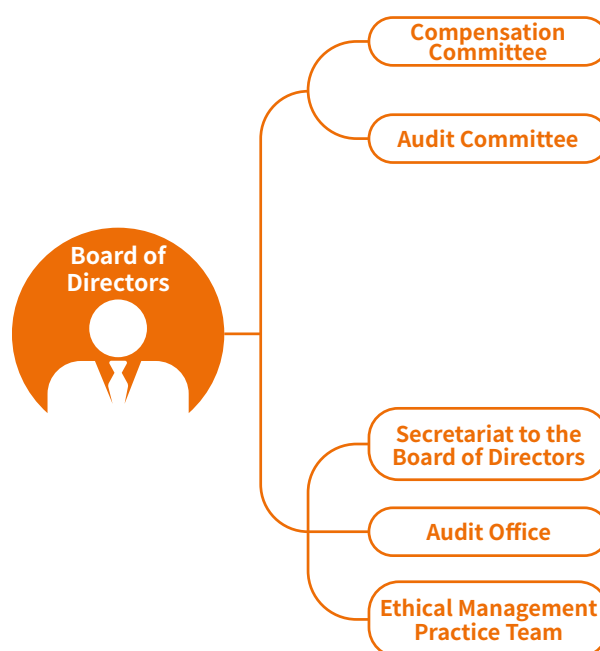
In a bid to create a sound corporate governance system, we have formulated Uni-President Corporate Governance Best-Practice Principles with reference to the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies jointly promulgated by the Taiwan Stock Exchange and Taipei Exchange. By doing this, we aimed to strengthen and implement corporate governance, while regular performing reviews and updates of the contents of the Principles in response to the development trend of international and Taiwan's corporate governance system to improve the effectiveness of corporate governance.

【Uni-President Corporate Governance Best-Practice】



1.2.1 Corporate Governance Mechanism

In order to improve supervision and strengthen the management function, all members of the board come from a diverse background. Moreover, a Compensation Committee and Audit Committee have been set up under the board of directors to help the board perform their supervisory duties to implement corporate governance. In addition, to improve the effectiveness of the board, we set up a "Corporate Governance Supervisor" in 2018 as the top supervisor in charge of corporate governance-related affairs. The Supervisor's duties include handling matters associated with board and shareholders meetings in accordance with laws, preparing minutes of board and shareholders meetings, assisting in at least six hours of continuing education of each director and providing information required for directors to carry out duties. In 2020, the Corporate Governance Supervisor took a total of 17.5 hours of corporate governance courses. By doing this we can not only improve and enhance the professional corporate governance knowledge of the Supervisor, but it also helps lead Uni-President build and put corporate governance into practice. For more information on the Corporate Governance Supervisor, please see Corporate Governance Framework Disclosure on Uni-President's official website on <https://www.uni-president.com.tw/invest/index.html>



Board of Directors

Our board members consist of diverse expertise spanning operations management, accounting and finance, business and economic, crisis management, international marketing, leadership, and decision making. Board members continue their education each year targeting corporate governance, business operations, regulations and finances. Their courses include : The Board's Response to Corporate Governance Evaluation and its Application, the Group's Governance and Performance Management, and How to Prepare for the Next Decade of Talent Transformation in the Face of Digital Economy.

Number of Board of Directors

13 members

- Including 10 general directors (2 female directors), 3 independent directors (1 female independent director)



For more information on the background of board member, please see the Company's 2020 Annual Report. Available for download at <https://www.uni-president.com.tw/invest/index.html>

Continuing Education Hours of Directors in 2020

- **126** hours of education
- An average of **9.69** hours per director

Board Meetings

- A total of **8** meetings were held
- The average attendance rate of all directors was **95.19%**

(Period : from 2020/1/1 to 2021/3/31)

Compensation Committee

According to its expertise, the Compensation Committee formulates and regularly reviews the policies, systems, standards and frameworks of the performance evaluation and remuneration of directors and managerial officers. Based on the Company's business performance and the impact of the organization's management on the social environment, the remuneration for directors and managerial officers are regularly evaluated and formulated to deepen Uni-President's corporate ethics and culture, pursuing sustainable management.

Compensation Committee Meetings

- A total of **3** meetings were held
- Actual attendance rate of the convener and members was **100%**

(Period : from 2020/1/1 to 2021/3/31)

Audit Committee

The main duty of the Audit Committee is to assist directors in fulfilling their roles in compliance with the Company Act, the Securities and Exchange Act and other related laws. It also assists directors in improving the supervision of the Company's accounting, financial reporting and internal control practices.

Audit Committee Meetings

- A total of **6** meetings were held
- Actual attendance rate of the convener and members was **100%**

(Period : from 2020/1/1 to 2021/3/31)

Secretariat to the Board of Directors

The duty for the Secretariat to the Board of Directors is to convene annual general meetings, board meetings, Audit Committee meetings, Compensation Committee meetings, as well as their elections, operations and related affairs concerning corporate governance.

Audit Office

The Audit Office proposes an annual audit plan based on the risk assessment results to ensure the effective continuous operation of the internal control system, strengthen corporate governance and establish corporate risk assessment and risk management mechanisms. The Audit Office conducts monthly audits and produces an audit report consisting of working drafts and related information, while also promoting corporate governance from the perspective of sustainable corporate development.

Ethical Management Team

The Ethical Management Team is primarily responsible for summarizing and reviewing the execution status of each unit's ethical management, and reporting the status to the board of directors each year. It has also set up a communication channel and reporting mechanism to ensure that whistleblowers are properly treated.

Real-time Disclosure of Important Information

As the operation of Uni-President is closely linked to the overall social economy, aiming to protect the rights and interests of the Company's related stakeholders, transparency and integrity are extremely important. At Uni-President, we do our utmost to provide multiple channels and information for dialogue with stakeholders, while publishing important information in a diverse, transparent and timely manner to improve the connection and communication between the Company and stakeholders. Open, transparent and timely financial and non-financial information are disclosed in both Chinese and English, enabling language-barrier-free access for all stakeholder to the Company's information.



Financial Information

A financial report is published on a quarterly basis in both Chinese and English; it is also disclosed on the MOPS. Annual reports, shareholders meeting handbook and shareholders meeting minutes are available in both Chinese and English for stakeholders.

Please refer to the website :
<https://mops.twse.com.tw/mops/web/t146sb05>

Non-financial Information

Non-financial information is compiled in accordance with the GRI Standards and the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies. The Chinese version is disclosed on the MOPS and the English versions on the Company's dedicated CSR website for all stakeholders.

Please refer to the Company's website :
<https://www.uni-president.com.tw/invest/index.html>

Other

We prepare both Chinese and English versions of important resolutions from the board of directors and the Company's rules and measures (e.g. Charter, election method of directors) and disclose them on the Company's official website for users' reference.

Please refer to the Company's website :
<https://www.uni-president.com.tw/invest/index.html>

1.3 Ethical Management

The Importance of Ethical Management to Stakeholders and Uni-President



If a company is engaged in unethical conduct, it may lead to low operational efficiency, loss of capital, affecting the trust of stakeholders, and further damaging its sustainable management. Given this, Uni-President is based on integrity, and takes ethical management and anti-corruption issues seriously. We carry out business activities on the basis of fairness, honesty, trustworthiness and transparency, and set up a corporate culture and adequate risk control mechanism based on ethical management. We also deeply plant the ethical corporate management principles into the Company's corporate ethics and culture to enhance its reputation, while pursuing sustainable management.

To establish a corporate culture and a sound risk control mechanism based on ethical management, Uni-President keeps a close eye on changes in the business environment, while reviewing and amending principles, operating procedures and conduct guidelines related to ethical management on par with the government's policy. Through emphasizing international cases by education, training and emails, we implement the promotion of ethical management concepts into our daily operations. In 2015, a dedicated Ethical Management Team was formed to report to the board of directors the implementation status of ethical management on an annual basis. An independent internal reporting mailbox and hotline have been set up for internal and external personnel.

Ethical Corporate Management Best Practice Principles



Procedures for Ethical Management and Guidelines



Summary for Uni-President Enterprises to handle disclosure of material inside information



To ensure there is no corruption, prior to engaging in a business activity, Uni-President evaluates the necessary integrity records of its business partners. Moreover, the contract entered into with the business partner specifies ethical conduct clauses, such as no offering and receiving bribes, and that if an ethical management conduct is violated, the contract may be terminated or cancelled. In 2020, 3,938 suppliers (including raw materials, maintenance, repair and operation services) and 777 engineering plants signed the contract. In terms of the effectiveness of audits and internal control – in 2020, there were a total of 73 ethical management-related audit reports; improvement plans were proposed and preventive measures established for 44 audit reports; the remaining 29 were regular audit reports which the Audit Office is regularly following up on their improvement. In 2020, there were no reports of any facilitation fees or political contributions received by the Audit Office. In 2020, 59,712 internal employees received ethical management-related internal and external education and training, totaling 144,027 hours.

2020 Signing of the Letter of Commitment for anti-bribery	2020 Inspection of compliance with prevention of the unethical conduct program	2020 Internal and external education and training related to ethical management issues ^{Note}
<ul style="list-style-type: none"> Singed with 3,938 suppliers (including raw materials, maintenance, repair and operation service suppliers) Signed with 777 engineering plants 	<ul style="list-style-type: none"> A total of 73 ethical management-related audit reports -Improvement plans proposed for 44 audit reports -The remaining 29 were regular audit reports In 2020, there were no reports of any facilitation fees or political contributions received by the Audit Office. 	<ul style="list-style-type: none"> A total of 59,712 employees received training 144,027 training hours

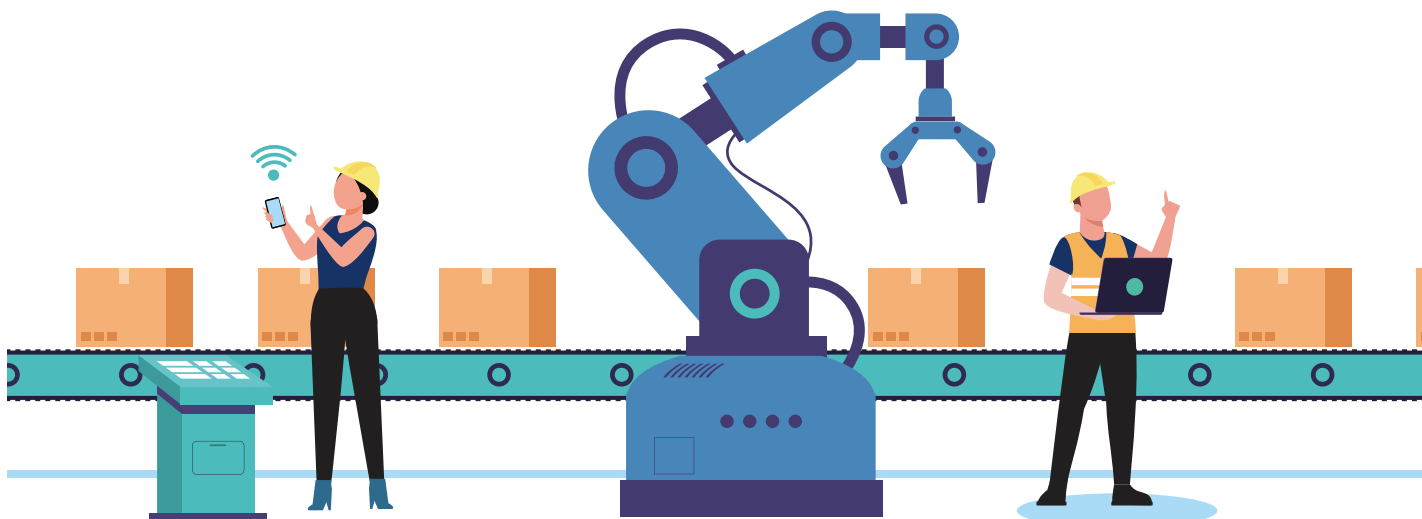
Note: The course content includes to integrity management and compliance, food safety and hygiene management and inspection, accounting system and internal control, etc.

1.4 Regulatory Compliance

At Uni-President, we take ESG regulations very seriously, while also adjusting the Company's internal systems and business operations accordingly. We abide by the laws and regulations of the countries and regions in which we operate our businesses, with regulatory compliance being the minimum standard. At the same time, we take priority over "Five Safety" (food safety, occupational safety, environmental safety, information security and financial safety) requirements in order to create a sound regulatory compliance culture, and uphold integrity and discipline so as to foster the Company's robust operations.

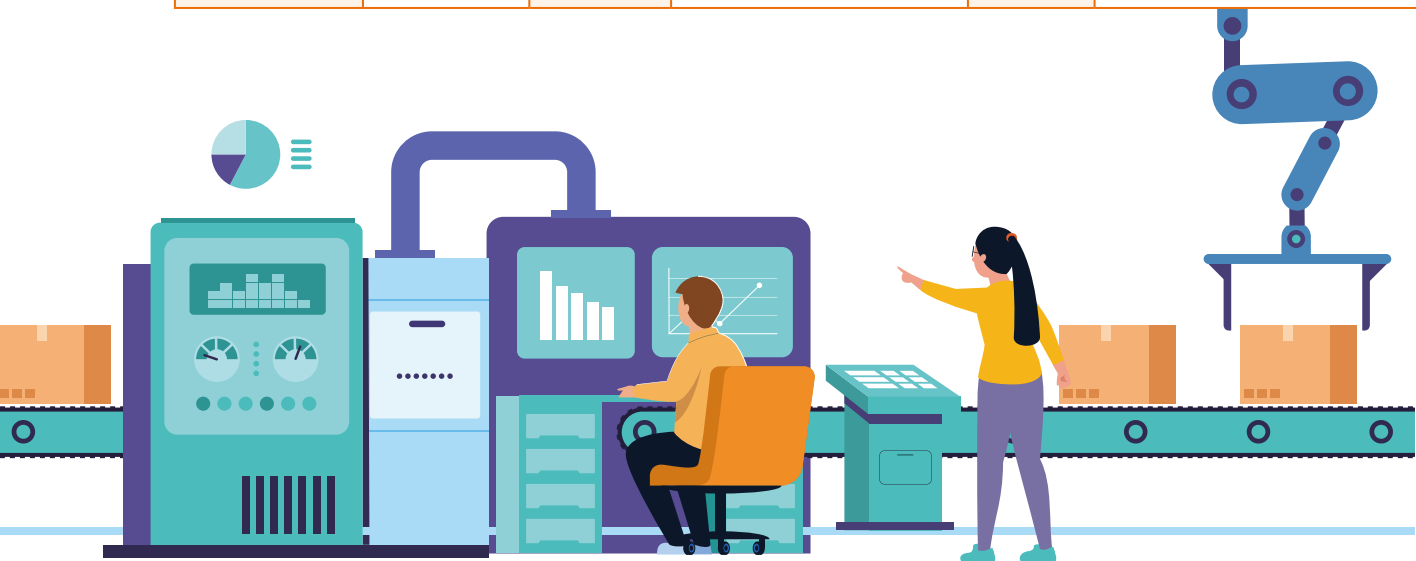


Changes in regulations in 2020 that were closely related to our operations include : labeling of the place of origin of pork and its edible parts, modifications on the scope of use and limit of food additives and specification standards, modification on pesticide residue standards and modification on food products containing dioxin and PCBs treatment specification. In the face of changes in laws and regulations, we uphold the spirit and attitude of "compliance with the laws is our minimum effort." As we get hold of information, we first assess the impact and adopt corresponding management measures.



Violations and Subsequent Improvement in 2020

Violation Aspect	Violation of Regulations	Plant	Reason	Fine	Improvement
Environment	Waste Disposal Act	Yongkang Plant	2020/10/22 the storage area for construction mixture (R-0503) stated in the Waste Disposal Form of Liuying Forage Biotechnology Plant was used to stack plastic canvas for production, inconsistent with the Waste Disposal Form.	NT\$6,000	<ol style="list-style-type: none"> Level 2 inspection around the plant is carried once each month from 2020/11. The construction mixture storage area stated in the Waste Disposal Form has been removed. On 2020/12/1, a Waste Disposal Form from the Department of Environmental Protection was received and the area was removed on 2020/12/2.
		Yangmei Plant	A dedicated employee at Yangmei Plant left their position, but no qualified person was assigned to succeed within 90 days as required by the Waste Disposal Act.	NT\$6,000	<ol style="list-style-type: none"> The centralization of the management of certificates and licenses will be included in the calendar for monthly confirmation; completed on 2020/10/30. Listed as key audit items for environmental protection level 1 and 2 audits.
		Yangmei Plant	The quantity of sludge lifted by the Department of Environmental Protection was not consistent (difference of 0.5 metric tons) with the quantity reported in 2019/3, violating the reporting regulations of the Waste Disposal Act.	NT\$6,000	<ol style="list-style-type: none"> After monthly reports are printed, they are verified by engineers and submitted to the supervisor for future reference. The environmental protection inspection management standards have been amended and the matter has been listed as a main item of environmental protection level 1 audit; completed on 2020/12/14.



1.5 Risk Management

1.5.1 Risk Management Mechanism

Risk Management Organization

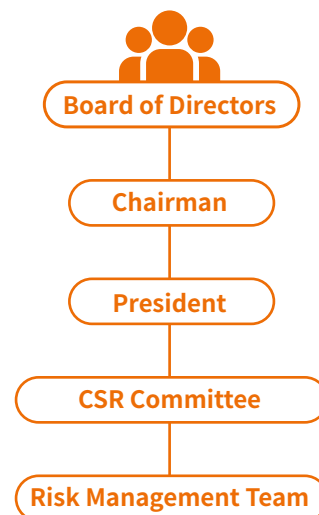
In 2020, the board of directors passed the “Risk Management Policy” to be used as the basis for Uni-President’s risk management.

Board of directors : It is the top unit of the Company’s risk management, in charge of approving, reviewing and supervising the Company risk management policy. Its objective is to ensure the effectiveness of risk management in accordance with laws and regulations, while promoting and implementing overall risk management.

CSR Committee : The Committee is responsible for overall risk management. It sets risk control priorities according to internal and external changes and resolutions made by the board of directors. It is also responsible for reporting the implementation status of the risk management policy to the board of director each year, as well as proposing necessary advice for improvement.

Risk Management Team : The Team reviews the risk control report of all units and follows up the progress of implementation and improvement. It also summarizes the execution status of each unit’s risk management and submits a report to the CSR Committee.

Risk Management Organization




Risk Identification and Assessment Process




Our risk management covers governance, environmental and social aspects. According to potential risks of each related unit, we identify, analyze and measure risks so as to be able to further respond to them through adequate management methods. By supervising and improving the risk management plan, risk control is centrally managed and hierarchically executed according to the characteristics of risks and their impact levels, ensuring that they are effectively controlled at all times.





Risk Management Scope and Management Measures

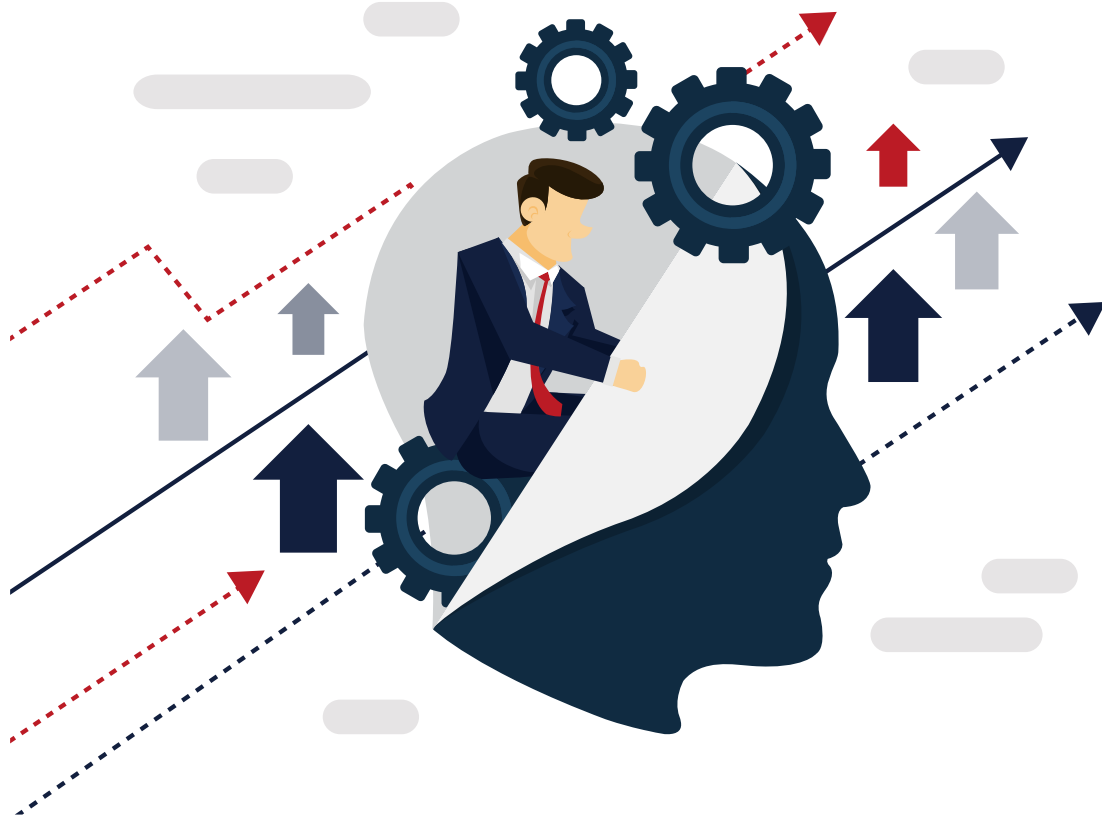
The risk management policy of Uni-President manages all potential strategic, operational, financial and hazard risks that may affect operations and profitability. The management scope includes but is not limited to the following categories : operational risk, market risk, food safety risk, environmental and industrial safety risk, legal compliance risk, financial risk, human resources risk.

Risk Category	Risk Description	Risk Management	Corresponding Chapter
 Market Operation	<ul style="list-style-type: none"> Not being able to respond to changes in consumer behavior in a timely manner, impacting performance. If the business model does not progress on par with trends, new generations of consumers or retailers will be lost, posing an unfavorable situation to the company’s sustainable business operation. 	<ol style="list-style-type: none"> Disease outbreaks (e.g. influenza, avian influenza, dengue fever, SARs and COVID-19) have brought about changes in people’s buying habits and increased demand for e-commerce and home delivery sales. Apart from sales behaviors of existing distribution systems and physical shops, mobile shops and e-commerce business (to develop online shopping businesses or work with e-commerce platforms) must be increased to ensure stable revenue and growth. Master the difference of each consumer group and region in the market and develop and select suitable fast moving consumer goods to meet the needs of consumers. Change the business model of the retail industry to respond to the technology development on youth consumption by introducing a new retail ordering system in the channel distribution system and provide end-consumer online shopping choices. 	About Uni-President Enterprises, 2020 Annual Report “Operation Highlights”

Risk Category	Risk Description	Risk Management	Corresponding Chapter
 Food Safety	<ul style="list-style-type: none"> Fail to properly control food safety and hygiene that leads to potential hazards to consumer health and safety. Fail to update information associated with food laws and regulations that leads to the labeling of food packaging not complying with legal regulations. 	<ol style="list-style-type: none"> A Food Safety Committee is in place to hold regular meetings to review and resolve issues related to food safety and quality management. Strengthen food safety risk control – from 2018, Uni-President proposes customer complaint classification tracking and drug residue management goals. Formulate an inspection policy for affiliates to improve their food quality management. Install the Food Safety Center Rapid Alert System (FSCRA) to collect related information on the Company's products. All responsible units are notified immediately so that a response can be made in advance. We have formulated the "Management Procedures for Regulatory Changes in Products" to assess impacts of changes in food-related laws and regulations. This ensures all products are in compliance with regulatory requirements to prevent damage to consumer health and the Company's reputation. 	Chapter 2. Shaping a Safe and Healthy Food and Drink Culture
 Environmental Risk	<ul style="list-style-type: none"> Fail to comply with environmental protection regulations, posing a negative impact on the Company's production and sales. A major violation of environmental protection regulations will impact the image of the enterprise and brand. 	<ol style="list-style-type: none"> Conduct education and training and issue related information promotion to increase environmental protection awareness. Implement internal environmental inspections in three levels, and make improvement on issues concerning air pollution, wastewater, waste, toxic chemicals, and drinking water to ensure regulatory compliance. Meet pollution prevention requirements through engineering and management approaches to improve the operating environment and the use of raw materials. Promote various energy conservation and waste reduction projects to achieve air pollution, waste and wastewater management goals, reducing the impact of operations on the environment. 	Chapter 3. Commitment to Environmental Sustainability
 Occupational Safety (industrial safety)	<ul style="list-style-type: none"> Fail to comply with the Standard Operating Procedures (SOP) that results in employee injuries. Fail to comply with the requirements stipulated in the Occupational Safety and Health Act. The infectious disease COVID-19 has affected the Company's normal operations. 	<ol style="list-style-type: none"> Introduce ISO 45001 and CNS 15506 occupational safety and health management systems to ensure the management of the employee's safety and health. Promote different types of occupational safety education and training, as well as case promotion to increase the employee's awareness of occupational safety. Occupational Safety Office and General Plant/ Industrial Park conduct an industrial safety inspection on a periodic basis to jointly prevent occupational hazards through guidance and inspections. Regularly implement inventories on safety and health-related regulations. By doing this, the requirements or related matters of amendments to regulations are conveyed to each unit to perform regulatory identification for amendments to related standards. After the Taiwan Centers for Disease Control declared the "COVID-19" disease as a statutory communicable disease on January, 15, 2020, Uni-President formed a "COVID-19 Crisis Task Force" in accordance with the "Crisis Handling Principles." During the outbreak, meetings were regularly convened for coordination and to give commands to each relevant department. Real-time outbreak information is collected and mastered and preventive measures promoted. According to the government's policy/outbreak development, we also formulated countermeasures as well as announcing precautions during the crisis and tracking the implementation status of preventive management measures. 	Chapter 4. Create a Healthy and Happy Workplace



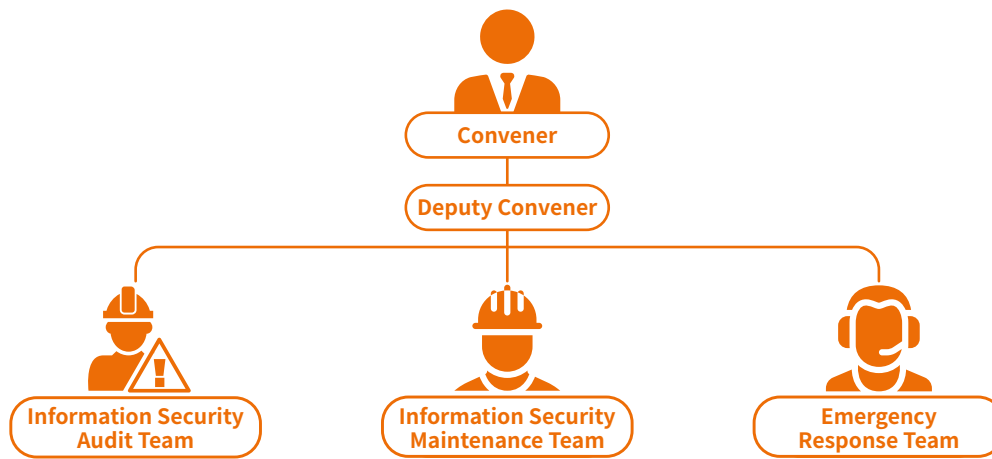
Risk Category	Risk Description	Risk Management	Corresponding Chapter
 Information Security	<ul style="list-style-type: none"> Systems or devices with EOS lead to hacking, causing company losses. Abnormalities of information security equipment or system authority, or lack of awareness of personnel lead to information security protection mechanism vulnerability. 	<ol style="list-style-type: none"> Set up an information security management mechanism and obtain certification from a third party verification company. Establish and announce the information security policy and form an "Information Security Team," in which the manager of the Information Department serves as the convener. An Information Security Audit Team, Information Security Maintenance Team and Emergency Handling Team are also in place to strengthen information security protection. Information risk management is conducted according to the information security risk assessment and management operating procedures on an annual basis to identify and analyze information security risks and evaluate their levels. Improvement plans are also proposed for high-risk items. Replace systems and devices with EOS. Perform backup exercises and account inventories to ensure the effectiveness of the information security protection mechanism. 	1.5.2 Information Security, p.143 on the 2020 Annual Report
 Financial Risk (Financial Safety)	<ul style="list-style-type: none"> Market risk, credit risk and liquidity risk may pose adverse effects on the Company's financial status and financial performance. 	<ol style="list-style-type: none"> There are written principles for the board of directors for overall risk management; there are also written policies for specific areas and matters. The Finance Department implements the risk management policy approved by the board of directors and works closely with the Company's internal operating units to assess and manage financial risks. We adopt a prudent manner regarding changes in interest rates and exchange rates and keep a close eye on the trend of domestic and foreign market interest rates as well as capital needs. We also allocate a floating/fixed financing ratio and pay close attention to exchange rate fluctuations, while controlling foreign currency exposure in a stringent manner. 	1.5.3 Financial risk, p.380 on the 2020 Annual Report



1.5.2 Information Security

At Uni-President, we have built an information security management system and constructed a four-step information security management to manage documents used a basis for the current information security management operations. Our management system is in compliance with ISO/IEC 27001:2013 information security management standard which was certified by a third-party verification company. In July 2012, we formulated and announced the information security policy. With ISO 27001, we have also established the information security management system, while forming an “Information Security Team” in which the manager of the Information Department serves as the convener. An Information Security Audit Team, Information Security Maintenance Team and Emergency Handling Team are also in place to strengthen information security protection. Furthermore, we implement information security risk assessment and management operating procedures to ensure the confidentiality, integrity and availability of the Company’s information assets as well as protecting personal data.

Information Security Team Organization



We conduct information risk management according to the information security risk assessment and management operating procedures on an annual basis to identify and analyze information security risks and evaluate their levels. If the acceptable level is exceeded, risk handling and improvement measures are adopted to reduce possible risks. According to the results of the information security risk assessment carried out in December 2020, there were no significant operational risks.

As the promotion of information security concepts is our priority, to enhance our colleagues’ understanding regarding information security, we employ a consulting company to perform education and training on a regular basis. By taking this approach, we raise the awareness of information security to our employees and implement information security control. Our employees are provided with information security education training each year. In 2020, information security education and training received by our employees totaled 2,675.5 hours.

The total number of training hours for information security education in 2020 is **2675.5** hours

1.5.3 Financial Risk

Uni-President’s daily operations are affected by a number of financial risks, including market risk (exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. In view of financial risks, we have established an overall risk management policy. We focus on unpredictable issues in the financial market and seek solutions to mitigate potential adverse effects on its financial situation and financial performance. In accordance with the policy approved by the board of directors, risk management is carried out by the Finance Department through working closely with the Company’s internal operating units to identify evaluate and hedge financial risks. There are written principles for the board of directors for overall risk management; there are also written policies for specific areas and matters such as exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, as well as investment using surplus liquidity. We also allocate a floating/fixed financing ratio and pay attention to exchange rate fluctuations, while controlling foreign currency exposure in a stringent manner. For more information on financial risks, please refer to the p.380 on the 2020 Annual Report.