

# 2






## Shaping a Safe and Healthy Food and Drink Culture



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# Shaping a Safe and Healthy Food and Drink Culture

## 2.1 Food Safety Commitment

	Customer Health and Safety
Material Topic	
	“Zero Food Safety Risk” is Uni-President’s core value and commitment
Policy and Commitment	
	Establish 3-point food safety management and drug residue goals to strengthen food safety and quality management (For goal achievements, please refer to the Uni-President’s 2020 Sustainable Governance Implementation Performance)
Goal	
	<ul style="list-style-type: none"> <li>Set up a Food Safety Center (FSC) and organize a Food Safety Committee that connects the food safety control of all departments to reduce food safety risks</li> </ul>
Responsibility and Resource	
	<ul style="list-style-type: none"> <li>Establish a quality control laboratory and a food safety laboratory, while proactively gaining TAF and TFDA certifications to strengthen food safety testing capabilities</li> <li>Formulate a supplier management policy and improve supplier management through on-site assessments and raw materials supplier visits</li> <li>Each production plant runs international food safety management systems such as ISO 22000 and FSSC 22000 certification to improve the management capabilities of plants</li> </ul>
Action Plan	
	<ul style="list-style-type: none"> <li>Form a Food Safety Audit Team to periodically perform internal food safety risk monitoring inspections, ensuring the implementation status of food safety controls</li> <li>Continue to maintain the validity of international food safety management systems and laboratory certifications</li> <li>Promote satisfaction surveys on customer complaint handling</li> <li>Comply with food-related laws and regulations</li> </ul>
Evaluation Mechanism	
	<ul style="list-style-type: none"> <li>Establish a Consumer Service Center and provide consumers with multiple channels (0800 hotline, official website, service mailbox and retailer feedback) for product inquiries and complaints</li> <li>Set up an internal food safety project to provide employees with a channel for product-related reporting or complaints</li> </ul>
Grievance Mechanism	

Management Goal	Achievement Rate	2020 Key Achievement	2021 Goal	Mid-to Long-term Goal
3-point Food Safety Management for Customer Complaints				
<ul style="list-style-type: none"> <li>Food Safety Point 1 – No anomalies</li> <li>The number of weighted points for Food Safety Point 2 issues decreased by 30% from the same period last year.</li> <li>Public sector audit – No violations</li> </ul>	Achieved	<ul style="list-style-type: none"> <li>Food Safety Point 1 – No anomalies</li> <li>The number of weighted points for Food Safety Point 2 issues decreased by 53% from the same period last year</li> </ul>	<ul style="list-style-type: none"> <li>Customer complaints on Food Safety Point 1 – No anomalies</li> <li>The number of weighted points for Food Safety Point 2 issues decreased by 10% from the same period last year</li> <li>Public sector audit – No violations</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen the promotion of food safety culture of all affiliated companies</li> <li>Implement 3-point food safety management</li> </ul>
<ul style="list-style-type: none"> <li>Residue in finished products – No anomalies</li> </ul>	Achieved	<ul style="list-style-type: none"> <li>Zero residue in finished products</li> <li>Public sector audit – No violations</li> </ul>	<ul style="list-style-type: none"> <li>Residue in finished products – No anomalies</li> </ul>	

## 2.2 Food Safety Management



### The Importance of Food Safety Management to Stakeholders and Uni-President

Food is a necessity for all mankind, and food safety issues alone are enough to cause a stir in society. We have been established for over five decades, not only do our affiliates span the upper, middle and down streams of the food industry chain, but we also play a leading role in the development of the industry. Society and consumers hold higher expectations of food business operators. As a food sector leader, we took up this responsibility by adopting a group management system on food safety, and have set up consistent management standards for the Group. From the perspective of the value chain, we ensure the safety of our products for the public in terms of raw material traceability, manufacturing, retail channels, and consumer services. By taking this approach, we hope to make a difference and lead the positive development of the industry.

### 2.2.1 Food Safety Management Mechanism

At Uni-President, we ensure food safety. The Food Safety Management Committee coordinates group management and perform audits on affiliates with the Group's system. In addition, we integrate food safety-related information through the FSC Rapid Alert System (FSCRA) and the Regulatory Identification System. At the same time, we also have a dedicated food safety hotline in place to encourage colleagues to jointly implement the safety and quality of all food products.

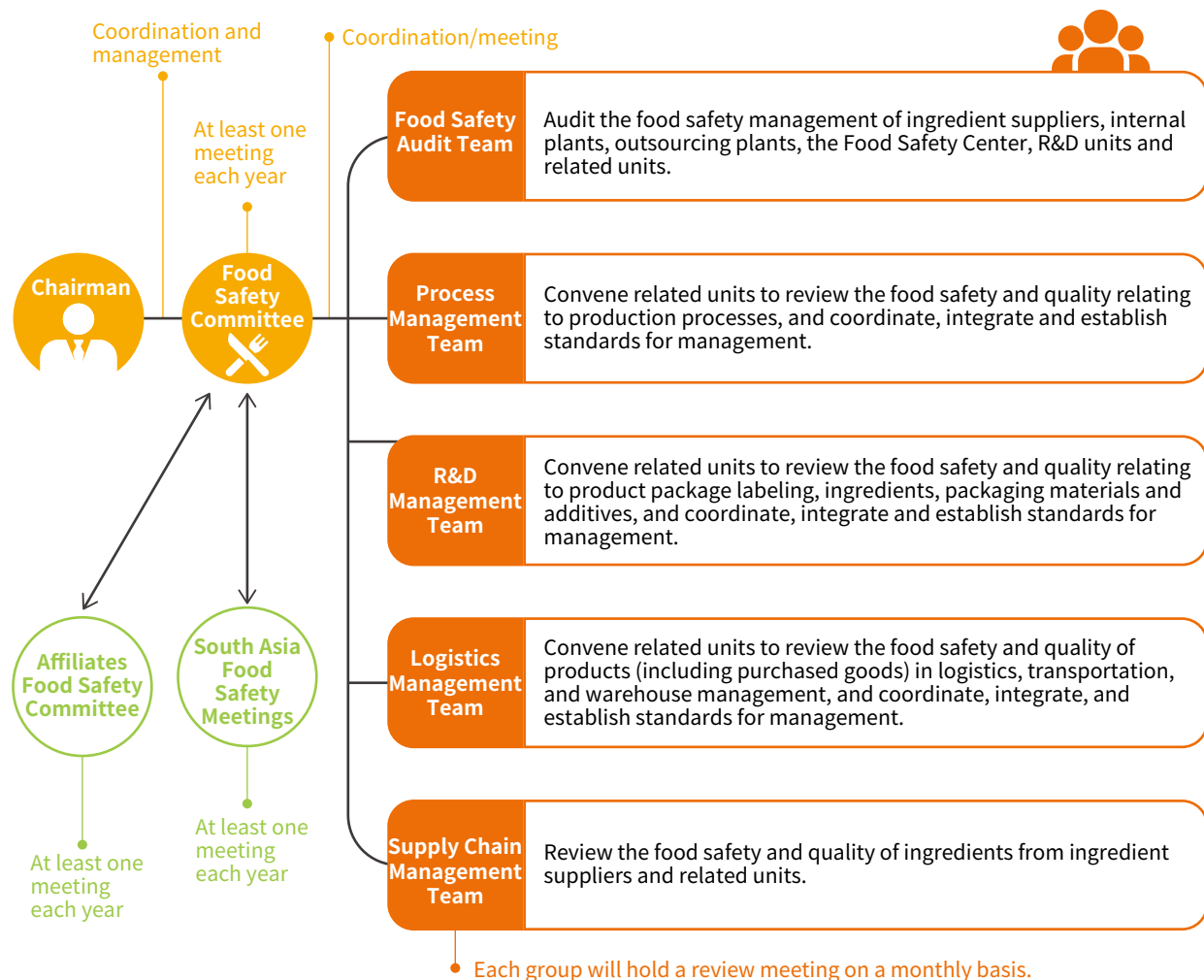


## Food Safety Management Committee

As a means to strengthen food safety controls, we have established the Food Safety Committee, in which the Chairman of Uni-President serves as the convener. Supervisors of the Food Safety Center, Procurement Department, Logistics Group, Central Research Institute, Technical Group, each business unit, Food Safety Audit Team, and Public Affairs Office are members of the Committee. The Committee has five working groups and holds at least one food safety meeting each month to discuss and resolve matters related to food safety and quality management. Uni-President establishes operating procedures of the Food Safety Committee in accordance with the “Organizational Structure and Operating Procedures of the Food Safety Committee,” which covers 100% of our product types.

The Food Safety Committee held 40 food safety meetings in 2020 (including one for the Uni-President Group.)

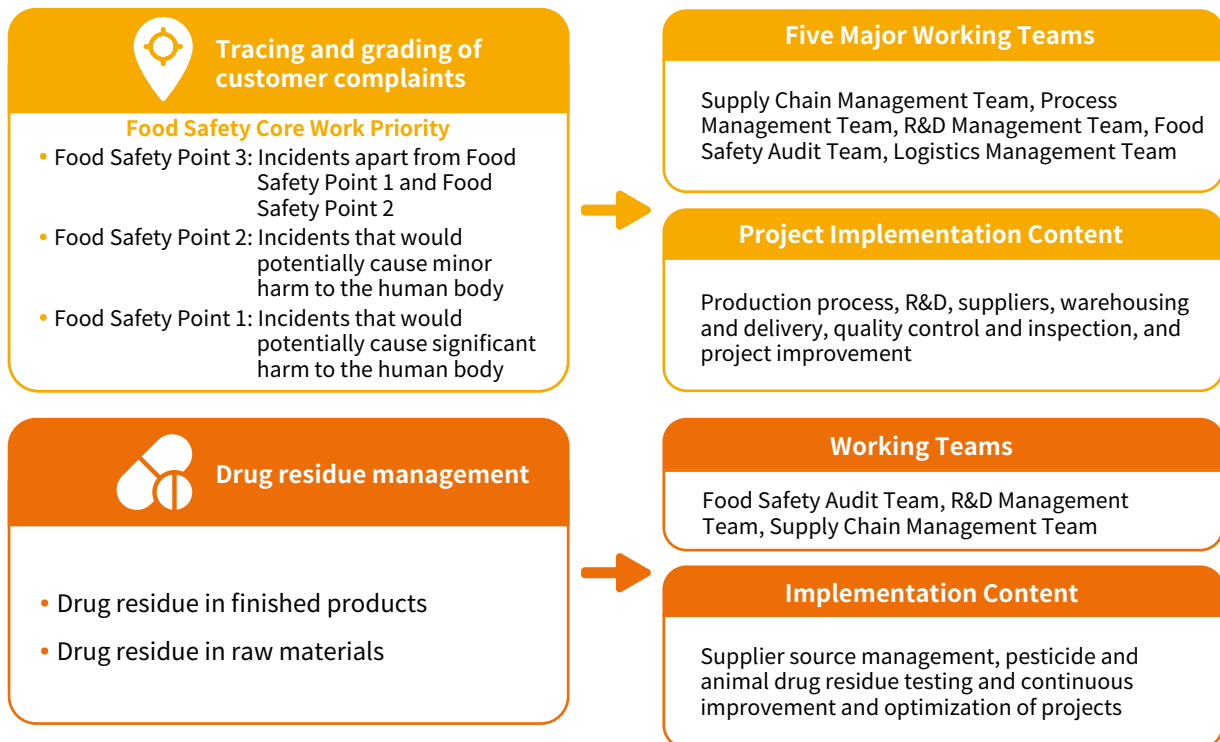
### Procedures, Teams and Responsibilities of the Food Safety Committee



### Food Safety Core Work Priority

Since 2018, Uni-President has set goals each year for tracking and grading customer complaint incidents as well as drug residue management. These goals are distributed into five working groups to implement management targets and performance tracking. To allow more accurate management performance inspection, since 2019, the frequency of incidents have been included in the weighted calculation as a management evaluation indicator. This improves the security control risk caused by the target setting of the number of incidents in the past. In 2020, there were no anomalies for Food Safety Point 1, the number of weighted points for Food Safety Point 2 issues decreased by 53% from the same period last year, which is an improvement on the 30% decrease set for the same period of the previous year. In addition, there were no residues in finished products and no violations for public sector audits, reaching the target set for food safety core work priority.

### Food Safety Core Work Priority Management Method



### Audits on Affiliates

In addition to coordinating Uni-President Group’s management system by the Food Safety Committee, we also perform audits of affiliates to help with their improvements. Thus, we prepare an annual audit plan for affiliates at the beginning of each year, and these audits are performed in accordance with the “Affiliate Food Safety System Evaluation Items.” In 2020, Uni-President’s seven affiliates were audited, including President Chain Store Corporation, Uni-President Organics Organization, President Natural Industrial Corporation, President Pharmaceutical Corporation, President Nisshin Corporation, Kikkoman Inc., and Tait Marketing and Distribution Co., Ltd. With the promotion of our food safety core work priority, affiliates and suppliers have gradually strengthened their management measures. In 2020, the score received by each affiliate was higher than that of 2019. All deficiencies found during the audit were tracked by the FSC and have been improved in the first quarter of 2020.



### Affiliate Food Safety System Evaluation Items

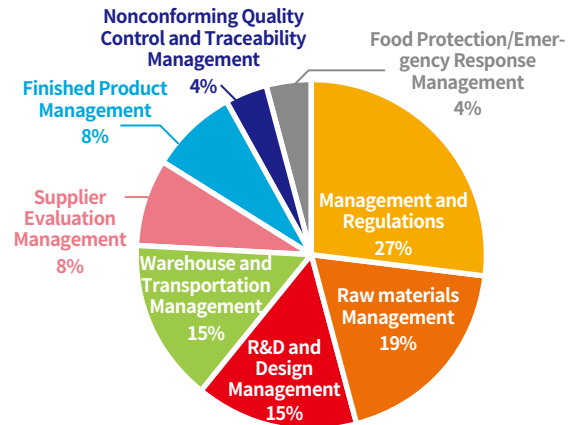


### 2020 Audit Results of Affiliates

The total score for audits performed on affiliates increased

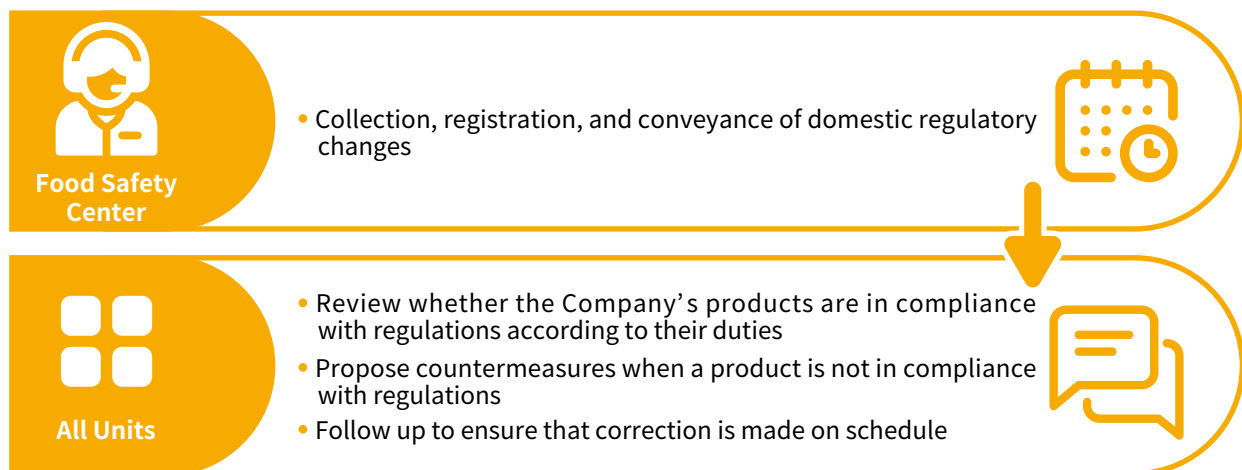
by **0.47** points from 2019.

#### Statistics of Audit Defective Items



### Regulatory Identification System

Making timely responses to regulatory changes is important for food safety risk management. In a bid to get a hold on constantly changing food safety regulations, we have set up a “Product Regulatory Change Management Process.” Moreover, we perform identification and inventory with the Regulatory Identification System through the FSC and related units. At the same time, we evaluate the impact of regulatory changes in relation to safety, hygiene, quality, and testing methods and propose countermeasures to ensure all products are in compliance with laws and regulations. By doing this, we are able to prevent damage to consumer health and the Company’s business reputation.



In 2020, the Food Safety Center supervised 93 cases of regulatory changes, which covers all product categories (100%).

The Food Safety Center initiated 91 regulation identifications in accordance with regulatory changes. Two regulatory identifications were not completed as the regulatory changes were not in effect at that time. These were continuously tracked, and will be completed before they become effective.

The Act Governing Food Safety and Sanitation and its enforcement rules proclaimed by the Taiwan Food and Drug Administration, Ministry of Health and Welfare, are the major laws and regulations applicable to Uni-President products. Please visit the TFDA website for details regarding related laws and regulations (<https://www.fda.gov.tw/TC/law.aspx?cid=62>).

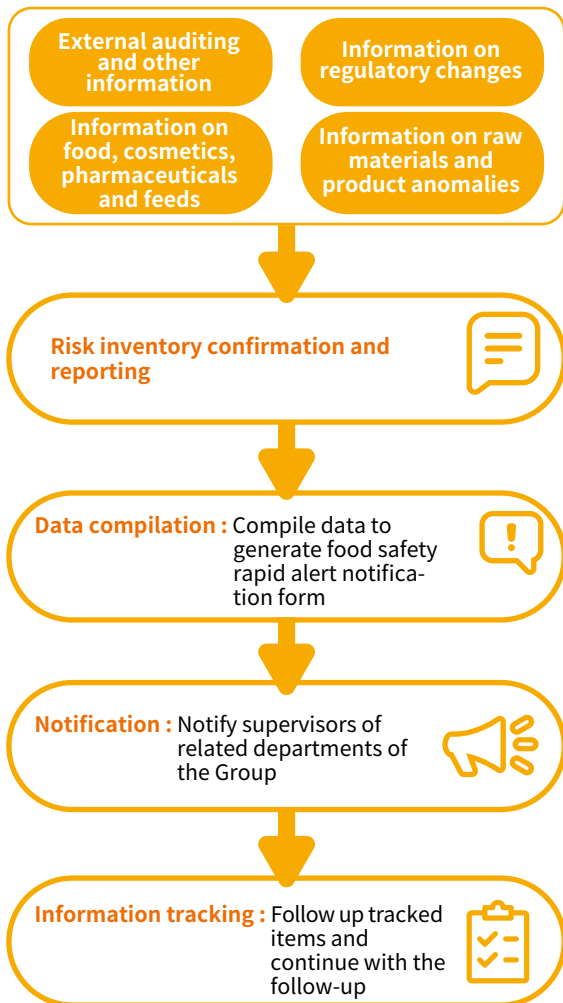


In 2020, there were no fines or penalties imposed for violation of the “Act Governing Food Safety and Sanitation” and its related enforcement rules, measures and guidelines.

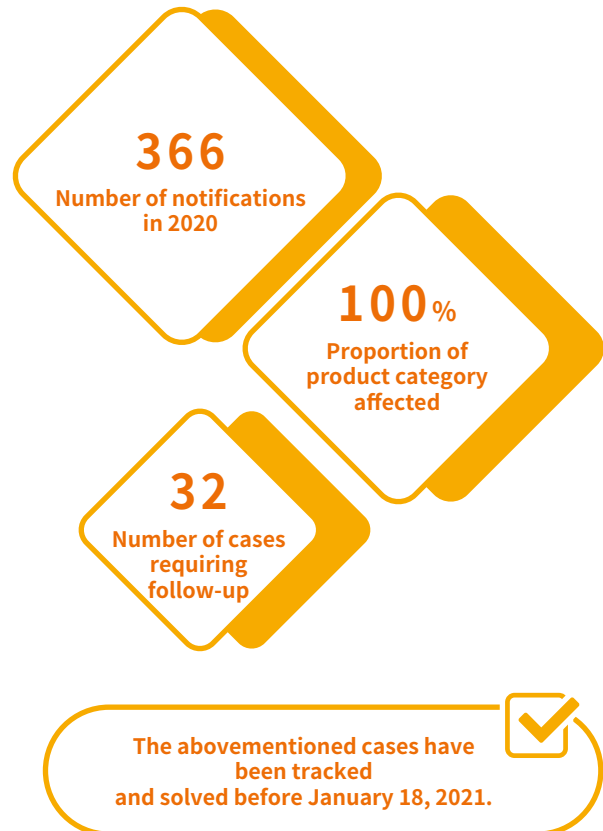
### The Food Safety Center Rapid Alert System (FSCRA)

In order to implement good communication on food safety and maintain the efficiency of the plant management mechanism, we have, since 2015, established the Food Safety Center Rapid Alarm (FSCRA) system. The FSCRA system collects information associated with our products on a daily basis and notifies all response units in real time. Through the FSCRA, related units are able to respond quickly in advance and manage the safety of food/cosmetics/pharmaceuticals/feeds.

#### Operating procedures



#### List of notifications from the Food Safety Center Rapid Alarm System (FSCRA) in 2020

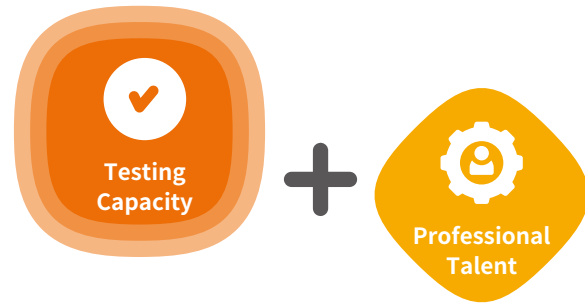


### Food Safety Hotline

For product safety and label content, Uni-President has established “Employee Participation in Product Safety Measures” to encourage employees to report any concerns regarding advertisement, labels, ingredients, and legal inconsistencies of current Uni-President products through the hotline or mailbox. These reports are processed by the Audit Office, after which, the Food Safety Committee will conduct an investigation alongside related units. Depending on the significance of the report, the responsible units will review and take the necessary actions. Furthermore, we provide protection and rewards to the employee making the report. The maximum reward can be up to NT\$5 million. Employees can express their opinions on all company food products (100%) on the food safety hotline. In 2020, there were no cases of employee feedback on the food safety hotline.

## 2.2.2 Food Safety Professional Capacity

At Uni-President, we invest high standard resources and professionalism into food safety, and do our utmost when it comes to improving food testing capacity and enhancing professional talent. We hope this will elevate our food safety standard to an international level. Apart from strict internal food safety, we also provide testing services to external parties to help spread our influence of food safety to the outside world, contributing to food safety standards in Taiwan.



### Certified Laboratories and Testing Items

Uni-President has set up quality control laboratories in each production plant, while the FSC has set up a Food Safety Laboratory to jointly perform testing on raw materials and finished products. If an item fails to reach the accepted criteria, it shall be judged as unqualified by the QC Section, and the procurement unit shall be informed to return the product, or it shall be suspended from use. In addition, the procurement unit would require the supplier to propose improvement plans and recurrence prevention measures in order to enhance the stability of supply quality.

As a means to strengthen the control capacity of food safety, we continue to invest in equipment to improve our testing capabilities, while proactively acquiring the certificates of the TFDA (Taiwan Food and Drug Administration) and TAF (Taiwan Accreditation Foundation). For more details of the certified laboratories, please refer to the ESG Information Table in the Appendix.

In 2020, the QC Section and Food Safety Laboratory compiled a total of 214 groups of practical testing items (excluding the test items for projects commissioned by external clients) for ingredients, materials, and finished products. These items include the physical and chemical properties and safety factors. All testing methods have been certified by the TFDA or the TAF. In addition, testing is conducted with respect to the methods established by the Ministry of Health and Welfare and the Bureau of Standards, Metrology & Inspection or internationally accepted test methods (e.g. AOAC).

As of December 31, 2020, up to **616** testing items of Uni-President's laboratories have been certified by the TAF and TFDA as food-related testing items.

Note: Please refer to the "List of TFDA- and TAF-Certified Items" in this report for certified items.





### Anomaly Form of Finished Products and Ingredients/ Materials Inspection in 2020

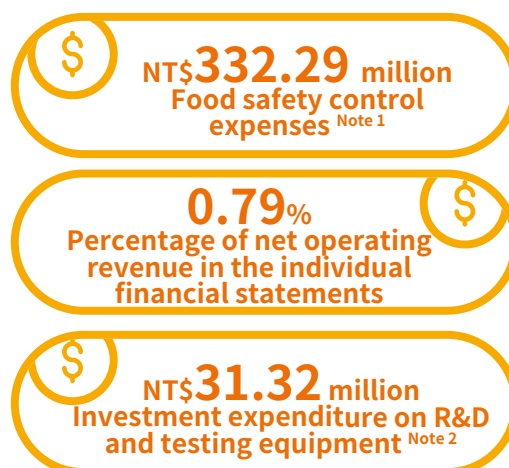


Anomaly rate of final products

Anomaly rate of ingredients/materials

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

### 2020 Food Safety Management Expense Statistics

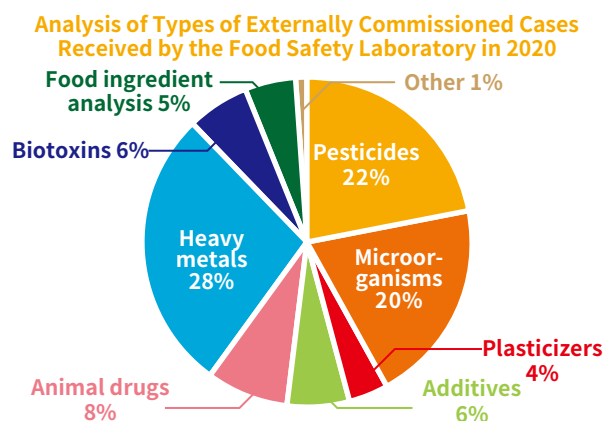


Note 1: Food safety control expenses include laboratory expenses and external testing fees

Note 2: Expenditure includes the equipment investment of the Central Research Institute, Food Safety Center, and Technical Group

### Expand Food Safety Testing Influence

In order to meet the requirements of food safety in Taiwan, not only do we apply strict measures on ourselves within the Company, but we also share lab technology and resources in related industries by undertaking testing from external units, including food manufacturers, suppliers, schools, catering industry, and agricultural associations. Of these external testing cases commissioned in 2020, most were for heavy metals, pesticides and microorganisms. Uni-President will continue to improve its lab software and hardware facilities as well as the professional testing capabilities of its employees, further contributing to Taiwan's food safety.



### Cultivate food safety talent

Uni-President attaches great importance to professional food talent and encourages employees to acquire relevant food licenses to improve their knowledge in the food industry. We have established the "Rewards and Allowances for License and Certificate Acquisition," which applies to all Uni-President employees. As of December 31, 2020, a total of 132 employees obtained food safety certifications. Furthermore, to increase food safety awareness and enhance the food safety knowledge of our employees, we continue to arrange courses related to food safety, hygiene management and testing. In 2020, the number of participants in food safety training reached 14,840, with a total training of 31,146 hours.

No. of employees attaining food-safety related licenses compared to 2019  
Increased by **6.5%**

**2020 Food Safety Education and Training**  
**14,840** employees received training  
Total **31,146** training hours

Note: For analysis of professional licenses and certificates attained in the last three years, please refer to the ESG Information Table in the Appendix.

## 2.3 Supplier Management

### The Importance of Supplier Management to Stakeholders and Uni-President

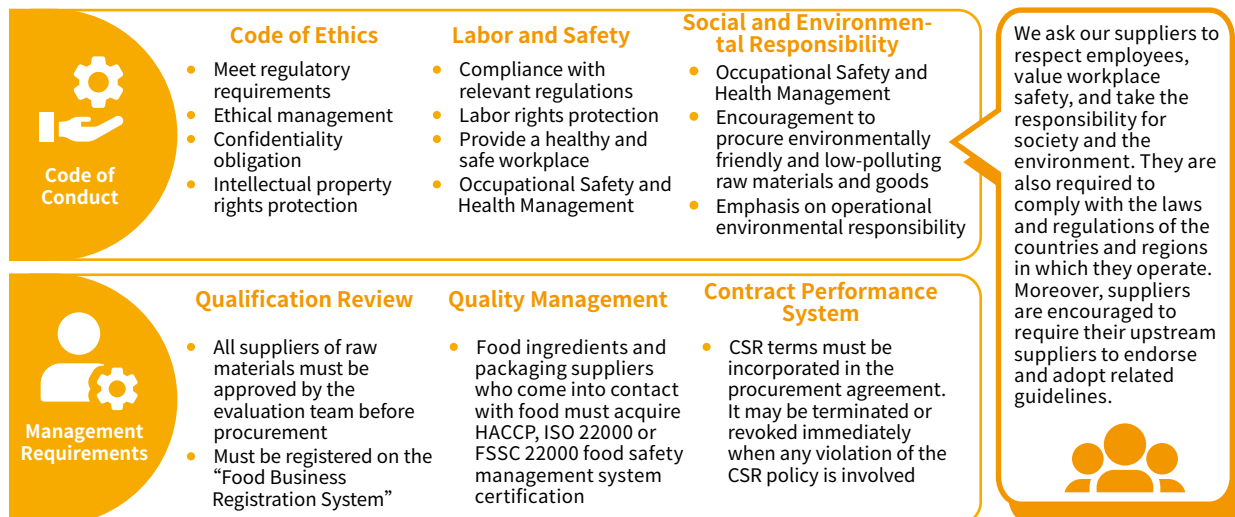


Uni-President produces a wide variety of products with complex compositions of raw materials. In providing consumers and society with quality and safe food products in mind, we proactively reduce food safety hazards while at the same time maintaining the integrity of our products. In addition, we also minimize the use of materials and additives, and effectively reduce food safety risks through comprehensive traceability and tracking, supplier management, as well as audit systems.

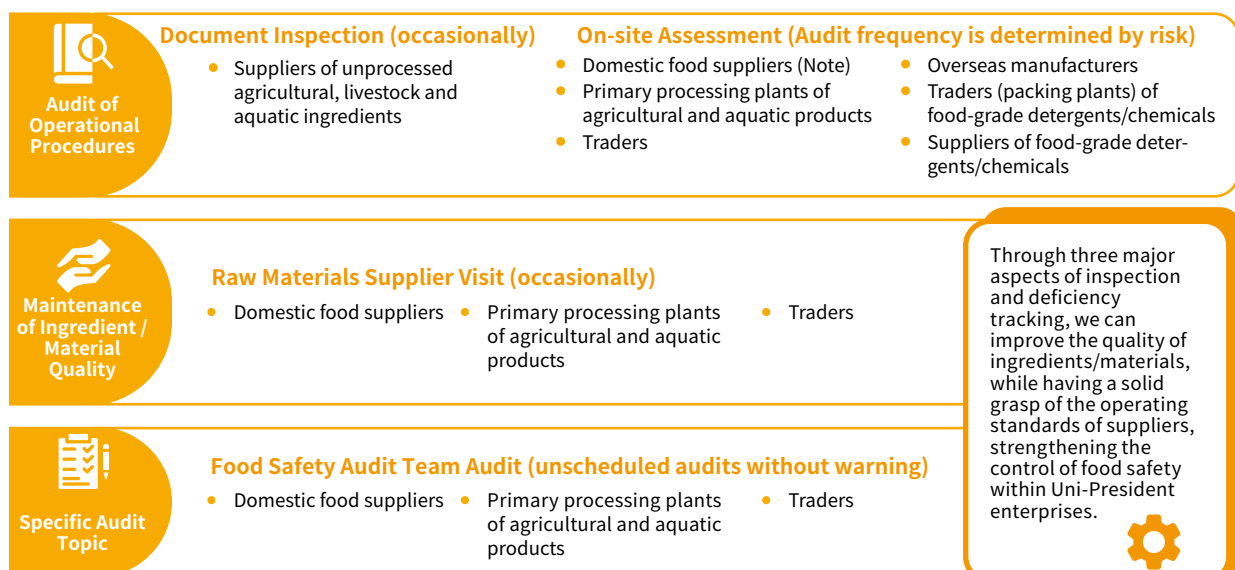
#### 2.3.1 Supplier Management Mechanism

Uni-President produces a wide variety of products with complex raw materials. To maintain the flavor of a product while decreasing harmful materials in food is the key to food safety risk control. Thus, we not only minimize the use of ingredients and additives, but have also established the Supplier Code of Conduct and management requirements. Moreover, we effectively reduce food safety risks through on-site assessments, raw materials supplier visits and supplier traceability checks, as well as a comprehensive track and trace system.

#### Supplier management strategy



#### Supplier Management Mechanism

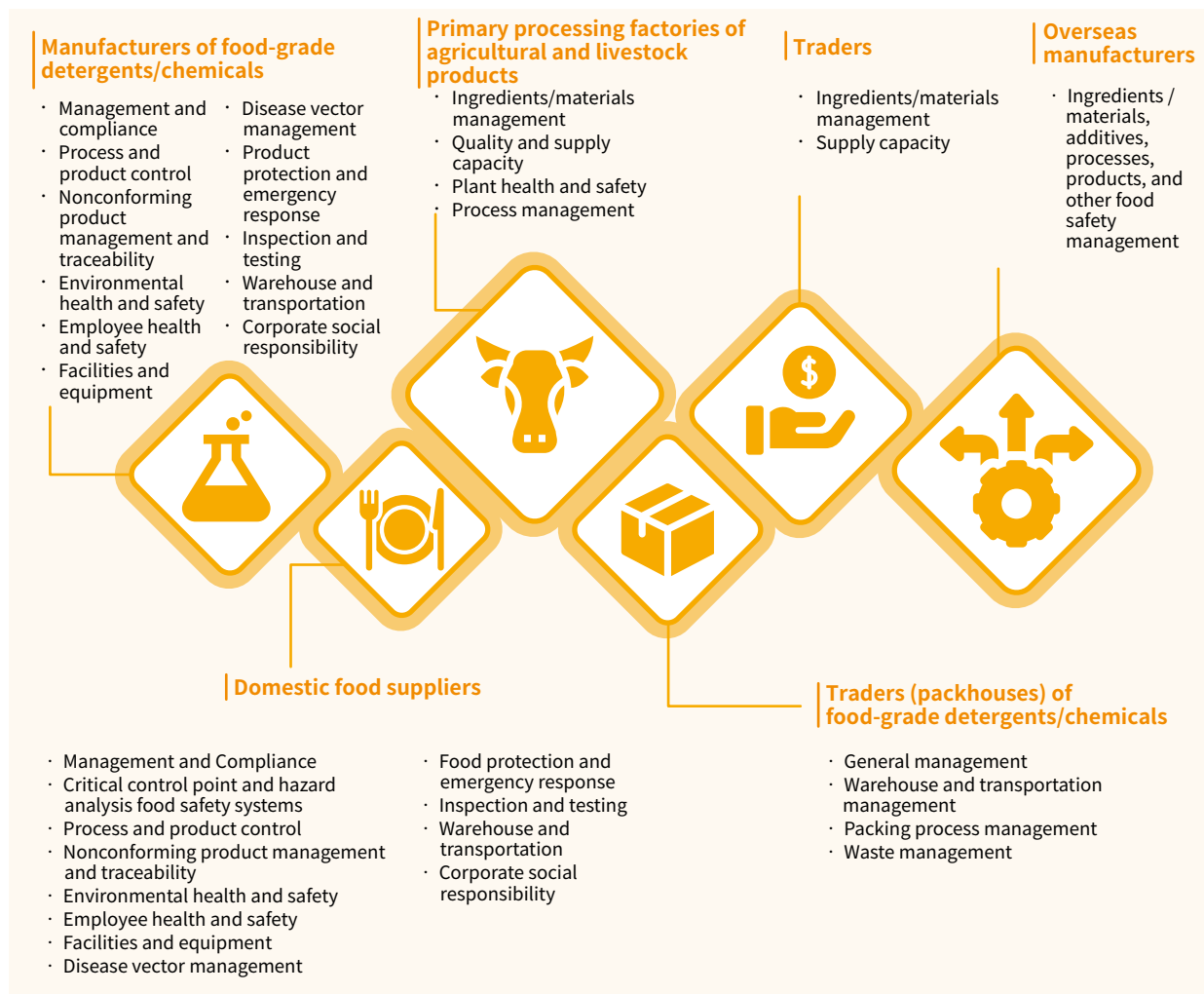


Note : Including outsourcing packaging suppliers with direct contact with foods (products).

## On-site Evaluation

We have formulated the “Supplier evaluation Procedures” in accordance with the “Regulations on Good Hygienic Practice for Food” and the “Regulations on Food Safety Control System.” Evaluation items of these Procedures are applied based on the type of supplier.

### Supplier Evaluation Items



In 2020, 135 out of 540 suppliers (Note 1) applicable to the Supplier Evaluation SOP completed the on-site evaluation (Note 2), a 25.0% evaluation completion rate. A score over 60 and without significant deficiencies is required to pass the evaluation. Evaluation items include whether the food safety and hygiene management systems are ineffective and whether the food has immediate safety hazards and can be improved immediately. A total of one supplier failed the evaluation. The Project Team evaluated and proposed improvement plans for deficiencies, hoping to reduce related the recurrence of related incidents.

Note :

1. Food ingredient/material suppliers who had business dealings with the Company in 2020 included suppliers not subject to the Supplier Assessment Procedures.
2. Excluding suppliers of raw milk (dairy farms), packaging materials that do not come into direct contact with foods, wheat suppliers, and the number of OEMs that import wheat.

After the evaluation, suppliers are requested to fill in the “Raw materials Suppliers Onsite Guidance and Improvement Follow-Up Form” and report the improvement of deficiencies within one week. Suppliers not listed in the qualified supplier list after the review may be subject to another evaluation based on the root cause of deficiencies and follow-up result of the improvement. They may be listed as new suppliers when approved. Suppliers punished (including fines) for violation of related laws and regulations will be rejected for reassessment.

On-site evaluations performed on overseas suppliers were completed in 2016, with each one passing the evaluation. According to Risk Control Principles, as there were no recent major risk incidents, on-site evaluations were not required for overseas suppliers in 2020. When necessary, on-site evaluations will be proposed for overseas suppliers in the future.

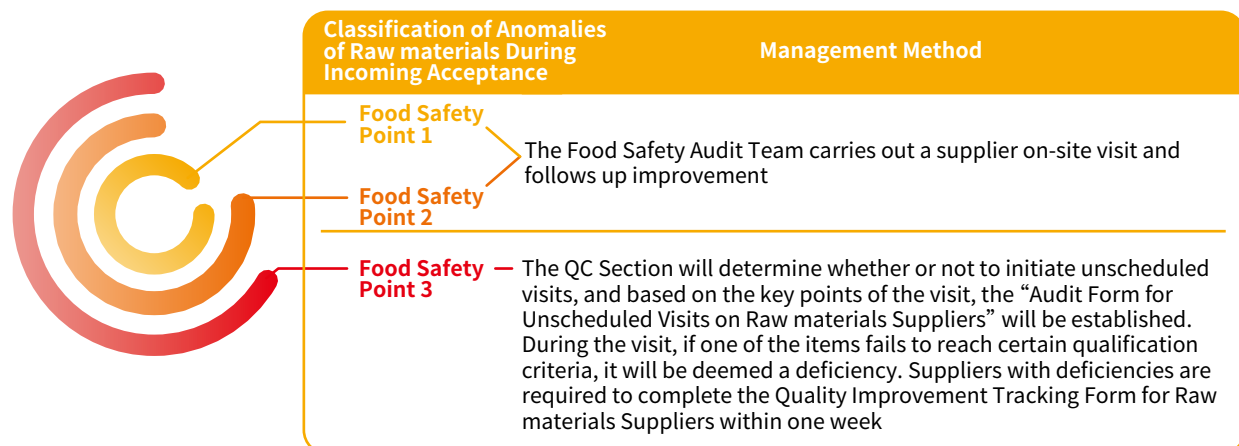
#### 2020 On-site Evaluation Percentage



Note: The frequency of on-site evaluations for suppliers is based on the type of supplier and their risk level. On-site assessments are performed each year, every two years or every four years.

#### Raw materials Supplier Visits

We periodically perform on-site assessments not only to evaluate whether the operating procedures of suppliers are in compliance with Uni-President's standards, but we have also classified anomalies in raw materials during incoming acceptance into Food Safety Point 1, Point 2 and Point 3, while conducting corresponding management and tracking.




#### Results of Raw materials Supplier Visits in 2020




### Supplier Traceability Check


With reference to the “Food Trace and Track System,” the Food Safety Audit Team formulated the “Inventory of Traceability on Level 2 Raw materials and Production Inspection Measures for Suppliers.” Traceability and production audits are conducted based on the type of manufacturers and traders.

 **Audit Topic**

**Including:**

- Production history check
- Production process check (for manufacturers)
- COA of testing report check
- GHP (Good Hygienic Practices) management (including warehousing) check 

Among these, the production history check refers to the raw materials used by suppliers in production, meaning traceability check for level 2 raw materials.

Inventory items include import declarations, import licenses, certificates of ingredient/material origin, COA (Certificate of Analysis), shelf-life, food safety testing reports. 

In 2020, the Food Safety Audit Team audited **304** suppliers on-site in **702** visits. Good Hygiene Practice (GHP) was the main defect. Corrections of all defects were all completed by January 30, 2021.

### Construction of the Food Trace and Track System

With reference to the “Regulations Governing the Trace and Track System of Foods and Relevant Products” promulgated by the Ministry of Health and Welfare, we require food operators to record and trace the supply source or product flow of food and related supply processes. Uni-President has already established traceability data in the written or digital format from raw materials suppliers to outgoing shipments of the finished products on the next level. Uni-President has conducted traceability in accordance with the “Food Traceability Management System” established based on internal regulations, which covers 100% of our product types (excluding animal and aquatic feed).

In 2020, Uni-President has developed the Food Traceability Management System with a total of 436 products, accounting for 100% of all Uni-President food products (excluding feed for livestock and aquatic animals). We also achieved 100% development of the Food Traceability Management System and use of electronic receipts according to the legal requirements. The complete data has been uploaded to the Ministry of Health and Welfare’s “Food Traceability Management System (Ftracebook)” (<http://ftracebook.fda.gov.tw>).



## 2.4 Responsible Production Management

Given that production management is important for reducing food safety risks, Uni-President has set up a sound food safety management system and supervises the management effectiveness of each production plant by attaining various production management verifications. We also implement food processing hygiene management in each plant through the self-audit mechanism and monitoring of the Food Safety Audit Team.

### 2.4.1 International Food Safety Management System

Our food production plants have attained various international food safety management certifications. In addition to TQF being the basic certification system required by each plant, based on the foundation of the FSSC 22000, ISO 22000 has higher specification requirements and is a management mechanism endorsed by the Global Food Safety Initiative. Uni-President's food plants have all attained the FSSC 22000 verification apart from essential oil plants, which have attained the ISO 22000 certification.

Uni-President's food production plants have attained the following certifications:



- ✓ HCCP (Hazard Analysis and Critical Control Point)
- ✓ CAS (Certified Agricultural Standards)
- ✓ ISO 9001 (Quality Management System)
- ✓ TQF (Taiwan Quality Food Association)
- ✓ ISO 22000 (Food Safety Management System)
- ✓ FSSC 22000 (Food Safety System Certification)

For detailed product certifications of each plant, please refer to "The plants' food products certified by ISO 22000 and FSSC 22000 in 2020" in the appendix list.





In 2020, food products certified by FSSC 22000 accounted for **99.99%** of Uni-President's total food products.

Note : Product certification proportion = Annual production of certified food products / total annual production of food products (unit: the minimum unit of each product)

### 2.4.2 Plant Self-inspection System

Not only do we improve management standards of all plants through the food safety management system, but we have also established a self-audit system based on the type of the production plants to minimize production risks.

#### 2020 Self-audit Standards and Achievements

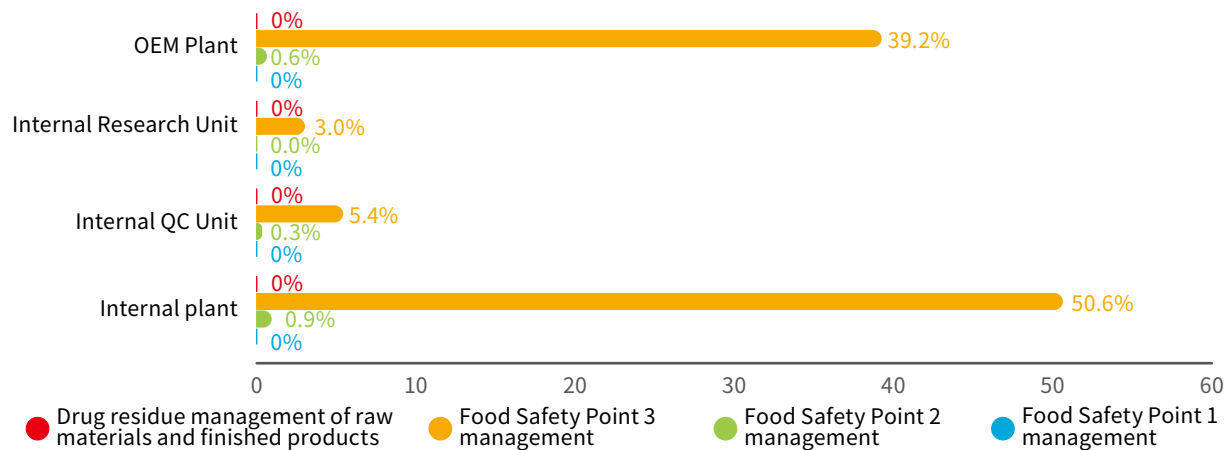
Plant Type	Management Standards	Inspection Status
 Food Plants	We have established the "Internal Food Plant Quality Audit SOP" based on the "Regulations on Good Hygiene Practice for Food" to implement a three-level management audit mechanism. <ul style="list-style-type: none"> <li>• Level 1 : Plant self-audit</li> <li>• Level 2 : Audits on all food plants are performed by general plants</li> <li>• Level 3 : The Technical Group reviews the audit of all general plants and evaluates the need for spot checks based on the risk</li> </ul>	2020 Level 2 Audits <ul style="list-style-type: none"> <li>• Total number of food manufacturing factories : 23</li> <li>• Number of audited manufacturing factories : 23</li> <li>• Proportion between the number of audited factories and affected products : 100%</li> </ul>
		2020 Level 3 Audits <ul style="list-style-type: none"> <li>• Number of production plants spot checked by the Technical Group : 19</li> </ul>
 Feed plants	We have established the "Internal Quality & Food Safety Audit Procedures" in reference to ISO 9001 and ISO 22000.	100% <sup>Note</sup>

Note : In 2020, there was only one feed production plant, which has completed the internal audits.

### 2.4.3 Food Safety Risk Monitoring Audit

In addition to the self-audit of each plant, we also conduct food safety risk monitoring and audits for internal plants, OEM plants and QC/research units by the Food Safety Audit Team combining the Group's food safety core work priority. By doing so, we can ensure the implementation of food safety control of each production and QC/research unit. The implementation status is reported directly to the President's office, hoping to achieve the goal of zero food safety risk. As of the end of 2020, a total of 51 units were audited, with 334 deficiencies found, which have all be corrected.

2020 Food Safety Risk Audit on Production and QC Research Units



### 2.4.4 Process Optimization

Products in the food industry are manufactured through complex processes. Effectively improving manufacturing efficiency and reducing the number of human operations are the key approaches to keeping food safe. Based on this notion, we review the product and packaging processes of each plant and have introduced automation technologies in the hope of reducing excess operations, while improving process yield rate and the quality. In 2020, we introduced two projects, including packaging and transportation automation and automatic box opening equipment.

	Conveyer automation for small packing products at Food Plant	Automatic unpacking equipment at ice product plant
Optimization Description	<ol style="list-style-type: none"> <li>The existing packing machine motor was changed to an inverter type from a conventional type.</li> <li>An encoder has been added for synchronous tracking.</li> <li>A programmable logic controller (PLC) has been installed to control the synchronization &amp; speed of two packaging machines.</li> </ol>	Introduced automatic unpacking equipment.
Amount Invested	NT\$ 3 million	NT\$ 958,000
Optimization Benefits	Personnel no longer required to arrange packets, achieving automatic arrangement.	Improves repetitive manual unpacking operations. The unpack speed is increased by 33.3% and manpower is preserved.
Photos		

## 2.5 Product R&D and Innovation

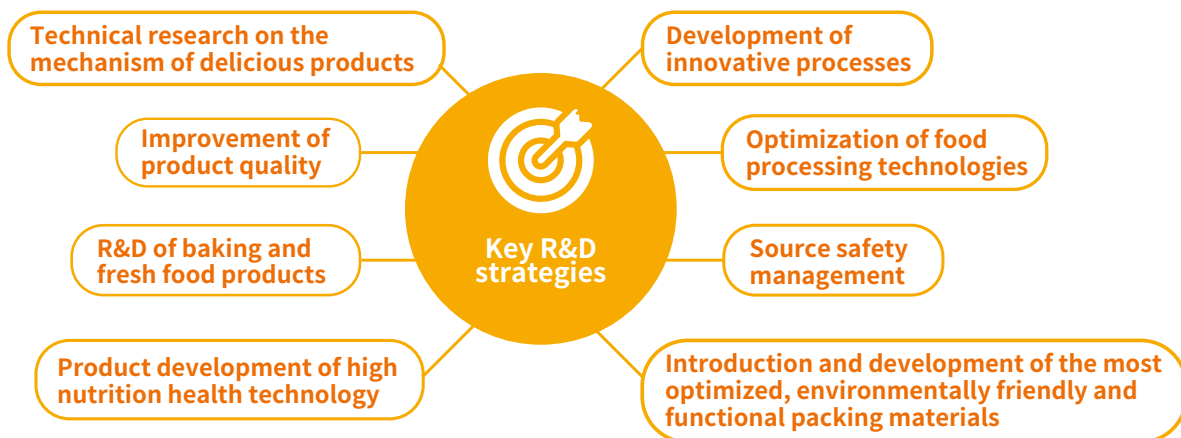
### 2.5.1 R&D Strategy and Goal

“Putting consumers in a relaxed and healthy mood while enjoying their food” is Uni-President’s core value in R&D. For business strategies, we will adopt a safety management model for raw materials in consideration of food safety risks and the public’s awareness on health and environmental protection in recent years, ensuring food safety for consumers. Uni-President further combines core R&D resources, in the hope of achieving a leading position in the food industry and guiding Taiwan’s food industry towards innovation and technology development. Not only do we create new types of products which are integrated with the current environmental awareness, but we also proactively reduce the environmental impact of our products.

#### 2020 results

Invested **437.486** million  
in research and development  
expenses

Obtained **76** patents



### Product R&D and Management Goals for the Coming Year

Management Goal	2020 Achievement Status	2020 Key Achievement	2021 Goals	Mid-to Long-term Goal
 Technical research on the mechanism of delicious products	 (Achieved)	<ol style="list-style-type: none"> <li>1. Researched the high value plant milk technology research and product development</li> <li>2. Soybean reduction and reuse application technology introduced</li> <li>3. Matcha Bubble Milk Tea launched at 7-Eleven</li> </ol>	<ol style="list-style-type: none"> <li>1. Light bakery products developed</li> <li>2. New delicious yoghurt developed</li> <li>3. Sugar-free grain milk products developed</li> <li>4. Freshly brewed tea developed to meet to the need of consumers</li> </ol>	Development towards product refinement and continuous improvement of product quality and flavor
 R&D of technology for new bakery, fresh food and high nutrition healthy products and processes.	 (Achieved)	<ol style="list-style-type: none"> <li>1. Development of the savory bread and delicate pastry</li> <li>2. Development and launching of “Fresh Dried Noodles” and “Fresh Beef Noodles”</li> <li>3. Plan of advanced lipid modulation certificate for Metamin</li> <li>4. Development of LP33 anti-allergy capsules which are stored under room temperature</li> </ol>	<ol style="list-style-type: none"> <li>1. Development of delicious strong tea technology</li> <li>2. Upgrade of pastry refinement technology</li> <li>3. Healthy baked products</li> <li>4. Fresh food pouch product development</li> </ol>	Meet consumer demands and improve three major product categories including fresh food, bakery, and nutrition through product R&D













### U-Best Lutein + DHA Algal Oil

Awarded the gold medal for the Japan Tokyo World Innovative Genius Conference and Invention Exhibition; from 2018 to 2021. We were also awarded the SNQ Symbol of National Quality on Taiwan Biotechnology Industry.



### 2.5.2 In Conjunction with Diverse Dietary Demands in a Healthy Living Era

With changes in demographic structure and lifestyle, Taiwan is moving towards an aging society with fewer children and more and more people eating out. As consumers' health awareness increases, how to meet the diverse dietary needs and help consumers embrace a healthy lifestyle is an important challenge. Because of this, at Uni-President, we develop a wide variety of products targeting different consumer groups, hoping to become the best partner of the public in their dietary life.

 <p>Health Food Certification</p>	<p>To fulfill consumers' healthy diet and enhance product value, we continue to develop and maintain products (including improving gastrointestinal functions, controlling lipidemic levels, reducing body fat formation, adjusting body to reduce allergic reactions, boosting immunity, and regulating blood sugar levels) with various health effects with reference to the health effects announced by the Ministry of Health and Welfare.</p>	 <p>22 products</p>
 <p>Eatender Elderly-friendly Products</p>	<p>We will continue to improve the quality of existing products designed for the elderly while taking into account their dietary habits and bodily functions, in respect to taste, convenience and nutrition, in the hope to enhance understanding on product functionality related to consumers.</p>	 <p>12 products</p>
 <p>Sugar-free/no additional sugar products</p>	<p>According to a survey conducted by the Health Promotion Administration, excessive sugar intake not only causes tooth decay, but it also triggers insulin resistance, increased obesity, the chances of metabolic syndrome, while also elevating blood pressure, blood sugar, blood lipids, and increasing the risk of cardiovascular disease. It accelerates body aging and is suspected of increasing the risk of cancer. In an attempt to provide a healthy diet to consumers, we have added two sugar-free/no additional sugar products.</p>	 <p>23 products</p>
 <p>Sodium reduction</p>	<p>Studies have shown that excess salt intake can lead to high blood pressure and cardiovascular disease (arteriosclerosis, coronary heart disease, and strokes). Extra intake of 1 gram of salt per day (about 1/4 teaspoon) prompts the risk of obesity by over 28%. Taking into account that people may neglect their sodium intake, we are proactively reducing sodium content in our products to provide the public with healthy choices.</p>	 <p>None of our 31 products exceed 2,000 mg of sodium per serving<sup>note</sup></p>

Note : Sodium intake is advice at 2,000 mg per day by the Food and Drug Administration.



### Fruit Fiber Drink with more fiber and less sugar

We can obtain the dietary fiber needed each day from this fruit flavored fiber drink, which has been the best-selling beverage in stores throughout summer in recent years. In order to reduce the burden on consumers' diets, our Orangeade formula was readjusted.



### High fiber and low fat Bodytalk

Bodytalk consists of low-fat milk and dietary fiber developed in Japan. It is a healthy drink which contains fiber and calcium in one bottle. Bodytalk may be paired with other types of fresh food to achieve satiety and calorie control at the same time. Bodytalk is a healthier choice for busy consumers who care about their health.

## 2.5.3 Food Flavor Enhancement

Considering there are many food choices in the market today, how to tempt customers' taste buds is a challenge to our R&D capabilities. "Not only should food be safe, but it must also taste good." We have been striving to enhance food flavors by strictly controlling the quality. By improving our process technology and breaking through existing processing limitations, we can provide consumers with quality products; safe and delicious food.

### International Taste Institute (ITI) (originally named iTQi)

A team of judges, consisting of the world's leading flavor experts, conduct a "blind taste" to analyze products, including vision, smell, taste, texture, and mouthfeel. Finally, products are awarded under three evaluation criteria according to the rating (one star to three stars). Also, for products that have been consistent in flavor and quality for over the years, these are awarded the "Crystal Taste Award" (3-star products for three consecutive years) by the ITI.

3-star product : Dr. Milker

2-star products : Reisui Jizhi, Ruisui Milk, Dr. Milker – English Milk Tea, Dr. Milker – Latte

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### Monde Selection

A team of judges, comprised of the world's experts whose expertise lay in different areas, awarded Bronze, Silver, Gold, Grand Gold to the products according to the score. The evaluation criteria and parameters vary according to the types of products, including sensory analysis, physical and chemical analysis, safety, composition, labeling, packaging and others.

Gold : Ruisui Milk, Reisui Jizhi

### Puyun

The reason for not sweetening Puyun Shy Jih Ching Tea and Japanese Sencha is primarily to preserve the original tea flavor. We put a lot of thought into the flavors. To create a "fine tea," we make every effort to select tea leaves which are picked at just the right time of the year. Coupled with the unique aroma sealing technique, rich flavors are experienced with every sip.

For Shy Jih Ching Tea, the aromatic brew is induced from a long period of resting, while our Japanese Sencha is produced with matcha ground in a stone mortar. These two particular techniques represent our insistence and persistence when it comes to showing the culture of tea tasting craft. Our sugar-free and non-bitter tea drinks are made with elements of "seasonal," "brewing," "craftmanship," and "aroma."



### Morning Loaf

Our Morning Loaf is made from strictly selected Japanese camellia flour and fermented Scandinavian butter and is free from emulsifiers, artificial colors and flavors. We adopt the Japanese Utane Dough method, using "low temperature cooking" and a "multi-pressing" technique to allow the dough to be thin, soft and delicate. Our Morning Loaf is made from simple ingredients, presenting an uncompromising chewy texture and sweet flavor.

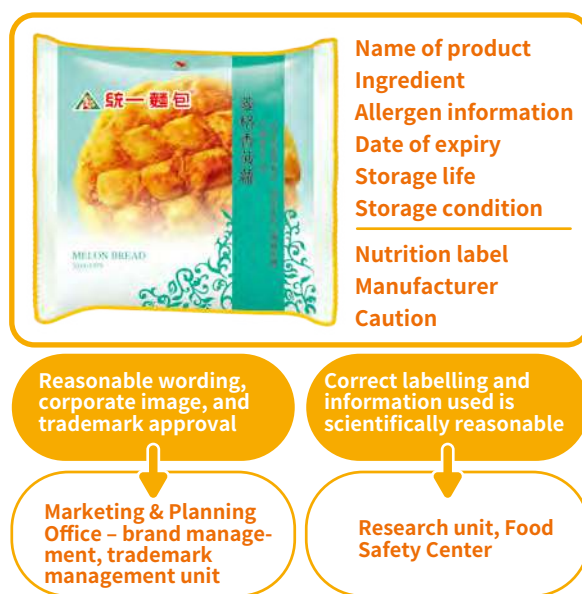


## ◀ 2.6 Responsible Marketing and Labeling ▶

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

### ◀ 2.6.1 Product Labeling and Creative Review ▶

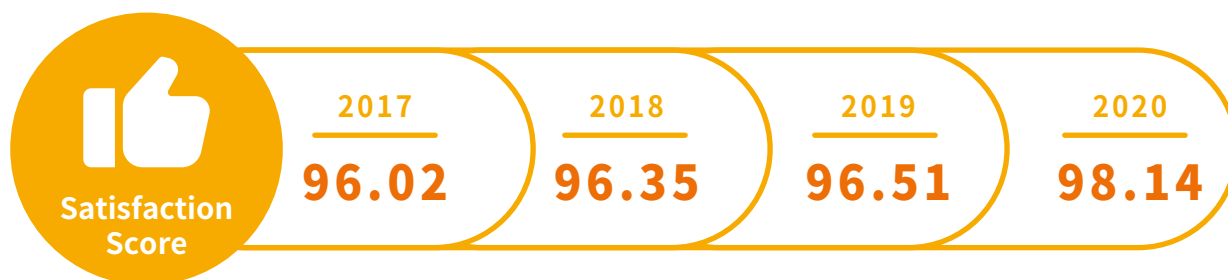
Product labeling and marketing creativity are the first pieces of product information provided to consumers. In terms of package labeling, we uphold transparency and non-exaggeration principles and follow government laws and regulations as minimum standards, and fully label all contents of our products. At Uni-President, we have the “Packaging Label Review Process” in place, and by combining all business groups, research units, marketing and planning office, production plants and QC units, a two-tier inspection system (main inspection and re-inspection) has been established to jointly review packaging labels and advertising terms. The review includes trademarks, brand names, nutrition labels, environmental labels, manufacturing sources, and certification marks so that consumers will have correct information regarding our products and avoid any misunderstandings. In 2020, out of 1,236 reviewed items, 946 were approved and 290 were rejected due to errors in word usage.



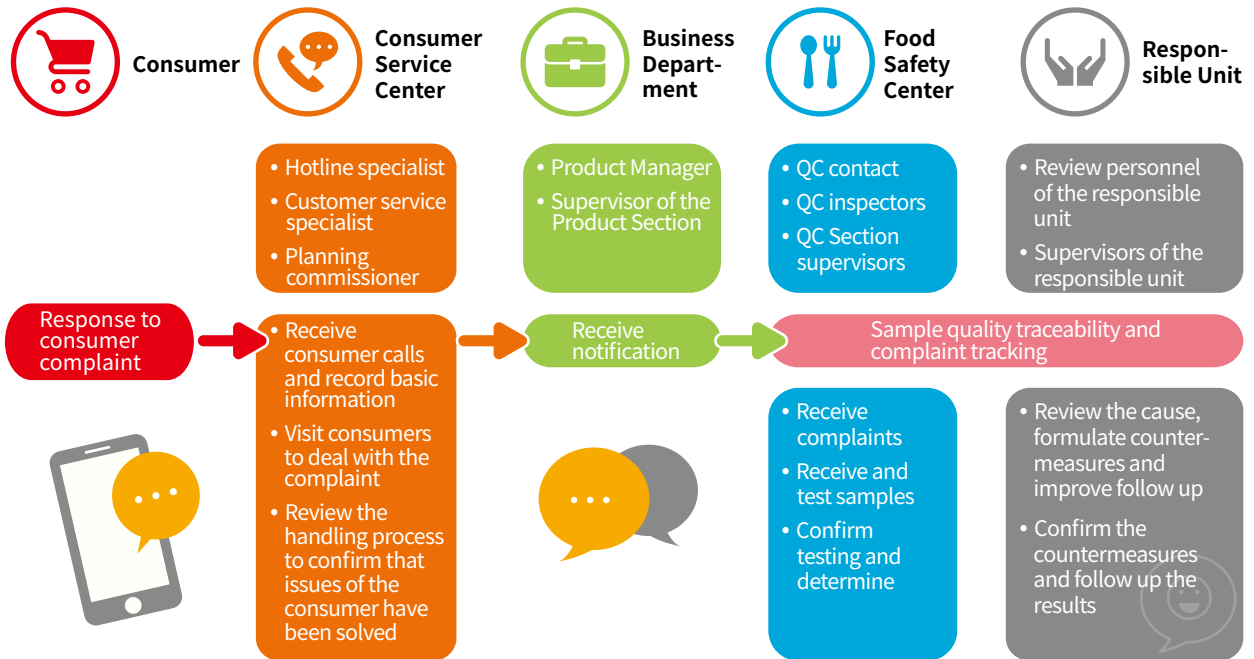
### ◀ 2.6.2 Consumer Inquiry Service ▶

The Consumer Service Center receives comments from our customers via multiple channels (0800 hotline, official website, service mailbox, retail feedback). For those who call us, we vow to return the call within one hour and aim to close a general customer complaint case within 24 hours. We provide consumers with product consulting services, while collecting the views and opinions of customers regarding the use of products. Constructive suggestions will be transformed into practical actions through our systematic management system, enabling us to develop more products that meet the needs of the consumer. The Consumer Service Center conducts a satisfaction survey after a case is closed in order to evaluate whether the customer is happy with the service provided. This will help us improve and provide better services in the future. Since 2016, our satisfaction survey has scored over 95 points for five consecutive years. We will continue to adopt an honest and responsible attitude so that consumers can enjoy the best service that we can provide.

Satisfaction Score



## Consumer Service Center Complaint Handling Process



Listen to consumers' experiences on products to improve customer experience

## Case One

A partner of Uni-President's reported that after the transport and unpacking of Hao-Jin-Dao Ramen, the product occasionally developed a seal defect. To address this issue, we have optimized the noodle acceptance equipment and sealing system at the production plant to help improve the sealing stability and reduce the odds of sealing irregularities after products leave the plant.



## Case Two

Some consumers complained that it was not easy to tear open the top of our Sugar-Free Green Tea. To address this issue, we redesigned the seal heater at the production plant and adjusted the top seal adhesion area in order to reduce the tearing resistance, increasing the convenience for consumers

