



統一企業中國控股有限公司
UNI-PRESIDENT CHINA HOLDINGS LTD.

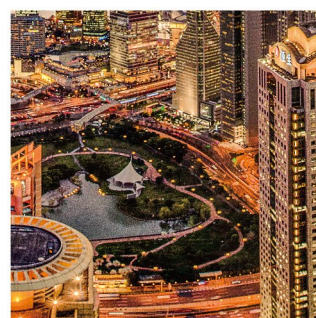
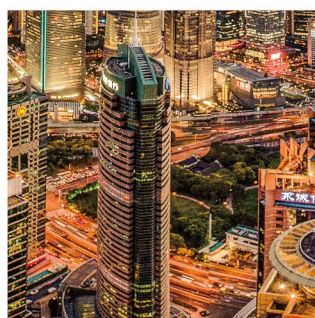
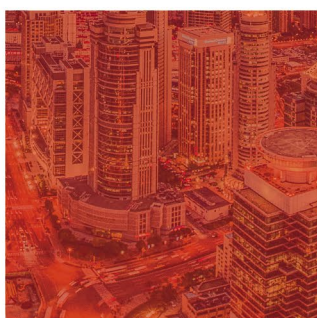
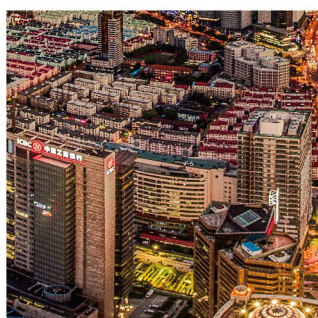
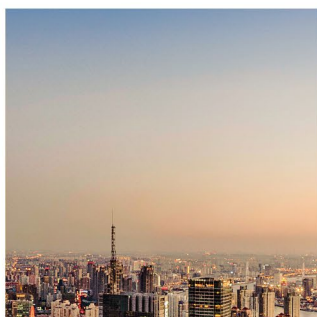
(a company incorporated in the Cayman Islands with limited liability)

(一家於開曼群島註冊成立的有限公司)

(Stock Code 股份編號: 220)

2020

Corporate Social Responsibility Report





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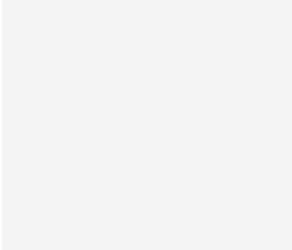
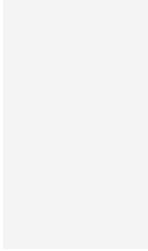
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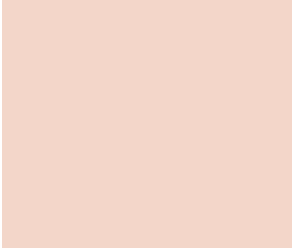
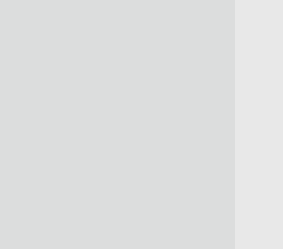
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Chairman's Statement



Uni-President's commitment to "Integrity, Brand, and Taste" does not only apply to people in the Company. We also hope to build a society of more integrity.

— Mr. Lo Chih-Hsien (Chairman)

Adhering to the business philosophy of “Honesty and Diligence; Innovation and Excellence”, we focus on business operation and are dedicated to building brand value. We pursue steady development and strive for progressive advancement by “Healthy Practice”, with an aim to evolve into an enterprise boasting “Integrity”, “Brand” and “Taste”.

Since the widespread of the Coronavirus disease (COVID-19) pandemic in the beginning of 2020, we have thoroughly followed the government’s epidemic prevention measures. We coordinated inventory and logistic services in different business areas to provide healthcare staff in critical regions with living supplies, such as free instant noodles, self-heating rice meals, beverage, etc. Additionally, we maintained active communications with local governments to strive for early resumption of work and production in order to cater the market and consumer needs by commencing production and supply as soon as possible. Under the influence of the pandemic, the lifestyle under otaku economy has affected e-commerce, and the changes in consumption pattern has brought new market opportunities. We took advantage of this opportunity and implemented corresponding measures in order to continuously provide convenient and satisfactory products in the hope of creating a wonderful life with consumers.

The most important mission for an enterprise is to create value. An enterprise can achieve sustainability and deliver positive effects to the whole society only by continuously creating value for the public. This is also what we pursue.

In 2020, we stayed committed to shaping our brand and creating sustainable value for our stakeholders. We insisted on maintaining stable prices for sales channels, investing in our brands, strengthening food safety management and strictly controlling product quality to provide consumers with a better product experience. We are committed to facilitating industry upgrade and new technology application, so as to mark a new chapter for the technology development of food industry. We established a mutually beneficial trust network with all partners adhering to the principle of honest operation. We took active actions to improve environmental performance, to alleviate negative environmental impact and to cope with climate change. We also actively enhanced our staff’s sense of achievement and engaged in creating a healthy, secure and relaxing work environment. Further, we made contributions to the society and did everything in our power to care for the public, upholding the concept of common prosperity and common good with the society.

With risks and opportunities of the past year, our steady growth was credited to every party’s support and dedication. On behalf of the Board, I would like to express our sincere gratitude to our customers, business partners, and shareholders for their unparalleled support. I would also like to express special thanks to all our staff for their great efforts and contributions in the past year. In the future, we will continue to fulfil our mission, strive to maximise stakeholders’ value and actively embrace future challenges.



About the Report

Uni-President China Holdings Ltd. (“the Company”, stock code: 220) hereby issues the 2020 Corporate Social Responsibility Report (“the Report”, “the CSR Report”) to elaborate our policies, measures, actions and achievements regarding corporate social responsibility to stakeholders.

● Reporting Scope

Unless otherwise specified, the Report covers the major businesses of the Company and its subsidiaries (collectively referred to as “the Group”, “we” or “Uni-President”) in the manufacture of food and beverages in the mainland of China during the period from 1 January 2020 to 31 December 2020 (“the Reporting Period”).

● Report Reference

The Report strives to comply with relevant industry-wide sustainability reporting standards. It highlights corporate characteristics based on the industry background. The Report is prepared in accordance with the “Environmental Social and Governance (‘ESG’) Reporting Guide” set out in Appendix 27 to the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Limited (the “Hong Kong Exchange”) and “GRI Standards” of the Global Sustainability Standards Board.

● Notes to the Report’s data

All monetary amounts quoted in the Report are shown in Renminbi (“RMB”) unless otherwise specified.

● Reporting Principles

The Report is prepared in accordance with the following reporting principles required in the “ESG Reporting Guide”:

“Materiality”: Significant stakeholders were identified and key ESG issues were determined through stakeholder engagement and materiality assessment. Description of stakeholders, process of stakeholder engagement, process and results of materiality assessment has been disclosed in the Report.

“Quantitative”: Information on the standards, methodologies and source of conversion factors used for the reporting of emissions/energy consumption has been disclosed in the Report.

“Consistency”: the scope of the Report is consistent with the Company’s “2019 Environmental, Social and Governance Report” published on 28 April 2019. Adjustments in statistical methods and emission factors for certain data have been explained in the Report; the methodology for subsequent years will be consistent with that for the current year.

- **Report availability**

The Report is released in online version and is available for view or download on the HKEXnews website (<http://www.hkexnews.hk>) and the Company's official website (<http://www.uni-president.com.cn>).

- **Feedback**

If you have any comments or recommendations for the Report or our social responsibility work, please contact us through:

Email: ir@pec.com.cn

Mail address: No. 131, Linhong Road, Hongqiao Linkong Economic Park, Changning District, Shanghai



About Uni-President

• Group Overview

The Group, one of the market-leading manufacturers of beverages and instant noodles, started to operate in 1992 and listed on the Main Board of the Stock Exchange of Hong Kong Limited on 17 December 2007. As of the end of the Reporting Period, the Group had 35 manufacturing bases in China, with revenue of RMB22,762 million and total assets of 22,104 million.

The Group adheres to the business philosophy of “Honesty and Diligence; Innovation and Excellence” and upholds the long-term principle of “Value Marketing”. With a focus on business operation, we are dedicated to creating brand value, with an aim to evolve into an enterprise boasting “Integrity”, “Brand” and “Taste”. Since the entrance into the mainland China market 28 years ago, we have formed a multi-category product matrix covering instant noodles, tea drinks, juice, bottled water, soy milk, bottle can products, etc., featuring in “Uni-President Lao Tan Pickled Cabbage and Beef Noodles (「統一老壇酸菜牛肉麵」)”, “Soup Daren (「湯達人」)”, “Kai Xiao Zao (「開小灶」)”, “Uni Ice Tea (「統一冰紅茶」)”, “Chai Li Won (「茶裏王」)”, “Uni Orangeate (「統一鮮橙多」)”, “Uni Assam Milk Tea (「統一阿薩姆奶茶」)”, “A-Ha (「雅哈」)”, “ALKAQUA (「愛誇」)” and other popular products.



- Three Goods and One Fairness: Good Quality, Good Credit, Good Service and Fair Price
- Honesty and Diligence; Innovation and Excellence
- Play “everyone’s all-time favourite symphony of food”
- Build with love and care a “life industry” inseparable from people’s life

• 2020 Corporate Honours

Social recognition

- Social Responsibility Outstanding Enterprise Award
- Anti-epidemic Pioneer Award

Product awards

- Sugar-free tea “Chai Li Won (「茶裏王」)” was honoured “Innovation Star” of Changning District, Shanghai
- “Soup Daren (「湯達人」) -Gourmet’s Selection” and “That Street That Lane (「那街那巷」) - Guilin Rice Noodles” both won the “2019 to 2020 Best Innovative Products of China Instant Food Industry” award from Chinese Institute of Food Science and Technology.
- “Uni-President The King of Tomato (「統一茄皇」) Egg Noodles” won the 2020 “Most Popular Instant Food” award from Chinese Institute of Food Science and Technology.



● 2020 Focus



Operation

- Total assets: 22,104 million
- Revenue: 22,762 million
- Total profit: 2,108 million
- Net profit: 1,626 million
- Total tax: 2,162 million
- R&D investment: 77 million



Environment

- Direct (Scope 1) greenhouse gas ("GHG") emissions: 106,603 tCO₂e
- Energy indirect (Scope 2) GHG emissions: 421,616 tCO₂e
- Total GHG emissions: 528,219 tCO₂e
- Natural gas consumption: 525,236 MWh
- Diesel consumption: 6,075 MWh
- Purchased electricity: 342,637 MWh
- Purchased steam: 535,385 MWh
- Total energy consumption: 1,409,333 MWh
- Water consumption: 9,115,212 tons
- Hazardous waste: 250 tons
- Non-hazardous waste: 60,055 tons
- Packaging materials consumption: 337,447 tons



Social

- The Food Safety Testing Centre can provide testing for over 1,000 items and has a total of 172 CNAS test items
- Total number of employees: 30,430 persons
- Proportion of female employees: 41.7%
- Proportion of female employees in the management: 27.7%
- Accumulative authorized patents: 314 patents
- Devoted approximately 27 million and 10,000 hours for social and public welfare activities and natural disaster donations in total (including the combat against COVID-19).

Topic

Supporting Pandemic Prevention and Control

The UN Sustainable Development Goals we have attended to



At the beginning of 2020, an unexpected epidemic swept across China. As a food company with a high sense of social responsibility and mission, we took the initiative to show our care for all sectors of the society, especially for those who fought the pandemic at the front-line. We donated products worth more than 20 million across the country as well as dedicated 1 million for Hubei Province.

Guarantee Staff Health

The Group is fully aware of its responsibility and mission as a food manufacturer. The headquarters of the Group set up an emergency response team for the pandemic prevention and control at the first time to promote the deployment of epidemic prevention measures in all factories. We formulated the "COVID-19 Prevention and Control Operation Standards for Factories", "Emergency Operation Standards for Public Social Emergency" and other related standards, held regular pandemic prevention and control meetings, and constantly optimized prevention measures. Under the premise of ensuring employees' health and safety, all our factories implemented strict epidemic prevention measures under the guidance of the headquarters' epidemic response mechanism and standards as well as the local government's requirements. Some factories of the Group resumed work early on 30 January 2020 to commence the urgent production of food and other supplies, effectively providing a secured source of such supplies.



In the early stage of the pandemic, for some employees who encountered travel difficulties, our factories organized special vehicles to carry out point-to-point pick-up to assure employees' safety. In the case of shortage of masks and difficulties in purchasing them, the Group, after quick filing application, established and officially put into production a mask production line in mid-March 2020, providing a guarantee for the supply of masks for all employees in the Group.

Many factories of the Group have been recognized and commended by the local government for their prevention efforts, and won the titles of "Anti Epidemic Prevention and Control Benchmarking Enterprise", "Anti Epidemic Pioneer" and "Epidemic Prevention and Control Reassuring Enterprise", etc. Meanwhile, the Group carried out an appraisal activity themed "Salute to Countermarching People" to commend and incentivize those advanced individuals and collectives in the process of fighting the pandemic.

Secure Supply of Materials

Since the outbreak of COVID-19, people across the nation were isolated at home, giving rise to a huge demand for instant food. As one of the industry-leading enterprises, the Group took the lead in responding to the "Three Guarantees" call of the State Administration for Market Regulation, which is "Quality Guarantee, Price Guarantee and Supply Guarantee". Together with upstream and downstream partners, we strived to accelerate the restoration of production capacity, so as to provide guarantees on product quality, stable prices and sufficient market supplies.

Price Guarantee

We resolutely stuck to the original pricing system and actively organize production and supply deployment. We acted up to eliminate price fraud, price gouging, profiteering and other behaviours by proactively cooperating with partners from malls, supermarkets, dealers/distributors, terminals, etc.



Quality Guarantee

We relied on process control of e-management and well-developed quality management system to effectively ensure food quality and safety. We set up emergency response teams in each region, and through adequate interaction with local epidemic prevention and control headquarters, made the following additional control measures according to development of local epidemic: authorising responsible quality supervisors of each factory to monitor and ensure raw material quality on-site; formulating "Supervision Checklist for Food Factory Preventive Measures", and authorising Quality Assurance Department to arrange inspection and supervision; requiring all supervisors to be more engaged in process supervision, management and inspection, quality inspection during product release, etc.

Supply Guarantee

We established a secured material supply system with clear duties, covering from procurement, material control, production to sales units. And during such process, departments coordinated with each other to clarify tasks, and strived to achieve smooth information exchange, quick response and effective instruction to coordinate production and sales and handle the storage and delivery of supplies that meet people's livelihood needs.





Cooperate with Partners

In addition to our own anti-epidemic work, we made great efforts in assisting upstream and downstream partners by offering targeted and effective supporting programs and providing policy, material, financial and other support, in a hope of “tide over difficulties and seek mutual development”.

Procurement Centre of the Group drafted guidelines for suppliers on prevention and control at the early stage of COVID-19 to keep them alert of the epidemic, guide them to reserve related supplies and raw materials in advance and properly conduct personnel management and registration;

We actively communicated with local governments, provided related suppliers with supporting letters for resumption of work (over 3,000 letters provided), and assisted distributors in obtaining permits for delivery (over 900 permits assisted);

We provided interest-free funds for those packaging material suppliers with liquidity problems and cooperated with banks to provide assistance loans for distributors in need;

For those suppliers in heavily affected areas, the Group made special calls to them and helped them solve difficulties and maintain normal business operation.

The Group navigated downstream contractors through effective supporting programmes, helping more than 1,200 people from those contractors to resume work.



Deploy staff to help suppliers



Deliver suppliers' products to the front line of prevention and control

“Those timely and effective supporting measures give us a warm comfort, and we got each other’s back in face of the crisis. This is not a war for just one person or one company, but a war for all of us.”

—Contractors of the Group

Dedicate to Community

Considering the travel inconvenience of the public during COVID-19 and the principle of “Avoid unnecessary contact during unusual times”, we actively explored new scenarios for online consumption, and realised contactless sales through O2O (Online to Offline) platform, community group-buying platform, community groups, Uni-President Wechat Mall and other channels. As of the end of the Reporting Period, the number of users registered on Uni-President Wechat Mall exceeded 800,000.

We also launched Love Express and community contactless shopping to better meet residents’ shopping needs nearby and reduce direct contact, which, to a certain extent, helped residents steer clear of congregate settings and disrupt the spread of the epidemic. In addition, we actively took advantages of product portfolio to launch golden package of “Beverage + Food” for governments, institutions and charitable organisations to ensure dinning safety.

Case: Community contactless shopping

In mid-to-late February 2020, “unmanned convenience stalls” were gradually opened in certain neighbourhoods among South China, East China and Central China. Each stall was stocked with our fine products, such as instant noodles and beverages, which were available for self pick-up after code-scanning. As of the end of the Reporting Period, the Group launched over 300 “unmanned convenience stalls” across the country.



Unmanned convenience stalls

“At this critical moment of COVID-19, we would make long trips to supermarkets which are crowded with people and poorly ventilated. Now it’s so convenient that we can buy what we need just near home without making trips. And the contactless shopping also lowers the risk of getting infected, which is worth praising.”

—Community Residents



Accountable Governance with Integrity and Transparency

The Group adheres to the objective and strategy of “Sustainability” and undertakes the corporate social responsibilities at all times while pursuing business growth. We make active efforts to perform the corporate social responsibilities in all such areas as energy conservation and environmental protection, product quality and safety, employee health and safety, employee recruitment and employee training and development, supply chain management, disaster relief and community charity, etc.

The UN Sustainable Development Goals we have attended to



» Corporate Governance

Diversified governance

The Group is committed to ensure a high standard of corporate governance practices and procedures and appreciates that good corporate governance is crucial to enhance investors' confidence in the Company. As of the end of the Reporting Period, the Board consisted of eight members, including two executive directors, two non-executive directors and four independent non-executive directors. During the Reporting Period, we held 4 meetings of the Board, 3 meetings of the Audit Committee, 2 meetings of the Nomination Committee, 2 meetings of the Remuneration Committee and 2 meetings of the Investment, Strategy and Development Committee. The attendance rate of board members was 100%.

The Board is responsible for the leadership and control of the Company. The Board oversees the Group's businesses, investment and strategic decisions, maintains the effectiveness of the Group's risk management and internal control systems, and monitors the performance of the Group. There are currently four committees established under the Board, namely the Audit Committee, the Nomination Committee, the Remuneration Committee and the Investment, Strategy and Development Committee. Each committee has its terms of reference and reports to the Board regularly. The specific written terms of reference of committees are available for inspection upon request at the Company's principal place of business in Hong Kong and on the websites of the Company and of the Stock Exchange.



Audit Committee: The primary duties of the Audit Committee are to make recommendations to the Board on appointment and removal of the external auditors, approving the remuneration and terms of engagement of external auditors, reviewing financial information and overseeing the financial reporting system and internal control procedures.

Nomination Committee: The primary duties of the Nomination Committee are to review the structure, size and composition of the Board, identify individuals suitably qualified to become members of the Board, assess the independence of independent non-executive directors and make recommendations to the Board on any proposed changes to the Board, or select individuals nominated for directorships and/or appoint or re-appoint directors.

Remuneration Committee: The primary duties of the Remuneration Committee are to make recommendation to the Board on the Company's policy and structure of the remuneration of the directors and senior management and the remuneration packages of individual executive directors and senior management. Details of the remuneration of each of the directors for the Year are set out in the Annual Report.

Investment, Strategy and Development Committee: The primary duties of the Investment, Strategy and Development Committee are to review the investment and development plans and policies of the Group, and review investment proposals and make recommendations to the Board.

Board capacity building and diversity

The Board adopted a Board Diversity Policy, aiming at improving the efficiency of the Board, maintaining the highest level of corporate governance, and recognising and embracing the benefits of having a diverse Board. Under the Board Diversity Policy, in order to achieve a diversity of perspectives, skills and experience within the Board, a number of factors will be considered when deciding on appointments to the Board and the continuation of those appointments, including but not limited to gender, age, cultural and educational background, length of service, skills, regional and industry experience. In forming its perspectives on Board diversity, the Company will also take into account its own business model and specific needs from time to time.

For other details of the Company's corporate governance, please refer to "Corporate Governance Report" of the year.

Risk management

The Group identifies, analyses and assesses potential environmental, social and governance risks and addresses them through transparent and appropriate management approaches, putting all risks under effective control.

Social responsibility risks	How we address the risk	Relevant section
Food safety risk	<ul style="list-style-type: none"> • Set up Food Safety Committee, improve management and further enhance food safety risk assessment, alert and monitoring; • Establish “Three Lines of Food Safety Defense” of food safety (namely qualification review, field inspection, food safety testing), and through multi-perspective risk control, to effectively control food safety risks arising from suppliers; • Adopt “Three Checks of Quality Control” (namely acceptance control on raw material, production control, quality control on finished goods) and actively analyse for improvement and track products to cautiously prevent abnormalities in quality. 	Prioritise Food Safety in Pursuit of Health and Taste
Business integrity risk	<ul style="list-style-type: none"> • Operate in good faith, follow the principles of fairness, honesty, integrity and transparency in business activities, and establish a corporate culture of honest operation and a sound risk control mechanism. 	Accountable Governance with Integrity and Transparency
Occupational health and safety risk	<ul style="list-style-type: none"> • Adhere to “people-oriented, safe and healthy” approach, striving to become a safe, healthy and environmental- friendly factory; • Establish a production safety management system, develop and continuously improve various standards and policies for production safety and occupational health management; • Regularly deliver trainings on staff production safety and occupational health, provide all-round protection for staff. 	Be People-oriented, Make Progress Together with Employees
Environmental risk	<ul style="list-style-type: none"> • Strictly abide by national environmental protection laws and regulations and integrate the energy conservation and emission reduction work into the whole process of production and operation activities; • Continue to pursue improvement in standardisation and systematisation. Reduction of energy use and pollutant emissions is ultimately achieved through management of target as well as the daily checking, performance inspection and analysis and rectification system. 	Take a Sustainable Green Road

Business ethics and integrity

The Group strictly complies with relevant laws and regulations, including but not limited to the “Company Law of the People’s Republic of China”, the “Anti-Unfair Competition Law of the People’s Republic of China” and the “Anti-Money Laundering Law of People’s Republic of China”, and follows the principles of fairness, honesty, integrity and transparency when conducting business activities. The Group formulated “Professional Ethics and Code of Conduct” within the “Staff Manual” and established a series of requirements for relationships with suppliers, requiring staff to strictly uphold professional ethics in daily work and when dealing with business partners, suppliers and customers.

Internal Audit Department of the Group was set up as the department responsible for internal anti-corruption and monitoring. It took charge of integrity culture construction, prevention of the risk of corruption in all aspects of operation and management, and corruption reports handling. Through the “Operational Standards on Whistle-blowing System”, the Group stipulates the scope, means and channels, verification rules, post-procedures upon receiving reports as well as reward and penalty policy. We also keep several whistle-blowing channels open, such as mailbox, phone and email. A whistle-blower is encouraged to report

to the Internal Audit Department of the Group in person or by entrustment through a variety of means including official document, face-to-face meeting, letter, email, phone (fax) or any other way(s) the whistle-blower deems appropriate. Upon receiving the report, the leader of Internal Audit Department conducts a preliminary review, then assigns a staff for a follow-up inspection and issues a written report to the Chairman for approval. Any rewards or penalties would be submitted to the Reward and Punishment Association. In addition, we have developed protection and incentive measures for whistle-blowers to effectively protect and motivate staff to report any irregularities.

The Group provides business integrity trainings for all staff and management, and continuously updates our corporate knowledge platform with new anti-corruption cases for education and warning purpose. During the Reporting Period, we carried out online anti-corruption trainings through “Uni-President Class”, with 1,215 participants. Further, we also provided anti-corruption trainings for all directors by sending them relevant training materials.

» Social Responsibility Governance

Governance structure

We understand the importance of environmental and social commitments to sustainable operation and have incorporated related social responsibility risks and opportunities into our business strategy to guide our daily operations.

We have established a social responsibility management structure including "decision level, organization level and implementation level".



Decision Level- Board of Directors

Responsible for identifying, prioritising and managing major social responsibility issues with reference to stakeholder communications and materiality assessment, assessing social responsibility risks, formulating social responsibility strategies, setting social responsibility performance targets and regularly reviewing the progress.



Organization Level- Senior management

Responsible for evaluating and determining the Company's social responsibility risks and ensuring that appropriate and effective social responsibility risk management and internal control systems are in place, reporting social responsibility risks and opportunities to the Board and providing a confirmation on the effectiveness of these systems.



Implementation Level- Social responsibility working group

Consists of professionals from functional units; responsible for the implementation of social responsibility works. Focusing on environmental and social related laws and regulations, the working group are responsible for supervising functional units within the Group on formulating their internal control standards, continuously promoting energy conservation, emission reduction, environmental protection and corporate social responsibility, as well as effectively monitoring and managing the operation process.

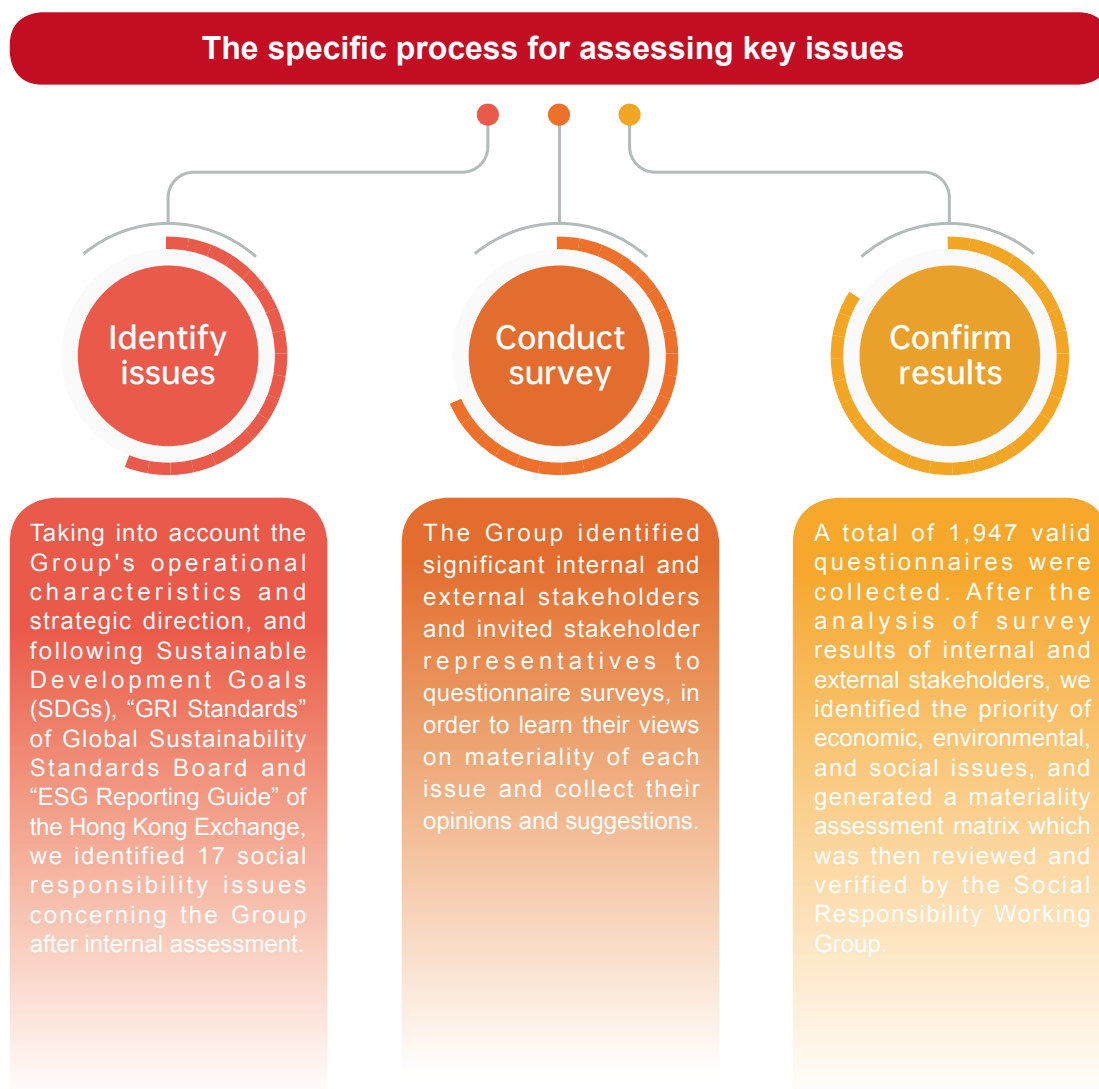
Stakeholders communication

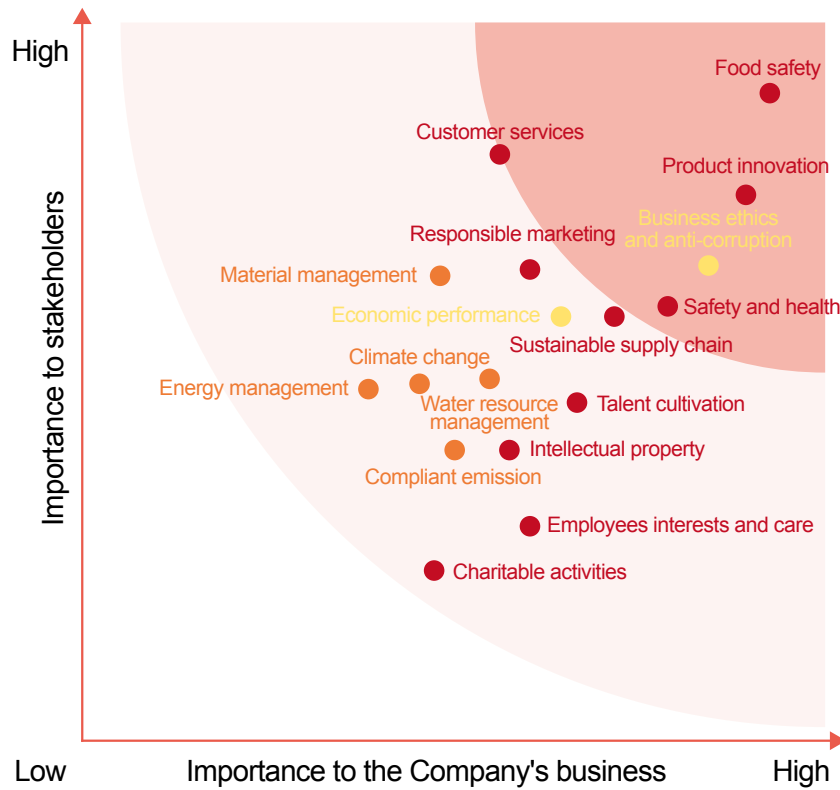
We communicate with stakeholders in various channels to proactively understand their expectations and claims regarding the Group's social responsibility work. We pay great attention to opinions of stakeholders, incorporate their concerns and claims into our sustainable development topics and make active responses by practical actions in pursuit of mutual development with stakeholders.

Stakeholders	Expectations and concerns	Engagement channels
Shareholders or investors	<ul style="list-style-type: none"> • Protection of shareholders' rights • Compliance operation and management • Information disclosure • Return on investment 	<ul style="list-style-type: none"> • General meetings • Announcements (interim reports, annual reports, CSR reports, circulars and announcements) • Websites of the Company/the Hong Kong Exchange • Investors' conferences and roadshows
Government or regulatory authorities	<ul style="list-style-type: none"> • Law and compliance supervision • Fulfilment of tax obligations • Social contribution • Business and economic development • Safe operation 	<ul style="list-style-type: none"> • Conferences • Compliance reports • Field inspection • Participation in government meetings or seminars • Submission of documents • Response to queries or investigation
Suppliers	<ul style="list-style-type: none"> • Fair competition • Long-term business relationship • Product quality monitoring 	<ul style="list-style-type: none"> • Evaluation of suppliers • Field inspection • Daily communication
Employees	<ul style="list-style-type: none"> • Protection of employees' interests and rights • Communication between management and staff • Occupational safety and health • Staff benefits improvement • Equal employment opportunities and diversified development 	<ul style="list-style-type: none"> • Daily communication • Staff seminars • Staff representatives' meetings • Staff training
Customers	<ul style="list-style-type: none"> • Long-term business relationship • Performance and product safety • Product quality • Inventory management 	<ul style="list-style-type: none"> • Daily communication • Product management
Environment	<ul style="list-style-type: none"> • Compliant emission • Resource conservation • Reducing packaging materials • Climate change 	<ul style="list-style-type: none"> • Environmental management improvement • Promoting energy saving • Response to climate change • Strictly managing and controlling emissions
Community	<ul style="list-style-type: none"> • Community involvement • Charitable projects 	<ul style="list-style-type: none"> • Volunteer activities • Charitable activities

Materiality assessment

The Group established a systematic process to identify significant stakeholders and social responsibility issues. Through multi-channel communications with all stakeholders, we assess key social responsibility issues from two aspects of “Materiality to the Company’s business” and “Materiality to stakeholders”, and such issues serve as the basis for preparing the social responsibility report as well as the areas of focus for future social responsibility work.





Extracts from stakeholders' comments

Uni-President is fully aware of the significance of advocating the fulfilment of corporate social responsibility, and it makes practical actions to promote harmony between people and people, between people and enterprises and between enterprises and society, and to pursue healthy environment and sustainable development. We hope the Company will better promote environmental health and sustainable development, thus building a Uni-President family which is civilised, harmonious, safe, environment-friendly and have social responsibility.













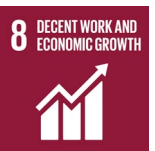





— Staff

As a leading company in instant food and beverage industry, Uni-President plays its pioneer role in taking social responsibilities, and their contributions to social value deserve more public attention. We hope to see Uni-President taking responsibilities on more platforms.

— Supplier

Response to SDGs

In 2015, all United Nations Member States adopted 17 Sustainable Development Goals (SDGs) as a universal call to action to end poverty, protect the planet and improve the lives and future of all people. Considering our major social responsibility issues, we actively answer to the call and support SDGs from multiple aspects.

Title of sections	Social responsibility issues	Response to SDGs
About Uni-President	Economic performance	
Topic: Supporting Pandemic Prevention and Control	Charitable activities Safety and health Customer services Sustainable supply chain	
Accountable Governance with Integrity and Transparency	Business ethics and anti-corruption	 
Prioritise Food Safety in Pursuit of Health and Taste	Food safety Product innovation	 
Take a Sustainable Green Road	Material management Water resource management Climate change Energy management Compliant emission	  
Be People-oriented, Make Progress Together with Employees	Safety and health Talent cultivation Employees interests and care	   
Customer First, Pursue Win-win Cooperation	Customer services Sustainable supply chain Responsible marketing Intellectual property	
Caring for the Society and Fulfilling Responsibilities	Charitable activities	   

Prioritise Food Safety in Pursuit of Health and Taste

We uphold the philosophy of “Three Goods and One Fairness: Good Quality, Good Credit, Good Service and Fair Price”, and takes the mission of “be comfortable and happy to eat” to offer safe, healthy and delicious food to consumers.

The UN Sustainable Development Goals we have attended to



» Food safety management system

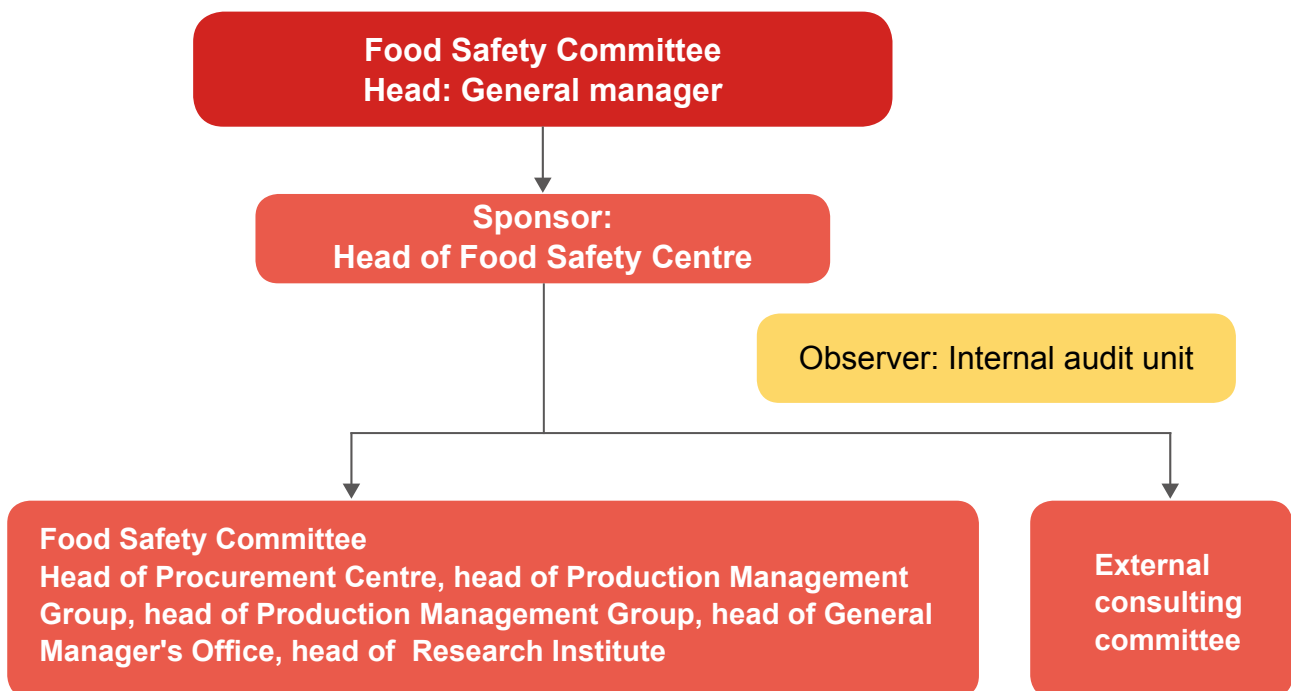
Improve food safety management system

We always regard the food safety management as the top priority during business operation. We established the Food Safety Committee and the Food Safety Centre, committing to ensuring food safety by promoting food safety culture, formulating food safety policies, setting up food safety assurance system, and deepening food safety risk assessment, early warning and monitoring. The Committee is responsible for managing the Group's food quality system as well as formulating and implementing quality policies, so as to ensure that our products can continuously meet the needs of consumers.



Food safety organizational structure

The Food Safety Committee, the highest authority in the design and optimisation of food safety and quality system, is headed by general manager and includes supervisors coming from Research Institute, Procurement Centre, Production Management Group, Food Safety Centre and other relevant departments. Also, experts from well-known domestic universities and national risk assessment centre are invited to serve as the Group's food safety management consultant. Meetings are regularly held by Food Safety Committee. The Committee keeps abreast of national laws and regulations, discusses food safety issues and risks, and deploys effective food safety management and prevention system, so as to continuously improve consumer satisfaction.



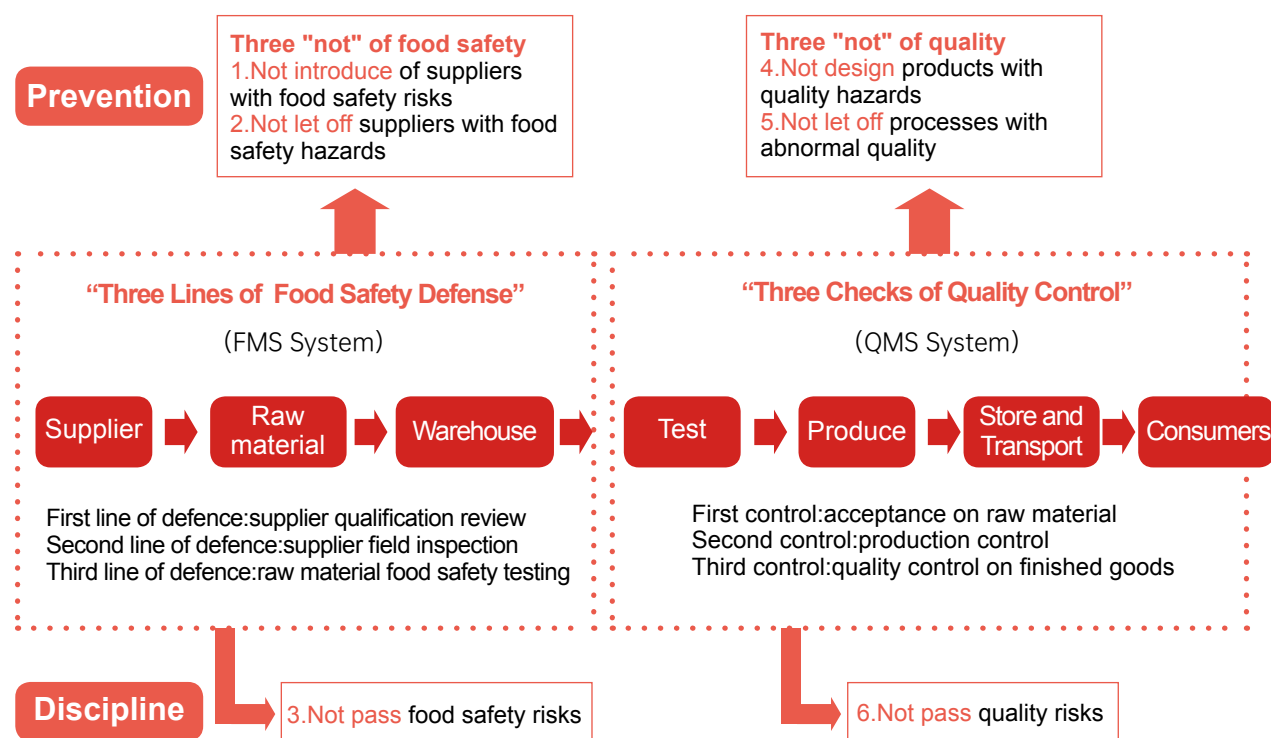
Food safety management system construction

We strictly implement food safety management and established a sound food safety management system. With reference to the requirements of ISO 22000 Food Safety Management System and FSSC 22000 Food Safety Management System as well as Hazard Analysis Critical Control Point (HACCP) system, we continuously improve our food safety management system and strengthen relevant system certification by expanding certification coverage among factories. Currently, most factories have passed one or more quality assurance system or food safety system certification.



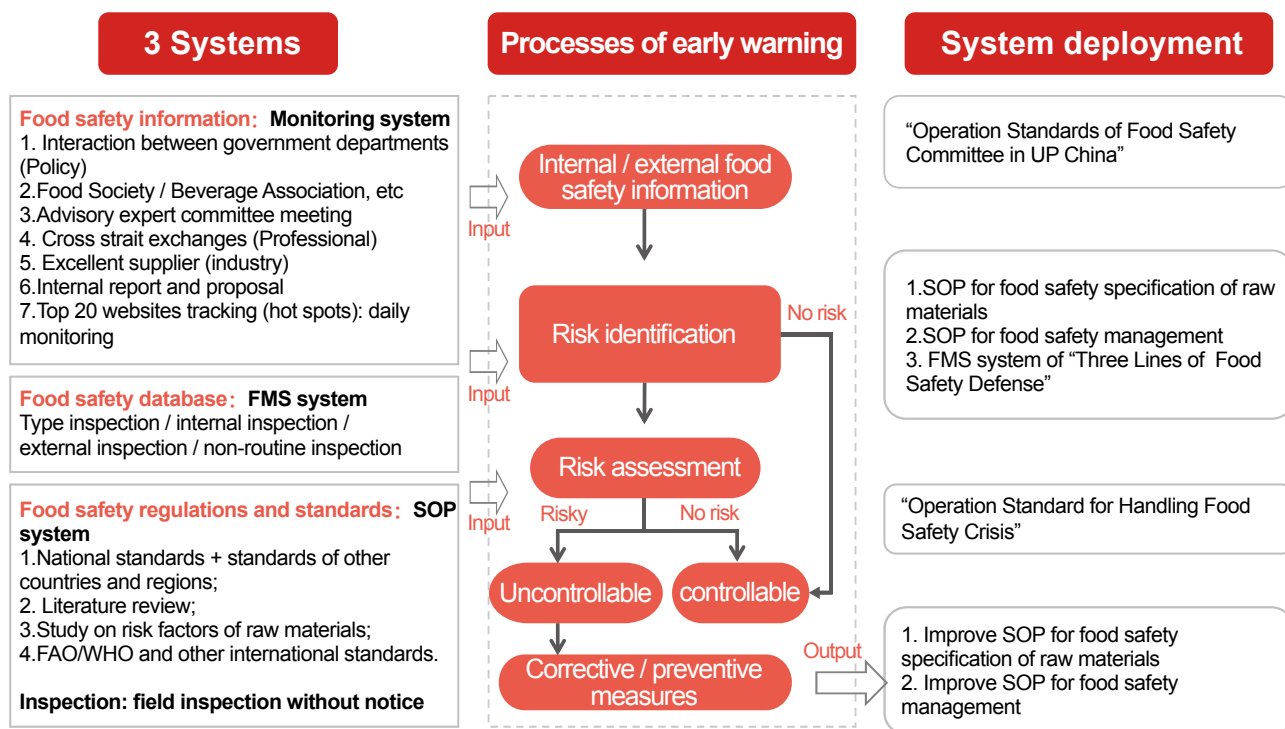
Food safety management system

We independently develop intelligent food safety management system to implement “Three Lines of Food Safety Defense” (namely qualification review, field inspection, and food safety testing), and “Three Checks of Quality Control” (namely acceptance control on raw material, production control, quality control on finished goods). We continuously improve our food safety supervision mechanism throughout the raw material supply chain, with emphasis on the food safety management at the source and the food safety monitoring of finished products. The food safety system is integrated with the purchasing system and the finished product delivery system; unqualified raw materials cannot be purchased and unqualified finished products cannot be delivered.



Food safety risk warning

We pay close attention to various external food safety accidents and conduct timely risk assessment. Same or similar raw materials involved in such accidents will be screened and phased out in our food safety management system to ensure food safety. We also actively participate in the formulation and revision of relevant national standards, collect and release food regulations and domestic and foreign food safety information to enhance food safety awareness and the implementation of food safety regulations and standards within the Group.



Refine food safety management system

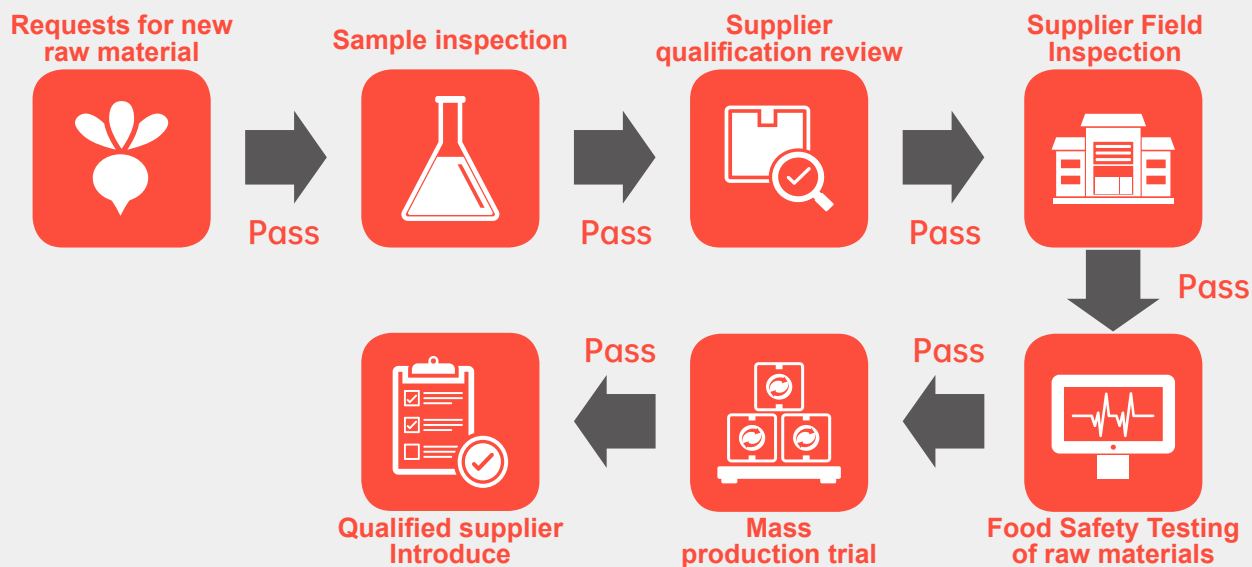
"Three Lines of Food Safety Defense"

We establish "Three Lines of Food Safety Defense" to ensure food safety, namely qualification review, field inspection, and food safety testing.

Qualification Review	We continuously improve the supervision mechanism across raw material supply chain and focus on strengthening the food safety management at the source of supply chain and the food safety monitoring of finished products. We implemented strict reviews on food safety qualifications of suppliers and established a monitoring mechanism of raw materials to ensure food safety from the source of supply chain.
Field Inspection	<p>We specified field inspection processes in such documents as "Operational Standards on Field Inspection of Raw Material Manufacturers", and arranged staff from Procurement Centre, Food Safety Centre, Production Management Group and Research Institute and external professional review agencies to conduct field inspection together:</p> <ul style="list-style-type: none"> • formulate annual inspection plans according to suppliers' risk level, and conduct unannounced field inspections when necessary; • carry out field inspection as necessary on new suppliers according to their risk level; • issue "Non-compliance Tracking List" to suppliers and follow up their improvement plans if any non-compliance found in the inspection.
Food Safety Testing	The Food Safety Testing Centre under the Food Safety Centre has passed the China National Accreditation Service ("CNAS") for Conformity Assessment from 2005, with a total of 172 CNAS test items. The laboratory is able to provide testing for over 1,000 items and possesses a number of authorized patents of utility models.

Topic: raw material supplier management

We actively promote supplier management from the source and fully introduce the Food Safety Protection Plan, covering product design, production process, and sales channels, to ensure consumers' satisfaction. We strictly control our raw material suppliers by adhering to the management concept of "selecting the best to match the strong, eliminating the weak and retaining the strong, helping each other and grow together". The introduction of new suppliers needs to go through audit processes, after passing which can then become our suppliers.



Selecting the best to match the strong: reject inferior suppliers

- "Three Lines of Food Safety Defense" are the thresholds for the Group's new suppliers.
- The Group's Food Safety Centre conducts "field inspection", and "food safety testing" in combination with our products. The assessment standard is stricter than the national regulations.

Eliminating the weak and retaining the strong: conduct continuous evaluation and elimination

- We formulated the risk grading and management system of suppliers, in which suppliers are dynamically scored according to raw material risk, supplier risk and supply performance (i.e. acceptance quality control/ food safety testing / inspection results, etc.) and then classified into different risk levels (risk levels from high to low are D, C, B and A respectively) every year.
- We formulated "Unqualified Supplier Management Standards" to clarify the follow-up and rectification measures for unqualified suppliers based on the above-stated risk level. We adopt different solutions for suppliers according to their respective risk level, including audit content, audit frequency, etc., and reduce the proportion of high-risk suppliers year by year. Any supplier removed from our cooperation list due to exceptions in food safety shall not re-enter relationship with our Group for at least 1 year.

1. Grading model: the higher the score, the higher the risk level

Risk (100 scores) = static (40 scores) (Food properties / social concerns, etc.) + dynamic (60 scores)
Static risk: 8 scoring factors in raw material characteristics


2. Upgrade the risk level according to the following conditions:

- One or more food safety tests did not meet the food safety standards
- The latest re-evaluation is qualified
- The annual quality rating has one or more grade D

3. Lower the risk level according to the following situation:

- The national or provincial Food and Drug administration require to lower the risk level

No.	Static risk factors
1	Properties of main components
2	Complexity of food formula
3	Quantity of food additives
4	Complexity of production process
5	Storage / shelf life
6	Problems found in sampling
7	Consumer type
8	Degree of social concern

<p>Helping each other and grow together: Establish a tripartite collaborative management mechanism of "manufacturer autonomy, unified compliance review and social resource early warning"</p>	<ul style="list-style-type: none"> ● We gradually infiltrated our food safety management culture into external suppliers / manufacturers / distributors through continuous food safety management training and monthly publication; ● We carry out in-depth cooperation with external certification bodies, regularly invite them to train the relevant parties in the supply chain and arrange these professional bodies to audit our upstream suppliers. Especially for the identified high-risk manufacturers / new manufacturers, we set up a professional team for targeted guidance to help them make progress together; ● We use robot technology to compare our suppliers' information with the results of food safety supervision and inspection of food enterprises released by the State Administration for Market Regulation in their "Food Safety Supervision and Inspection Information Query System", and integrate those information with our food safety warning system to release warning alerts weekly. 
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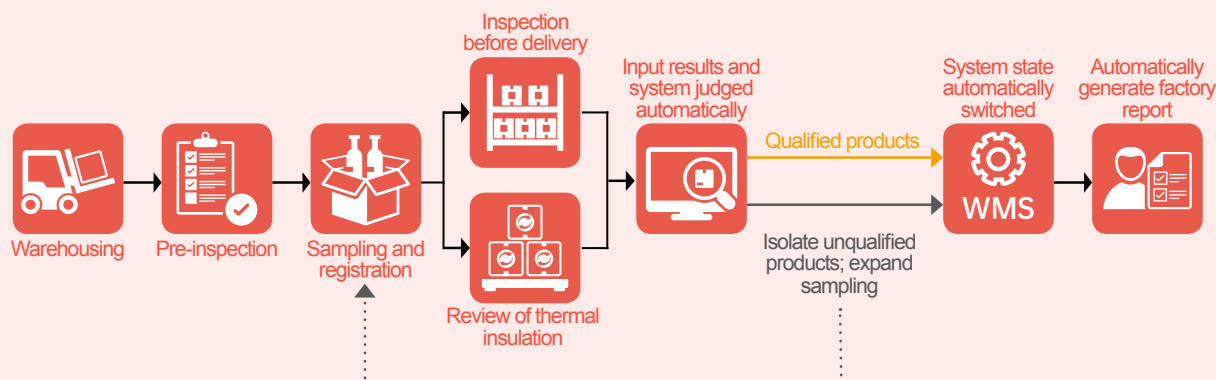
“Three Checks of Quality Control”

We strictly control the product quality of the whole process through the “Three Checks of Quality Control” (namely acceptance control on raw material, production control, quality control on finished goods) to ensure the product quality and safety in all links across the whole production process.

<p>Acceptance control on raw material</p>	<p>We strictly implement all types of quality process management. Raw materials should be strictly inspected upon receipt by factories in accordance with the “Acceptance Standards” for respective products. Only the raw materials that pass the inspection could be used for production.</p> <p>We also strengthen food safety management for suppliers to control food safety and quality of raw materials through continuously improving regulatory mechanism of supply chains of raw materials and food safety management system.</p>
<p>Production control</p>	<p>The “Production Process Management Measures” are formulated in correspond to different types of products and production lines, and Critical Control Point (CCP) monitoring is implemented according to the Hazard Analysis and Critical Control Point (HACCP) requirements.</p> <p>HACCP working groups are established, involving personnels from functional units including R&D, quality, production, procurement, warehouse and logistics, to perform hazard analysis on raw material, production process and other aspects. Further, they make control measures for different hazards, set out monitoring procedures for each critical control point, and formulate and implement “Control Procedures for Correction (Prevention) Measures”.</p> <p>During the production process, with reference to the “Management Measures for Production Process Quality”, online quality monitoring personnel verifies and monitors the effective implementation of quality control in terms of production method, quality conformity and product safety. Once exceptions are found during online quality monitoring, the production system is corrected immediately until the risk is removed; any involved products will be isolated in the production system and simultaneously be physically separated in the finished product warehouse. Those isolated products can only be available for use after assessed by the quality management unit and approved by the factory manager.</p>

Quality control on finished goods

Our products are strictly in compliance with relevant laws and regulations, such as the "Food Safety Law of the People's Republic of China", etc. Additionally, in order to meet the needs of consumers for product safety and delicacy, we set stricter internal control standards and product development and design standards to control product quality, such as "Operating Standards for Food Safety Management of Finished Products", etc. Only qualified products conforming to both internal and external specifications can be sold in the market.



With all-level inspection in place, the "Measures for Handling Sold Products with Abnormal Quality" have been established, which stipulates that unsafe or potentially unsafe products, if already delivered to customers, should be recalled, repurchased or exchanged based on the nature of the quality abnormality. Recall is classified into level one, level two and level three based on the level of severity. We have clarified the responsibilities of each department in the event of recalls, and required each factory to conduct at least 1 recall drill annually to enhance the retrospective system. During the Reporting Period, the Group had no products recalled for safety and health reasons.

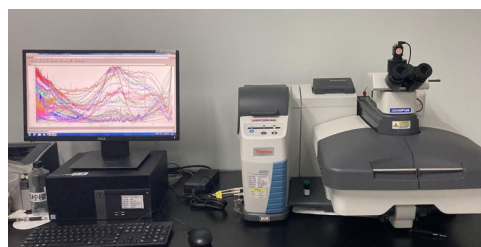
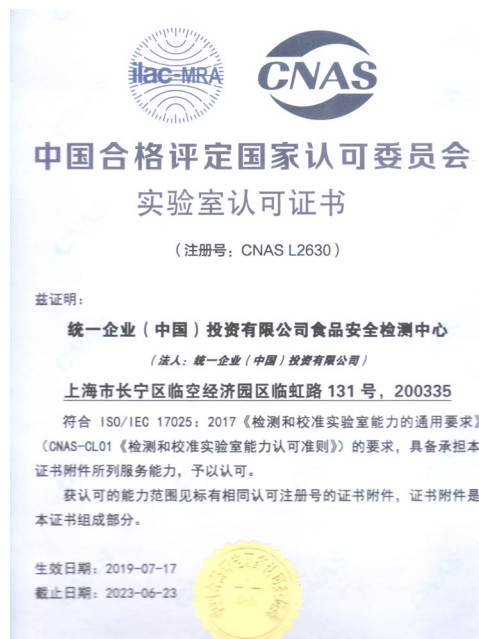
Topic: The Food Safety Testing Centre

Since 2005, the Group's food safety testing centre has passed the expert review of China National Accreditation Service ("CNAS") for Conformity Assessment every year, and is able to provide testing for over 1,000 items, including more than 400 items of pesticide residues, 28 items of animal residues, 15 items of heavy metals, 16 items of plasticizers, food additives and other food safety items. Now we have 172 items of CNAS approved testing items, covering beverages, food, water, additives, grain, oil and packaging materials, and possess a number of authorized patents of utility models.

The testing centre has 35 laboratories in 8 regions across the country, whose testing service covering daily testing of raw materials, physicochemical and microbiological tests of process and finished products. In addition to serving the Group itself, it has also assisted suppliers in risk screening of raw materials since 2016, such as plasticizer, pesticide residues and animal residues, and assisted them in risk control of process and raw materials.

The testing centre has carried out in-depth cooperation and technical exchange with external organizations, including well-known third-party testing corporate, government agencies, testing institutions of universities, etc.

In 2018, the testing centre introduced micro Raman and FTIR Fourier transform spectrometer to establish non-destructive rapid detection of foreign matters and component analysis services. From 2018 to 2020, for three consecutive years, it won the "Innovation Team Award" of Changning District of Shanghai, becoming the only food enterprise to win the award.



Cultivate food safety culture

We continue to meet the needs of consumers under the food safety policy of "discipline and prevention" and the mission of "be confidently and happy to eat". We actively participate in various activities held by national industry associations and hereby improve our quality management system through training, discussion and exchange. We promote the development of food safety culture where all employees could participate in prevention and improvement work in respect of food safety and product quality.



In 2020, we participated in the research group of detection methods of plastic particles in packaged drinking water organized by China Beverage Industry Association and won the "Contribution Award".



In 2020, Kunshan President Enterprises Food Co., Ltd. participated in the Starbucks Supplier Quality Season activities and won the "Food Safety Culture Exhibition Award".

We pay close attention to various external food safety accidents and timely carry out risk assessment. We release external food safety accident reports on a regular basis (659 issues in total as of the end of the Reporting Period) to promulgate food safety information across the whole Group and therefrom enhance their food safety awareness. We also share that information with upstream suppliers.

We continue to promote total quality management, strengthen the quality awareness of front-line staff, and establish food safety training materials. New employees of product manufacturing post can only take up their posts after receiving food safety training. Each post of product manufacturing and supply shall establish operation list and quality management objectives according to their job responsibilities and complete the propaganda of post quality management objectives before taking up their posts. Existing employees shall participate in food safety knowledge training at least once a year.

We actively respond to the call of the national quality month and regularly organize quality/food safety enhancement activities within the Group. We also participate in the monthly quality theme activities organized by the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China and China Consumers Association. Our "Uni-president micro platform" publishes quality tweets internally, with a total of over 200,000 hits.

We continuously promote all employees to participate in quality construction. We develop "Quality Improvement Feedback" platform to collect quality improvement proposals from front-line employees. As of the end of the Reporting Period, a total of 16,634 proposals have been collected, some of which have been integrated into daily work behaviours and relevant work standards after assessment and adoption.

» Product innovation and improvement

Continuous product innovation

Driving by consumer needs and adhering to the concept of focusing on products, the Group's R&D centre persists on to value creation and category innovation.

We reform and optimize the R&D innovation system constantly, strengthen consumer insight, and continue to carry out product innovation centred on consumer needs by:

- actively conducting market research to strengthen communication with consumers and mine product concepts from the perspective of consumers;
- analysing new product trends and information at home and abroad, forming street and traditional food exploring and tasting teams and communicate with R&D personnel and business unit personnel to form new product inspirations;
- developing new products from the consumer-end after passed relevant internal review processes, arranging consumer focus group forum, taste testing and other activities to hear the opinions and suggestions from consumers.

Through internal innovation incentive mechanism and external technology exchange, we further strengthen the establishment of core technology and formulate "Product Innovation Award Standard" to commend and encourage relevant innovative talents. We carry out monthly technical exchanges with Uni-President Group to strengthen our R&D capacity, and carry out good interaction and cooperation with research institutes and universities in food industry to continuously promote the integration of production, teaching and research and accelerate the transformation of technological innovation into productivity.

During the Reporting Period, we continued to exert greater effort in over ten core technology projects to create technological barriers and build up core competitive advantages. For instance, the original soup processing technology was applied to "Soup Daren (「湯達人」) - Gourmet's Selection" and "That Street That Lane (「那街那巷」) - Changde beef rice noodle"; the multi-stage sterilisation technology was applied to condiment bags of "Kai Xiao Zao (「開小灶」)"; the fast rice cooking technology was applied to the rice of "Kai Xiao Zao (「開小灶」)" to provide pre-cooked rice; tea roasting and aroma preservation technique was applied to the two types of sugar-free tea of "Chai Li Won (「茶裏王」)". As of the end of the Reporting Period, the R&D centre has 106 authorized patents and 51 pending patents.



Traditional Chinese cuisine-Kai Xiao Zao (「開小灶」)

The self-heating meal "Kai Xiao Zao" is a product created by exploring traditional Chinese cuisines. It adapts to daily healthy diet habit of consumers and meets their needs for nutrients, health and different occasions.



自駕郊游



外出垂釣

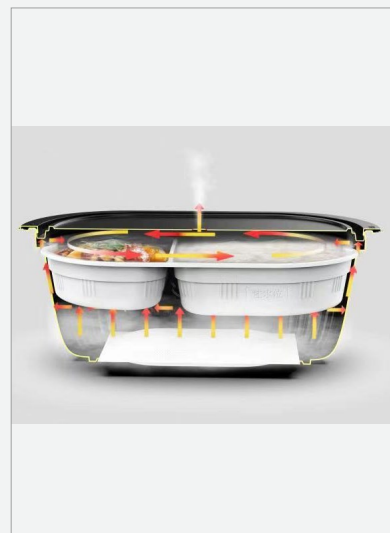


在外登山

"Kai Xiao Zao" takes the promotion of Chinese cuisine as its mission, selects the best ingredients in the field and focuses on the meticulous craftsmanship of the product, allowing consumers to experience the delicious smoke and fire. It also committed to creating a complete supply chain of Chinese cuisine package. In 2020, "Kai Xiao Zao" launched the hot pot series "Spicy Beef Hotpot" and "Double Hotpot", which are widely favoured by consumers after being launched. While improving the product matrix, it also provides consumers with more delicious experiences.



"Kai Xiao Zao" is packaged with food-grade polypropylene (PP) material, gaining widespread recognition in the industry by its safe and considerate packaging design. It won the "Marking Awards" and "Annual Packaging Innovation Gold Award" awarded by the Food and Beverage Innovation Forum (FBIF).



Zero-sugar tea products - Chai Li Won (「茶裏王」)

The market has witnessed continuous growth in demand for zero-sugar products due to growing consumer health awareness, so we continue to upgrade our zero-sugar products. "Chai Li Won" represents one of our premium tea products under the concept of "no additives and a sweet taste came after". We select high-quality tea raw materials and adopt multiple core technologies (i.e. extraction process under high and low temperature; extracting fragrance using far infrared technology) to maximise the preservation of tea essence and satisfy consumers' needs for health and deliciousness on a zero-sugar basis.



Other star products:



Soup Daren (湯達人)

We have launched the "Soup Daren-Gourmet's Selection", which adopts the upgraded broth technology and focuses on the "mellow upgraded" soup base. The sophisticated square box packaging is designed with a circular arc to drink the soup. The comprehensive upgrade of the soup, noodles, ingredients and ware, creates the ultimate product experience of "dashi-style" instant noodles, realizing the category upgrade and innovation of "Soup Daren".



Xiaoming (小茗同學)

In May 2020, "Xiaoming" introduced the classic taste of barley black tea, which has been popular in Taiwan for more than 20 years. It perfectly integrated the carefully roasted barley, mellow black tea and special granulated sugar. The taste is sweet and full. Since it came into the market, it has become a distinctive and differentiated taste, and has been widely praised.



Kumquat and Lemon (金桔檸檬)

In June 2020, we re-launched "Kumquat and Lemon". By selecting Vietnam Kaman orange juice and low-temperature vacuum concentrated spices, the classic lemon beverage is upgraded. The product is refreshing, sweet and juicy, and are deeply loved by consumers.

Lead nutrition and health

In the face of the enhancement of consumers' health awareness and the increasing demand for healthy products, we continue to adjust the product formula to provide consumers with healthier product choices.



Lao Tan Pickled Cabbage Noodles (老坛酸菜面)

In order to cater to consumers' needs for health and respond to the phased salt reduction initiative of Instant Noodle Association, we've been developing and accumulating salt reduction technology for the core product "Lao Tan Pickled Cabbage Noodles". We work out optimal salt reduction solutions by introducing proper salt substitutes and repeatedly testing every recipe for saltiness, sourness, freshness and thickness. In doing so, we've achieved salt reduction without compromising the taste, with the sodium level lowered from 2,180mg/100g to 1,980mg/100g.

On this basis, we've further developed "Laotan Pickled Cabbage Noodles" version 2.0, an upgraded low-salt cupped product provided with a broth bag in place of the former bag of powder sauces. The new product inherits the original clear and sour taste but stands out for less salt, with a sodium level 25% less than the "Laiyitong Pickled Cabbage Beef Noodle".



That Street That Lane (那街那巷)

We've launched a healthy non-fried series product "That Street That Lane" served in the forms of fresh rice noodles and semi-dry noodles. The product with Guilin rice noodle flavour adopts the traditional technology and is developed under the guidance of the fourth-generation disciple of Guilin Danzi rice noodle, Ms. Zhou Yiqiong. Consumers can feel the taste of street rice noodle restaurant in one minute. The product with Lanzhou beef noodle flavour cooperates with China's time-honored Mazilu brand and is developed under the guidance of its third-generation successor, Mr. Ma Ting. Consumers can feel the taste of Lanzhou Mazilu noodle in four minutes. For the rice noodles, we use naturally fermented indica rice to form apertures in the body of the noodle to provide a natural rice aroma and enriched taste. We also combine traditional techniques with modern industrial processes to reproduce the taste of secretly made marinade and pot-fried minced pork as much as possible, making the products much closer to the ones sold in the streets in Guilin and Lanzhou.



Vitality Awakening (元氣覺醒)

In order to better satisfy consumers' pursuit of healthy, fresh and good-tasting juices, we've launched a 100% orange juice product "Vitality Awakening". We apply patented technology to fully reserve the aroma and taste of fresh orange juice, and guarantee health without compromising the natural taste of fresh orange juice.

Take a Sustainable Green Road

The Group actively responds to the national strategy of "promoting green development and harmonious coexistence between human and nature", pays attention to the latest development trend of various environmental issues, and undertakes the social responsibility of environmental protection. The sustainable operation of enterprises is closely related to the change of natural environment, and a wide range of environmental issues involved in the process of business production and operation. We take all kinds of environmental laws and regulations as the management cornerstone, and always adhere to the concept that enterprise benefits and environmental protection are equally important. We carry out energy conservation and emission reduction work throughout the whole process of production and operation activities, actively take all kinds of environmental-friendly actions, and devote ourselves to environmental protection and sustainable development.

The UN Sustainable Development Goals we have attended to



Water

Gradually reduce water intensity and realize a 3.0% decrease by 2025 as compared to 2020.

Hazardous waste

Gradually reduce the intensity of hazardous waste and realize a 5.0% decrease by 2025 as compared to 2020.

Non-hazardous waste

Gradually reduce the intensity of non-hazardous waste and realize a 5.0% decrease by 2025 as compared to 2020.



Wastewater

Gradually decrease the intensity of wastewater discharge and realize a 3.0% decrease by 2025 as compared to 2020.

GHG

Gradually decrease energy intensity and realize a 3.0% decrease by 2025 as compared to 2020.

Energy

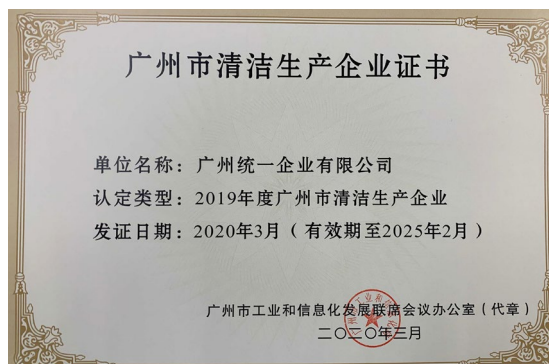
Gradually decrease energy intensity and realize a 3.0% decrease by 2025 as compared to 2020.



Product innovation and improvement

The Group strictly abides by the environmental protection laws and regulations of the PRC, including but not limited to "Environmental Protection Law of the People's Republic of China". We adopt overall environmental management to strictly control environmental resources and emissions by implementing such management systems as ISO14001 Environmental Management System and Cleaner Production Management System, as well as by formulating such environment-related standards as "Environmental Safety Operating Standard" and "Environmental Factor Identification and Evaluation Management Procedure". The headquarters and factories of the Group all set up environmental management functional departments to implement environmental performance management and hierarchical management mode. The headquarters of the Group is responsible for planning and promoting environmental management, while each factory is responsible for implementing various factory-specific environmental management measures. Starting from the two aspects of technology and management, the Group continues to introduce new technologies, new equipment and new processes, and gradually advances to standardization, systematization and intelligence. We also actively implement a series of energy conservation and emission reduction projects to pursue our environmental management objectives and thereby reduce the impact of business operation on the environment.

Some factories of the Group have obtained the certificate of Cleaner Production Management System and ISO 14001 Environmental Management System.



» Stick to green operation

Energy conservation

The Group strictly abides by the “Energy Conservation Law of the People’s Republic of China” and other relevant national laws and regulations during the business operation. We implement systematic energy management and promote the certification of ISO 50001 Energy Management System in all factories. The Group established energy teams at the headquarters and each factory to implement energy performance target management and to control energy consumption. The headquarters is responsible for planning and promoting energy-saving projects, while the energy team of each factory is responsible for implementing energy-saving measures to strictly control the use of energy.

Following the concept of continuous progress and continuous improvement, the Group formulated our medium and long-term energy management target: to gradually decrease energy intensity and realise a 3.0% decrease in energy intensity by 2025 as compared to 2020. Guided by this target, we actively explore the application of new technologies and new equipment to continuously improve energy efficiency.





Energy consumption of the Group in the Reporting Period is showed as below:

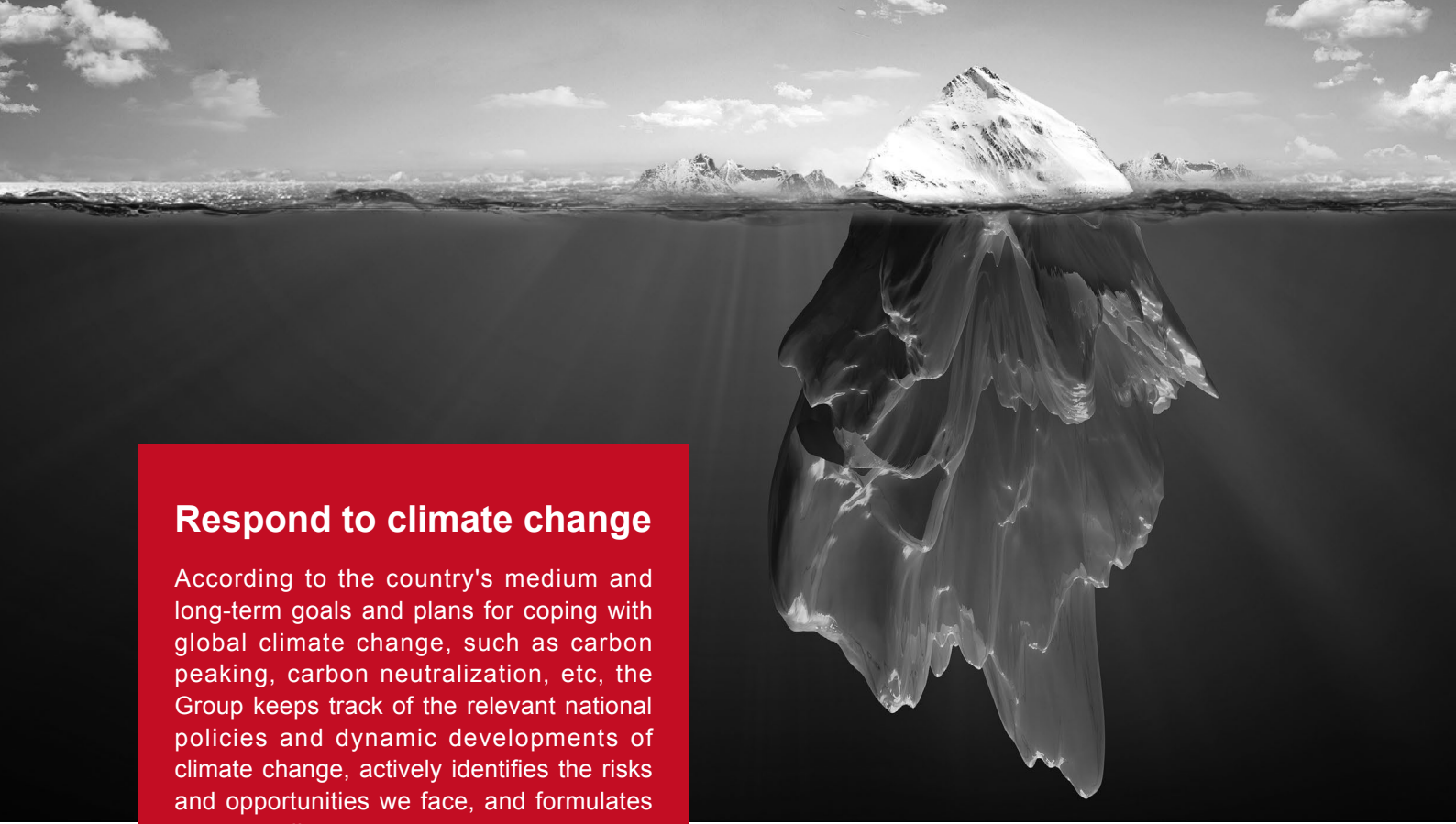
Indicators	2020	2019	2018
Natural gas (MWh)	525,236	522,031	505,092
Coal (MWh)	0	0	1,697
Diesel oil (MWh)	6,075	9,970	11,505
Total direct energy consumption (MWh)	531,311	532,001	518,294
Direct energy consumption intensity (MWh/RMB million)	25.87	27.17	27.60
Purchased electricity (MWh)	342,637	344,719	331,517
Purchased steam (MWh)	535,385	486,574	501,979
Total indirect energy consumption (MWh)	878,022	831,294	833,496
Indirect energy consumption intensity (MWh/RMB million)	42.74	42.44	44.39
Total energy consumption (MWh)	1,409,333	1,363,295	1,351,790
Energy consumption intensity (MWh/RMB million)	68.61	69.61	71.99

Note:

1. Energy consumption intensity is presented in “RMB million” based on “product value”;
2. Energy consumption is presented in MWh (KWh in '000s). Calculation method and conversion factors come from the “Accounting Method and Reporting Guideline of GHG Emissions for Food, Tobacco and Alcohol, Beverage and Refined Tea Enterprises (Trial)” and “Accounting Method and Reporting Guideline of GHG Emissions for Other Industrial Enterprises (Trial)” released by the National Development and Reform Commission (NDRC).
3. The electricity consumption in 2020 decreased as compared to the same period of last year. Whereas, there was an increase in total consumption of natural gas and purchased steam due to the increase in production volume and the adjustment of energy consumption structure.
4. The consumption of diesel oil only includes the consumption of boiler in the Changbaishan Factory of the Group

We carried the following system and equipment upgrading/ optimizing measures to reduce energy consumption:

Major technical improvements	Introduction and results
<p>Aseptic water was subject to demand-based control to reduce steam consumption</p>	<p>Aseptic water flow control system was developed and applied to upgrade it to demand-based control by automation program under different scenarios. In 2020, the new control system successfully applied to 6 factories in Nanchang, Wuhan, Guangzhou, etc. and realised a decrease in steam consumption by about 2,099 tons.</p> 
<p>Cooling water control system is optimized to reduce power consumption</p>	<p>Coordinated operation and accurate control was realised for water chilling units and cooling pumps. In 2020, 8 factories in Hangzhou, Shanghai, Wuhan, etc. successfully applied such technology, reducing power consumption by about 471 MWh.</p> 
<p>Self-designed flue gas waste heat recovery system is used to reduce natural gas consumption</p>	<p>The boiler flue gas waste heat recovery device, which was designed independently and has obtained patent, was successfully applied to 7 factories in Zhengzhou and Hefei, etc. in 2020, saving about 210,015 cubic meters of natural gas consumption.</p> 
<p>Heat exchange efficiency of steam generator was improved to reduce steam consumption</p>	<p>By installing the steam condensate preheating device, the make-up water temperature of the steam generator was increased, and the steam production efficiency was improved. In 2020, the installation of 3 factories in Shanghai, Guangzhou and Tianjin was completed, saving about 3,168 tons of steam consumption.</p> 



Respond to climate change

According to the country's medium and long-term goals and plans for coping with global climate change, such as carbon peaking, carbon neutralization, etc, the Group keeps track of the relevant national policies and dynamic developments of climate change, actively identifies the risks and opportunities we face, and formulates corresponding countermeasures.

Risk sources	Risk type	Countermeasures
Transformation (Laws/ regulations/ Causes)	<ul style="list-style-type: none"> • The gradual improvements of existing environmental protection laws and regulations raises the compliance requirements for enterprises; • Rise in the cost of GHG emission. 	<ul style="list-style-type: none"> • Strictly abide by the “Environmental Protection Law of the People’s Republic of China”, the “Energy Conservation Law of the People’s Republic of China”, the “Measures for the Administration of Carbon Emissions Trading (for Trial Implementation)” and other relevant laws and regulations • Set up an energy management team to monitor energy use and GHG emissions • Set reduction targets and promote energy saving and carbon reduction measures of each factory; • Gradually introduce ISO 50001 Energy Management System • Use environmental-friendly refrigerants in refrigeration equipment to reduce damages to the ozone layer • Phase out high energy consumption equipment and adopt energy-saving technology in the planning and design stage of new projects
Transformation (Market)	<ul style="list-style-type: none"> • Shortage of raw materials, high purchasing cost 	<ul style="list-style-type: none"> • Increase the proportion of local procurement of raw materials • Looking for alternative suppliers
Physical	<ul style="list-style-type: none"> • Occurrence of extreme weather and natural disasters 	<ul style="list-style-type: none"> • Formulate the “Operating Standard for Building Safety Maintenance”, the “Heatstroke Prevention and Cooling, Cold prevention and Antifreeze Operation Standard” to cope with extreme weather caused by climate change



GHG emissions of the Group in the Reporting Period are showed as below:

Indicators	2020	2019	2018
Direct (Scope 1) GHG emissions (tCO ₂ e)	106,603	151,082	147,228
Energy indirect (Scope 2) GHG emissions (tCO ₂ e)	421,616	307,555	307,496
Total GHG emissions (tCO ₂ e)	528,219	458,637	454,724
GHG emission intensity (tCO ₂ e /RMB million)	25.71	23.42	24.22

Note:

1. Intensity is presented in "RMB million" based on "product value";
2. In the Reporting Period, GHG emissions are calculated according to the "Accounting Method and Reporting Guideline of GHG Emissions for Food, Tobacco and Alcohol, Beverage and Refined Tea Enterprises (Trial)" and the "Average Carbon Dioxide Emission Factors of China's Regional Power Grids in 2011 and 2012" issued by the NDRC. The GHG emission of the Group should not be compared with the data of previous years due to the change of conversion standards. The statistical method and conversion factors used in subsequent years will be consistent with this year.



Photovoltaic power generation projects

The Group actively introduced green energy and installed photovoltaic power generation equipment on the roofs of factories. As the end of the Reporting Period, the photovoltaic power generation projects of 3 factories in Changsha, Jinan and Xuzhou have been put into use, realising power generation capacity of 7,204 MWh in 2020.



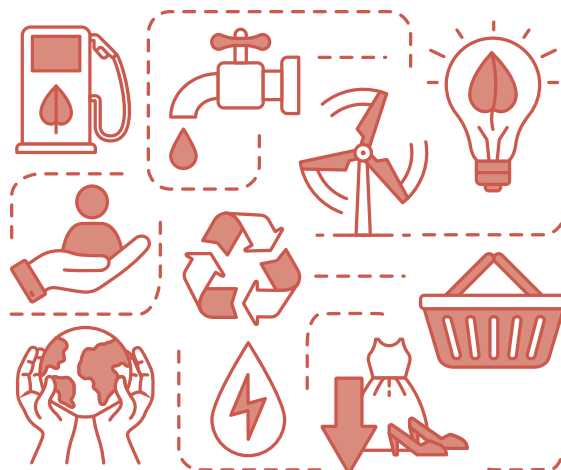
Using environmental refrigerant

The Group actively plans and purchases new refrigeration equipment and adopt environment-friendly refrigerants to reduce the generation of ozone depleting substances. In 2020, 4 factories in Kunshan, Jinan, Nanchang and Wuhan purchased and applied 10 cooling-water machines using environment-friendly refrigerants.



Improve water efficiency

The Group's production and operation activities are closely related to water resources. In terms of the water use, we focus on two aspects: increasing sources while reducing utilization, and water recycling. The energy team of the Group continuously monitors and manages water performance and evaluates and assesses the unit water consumption per product on a regular basis. The Group has set a medium and long-term goal for water resources: to gradually reduce the intensity of water consumption and realise a 3.0% decrease by 2025 as compared to 2020. Based on this goal, we set a target value for each factory's unit water consumption and continue to improve water efficiency through management improvements and technological optimization.



Water consumption of the Group in the Reporting Period is showed as below:

Indicators	2020	2019	2018
Water consumption (tons)	9,115,212	8,850,686	8,908,076
Water consumption intensity (tons/RMB million)	443.72	451.93	474.38

Note: Intensity is presented in “RMB million” based on “product value”.

The Group obtains water resources mainly from the municipal water supply and the underground water, use of which is supervised by relevant local government authorities. The Group did not have any issue in sourcing water that is fit for purpose in the Reporting Period.

Recycling of wastewater

The Group focuses on the reuse of water recycled in wastewater treatment plant. The water recycled is reused for cleaning and greening, etc. During the Reporting Period, 8 factories in Kunshan, Xinjiang, etc. implemented wastewater recycling projects, reusing wastewater with a total of about 124,000 tons.



Wastewater recycling



Reused for greening

» Enhance material management

The Group actively responds to the international trend of plastic reduction and domestic environmental protection policies by selecting environmental-friendly (i.e. harmless, pollution-free and renewable) packaging materials for the outer packaging of products. The Group seeks practical material reduction programs to reduce the usage of packaging materials on the premise of ensuring product safety and quality. A packaging research department is committed to reduce the usage of packaging materials while apply more environmental-friendly materials. The department regularly reviews the feasibility of existing packaging materials' optimization, and studies and verifies possible paper and plastic reduction schemes, so as to gradually reduce the use of resources.

We use FSC (Forest Stewardship Council) certified aluminium foil paper packaging materials. In 2020, the Group consumed environmental paper packaging materials weighing approximately 1,331 tons. We also reduced the consumption of various packaging materials by 1,105 tons through the implementation of valid research projects, including the lightweighting of food cartons and beverage refrigerated cartons, the lightweighting and plastic reduction of refrigerated cups, the shrink film thinning of TP outer boxes, etc.

Packaging material consumption of the Group in the Reporting Period is showed as below:

Indicators	2020	2019	2018
Total packaging materials consumption for finished products (tons)	337,447	338,398	335,858
Packaging materials consumption per unit of production (tons/ton)	0.1055	0.1054	0.1068

» Strictly control emissions

The Group strictly abides by the “Environmental Protection Law of the People’s Republic of China”, the “Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution”, the “Water Pollution Prevention and Control Law of the People’s Republic of China”, the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste” and other relevant laws and regulations. The wastewater, waste gas and solid waste generated during production and operational activities by each factory all have been reasonably and effectively treated internally to meet the discharge standards of the national and local environmental authorities.

Wastewater and gas management

The “Management Program of Sewage, Waste Gas and Factory Noise” has been established by the Group to specify the requirements on production, management and emission control of wastewater, waste gas and factory noise. With regard to equipment management, the “Operational Standards for Boilers”, “Operational Standards on Sewage Treatment” and other relevant standards have been formulated, specifying the operating procedures, daily inspection, operational record, and repair and maintenance policy for each equipment in order to ensure the treatment facilities are properly used.

The Group has set a medium and long-term emission management target: to gradually decrease the intensity of wastewater discharge and to realise a 3.0% decrease in the intensity of wastewater discharge by 2025 as compared to 2020. Every factory of the Group is equipped with a sewage treatment factory. Wastewater is treated up to the standard by using "pretreatment + biological treatment + aerobic treatment" technology and then discharged into the municipal sewage network. We monitor chemical oxygen demand (COD), PH and other wastewater indicators through online monitoring system, manual testing and third-party testing to ensure up-to-standard discharge.

Types of emissions and respective data of the Group in the Reporting Period are showed as below:

Indicators	2020	2019	2018
Wastewater (tons)	5,888,941	5,664,352	5,732,870
Chemical oxygen demand (tons)	389	364	367
Nitrogen oxides (tons)	56	88	94

Note: As shown in the above table, the nitrogen oxide emission of the Group in 2020 decreased as compared to the same period of last year. Whereas, the increase in production volume in 2020 led to an increase in wastewater as compared to last year. However, through continuous control of emission volume and improvement of management, the wastewater intensity decreased by 0.9% year on year.

In active response to the requirements under national environmental protection policies, we proactively push forward a series of measures such as equipment modification with the low-nitrogen technology and upgrade of the oil fume purification system in order to effectively reduce the emissions of pollutants. As of the end of the Reporting Period, 9 factories in Shaanxi, Beijing, Jinan, etc. have completed the modification of boilers with the low-nitrogen technology.



Solid waste management

The Group adheres to the environmental protection concept of reduction, recycling and innocuity to dispose of solid waste: in terms of reduction, we introduce the concept of circular economy to continuously reduce the production of solid waste; in terms of resource utilization, we actively develops cross industry cooperation to maximize the resource reuse of solid waste; and in terms of innocuity, all factories set up hazardous waste collection and recycling special warehouse for storage, centralized management of hazardous waste in the plant, and disposal by qualified waste service providers to ensure the harmless disposal of hazardous waste.

We established the “Solid Waste Management Standards” to regulate the generation, segregation, collection and disposal methods for all types of solid waste. The Group realises the systematic management and monitoring of recyclable waste through the internally developed waste product management system. Through the above internal control standards and systematic management mechanism, we make sure that the solid waste generated by each factory is disposed legally and in compliance. The Group has set a medium and long-term goals on solid waste management: to realise a 5.0% decrease in intensity of solid waste by 2025 as compared to 2020.



Solid waste emissions of the Group in the Reporting Period are showed as below:

Indicators	2020	2019	2018
Total hazardous waste (tons)	250	264	153
Hazardous waste intensity (tons/RMB million)	0.0122	0.0135	0.0081
Total non-hazardous waste (tons)	60,055	50,403	49,549
Non-hazardous waste intensity (tons/RMB million)	2.92	2.57	2.64

Note: There was an increase in total non-hazardous waste in 2020 to 60,055 tons (2019: 50,403 tons) due to the inclusion of sludge and domestic waste (9,557 tons in total) in the scope of non-hazardous waste. If excluding the sludge and domestic waste, the total non-hazardous waste in 2020 would be similar to that in 2019, and the intensity of non-hazardous waste would be 4.3% lower than that in 2019.



We innovatively and actively seek opportunities for cooperation within and across the industry chain in waste recycling. The following are the initiatives of solid waste reduction and recycling of the Group:

Improved measures for solid waste disposal	Description
Promoting recycling of lead-acid batteries	In active response to the national call, we cooperated with professional recycling companies to recycle and dispose of lead-acid batteries. During the Reporting Period, 11 factories in Hefei, Zhengzhou, Changsha, Nanning, etc. recycled and disposed about 63.46 tons of lead-acid batteries.
Improving the storage and transportation mode of acid and alkali cleaning fluid	By cooperating with acid and alkali suppliers, we improved the storage and transportation mode of acid and alkali cleaning fluid, such as using tank storage and transportation instead of bucket storage and transportation to reduce the production of hazardous containers. In 2020, the factory in Hangzhou applied such improvement and about 3.6 tons of hazardous packaging containers were reduced. <div data-bbox="649 1487 1374 1718">   </div>
Recycling tea residue	In order to recycle tea residue based on its characteristics, we actively develop cross-industry cooperation to turn waste into treasure through the further use of tea residue in the production of material combustion pellets, mushroom cultivation, organic fertilizer production, and livestock breeding. In 2020, 9 factories in Hangzhou, Hefei, Jiangsu and Zhengzhou, etc. recycled about 15,096 tons of tea residue.
Reusing packaging cartons	We cooperated with upstream suppliers to jointly reuse packaging cartons if they fulfil the usage requirements. In 2020, 2 factories in Chengdu and Xinjiang reused about 173 tons of packaging cartons.

Be People-oriented, Make Progress Together with Employees

We believe that attracting, developing and retaining talents are essential to the sustainable development of enterprises. Based on the “people-oriented” philosophy, we provide employees with a healthy and safe workplace environment to guard their health and safety, support their personal development, protect their rights and interests, and share the Group's development achievements with them.

The UN Sustainable Development Goals we have attended to



» Guard health and safety

The Group is committed to building safe, healthy and environment-friendly factories by establishing a production safety management system, formulating and continuously improving various production safety and occupational health management standards and systems, and regularly carrying out trainings on production safety and occupational health for employees, so as to provide employees with multi-faceted protection.

Goal: To create safe, healthy and environment-friendly factories	
Health and safety indicators	Medium and long-term target
Production safety	10% decrease in the injury rate per thousand people by 2025 as compared to 2020
Occupational health	Zero occurrence of occupational disease every year by 2025

There were no work-related fatalities in the past three years (including the Reporting Period). During the Reporting Period, the Group had 860 lost days due to work injury, and the injury rate per thousand persons was 1.5‰.

Note: the statistical scope of the lost days due to work injury and the injury rate per thousand persons only includes the production factories overseen by the Group's Production Management Group.



Promote the construction of health and safety management system

The Group strictly abides by relevant national laws and regulations such as “Work Safety Law of the People’s Republic of China”, the “Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases”, the “Fire Protection Law of the People’s Republic of China”, the “Special Equipment Safety Law of the People’s Republic of China” and “Regulations on the Safety Management of Hazardous Chemicals”. According to the requirements of ISO45001 Occupational Health and Safety Management System and Safety Production Standardisation, internal operating standards such as “General Guideline of Work Safety”, “Procedures for Occupational Health Management”, “Operating Standards of Reporting Work Safety Incidents and Investigation Handling” and “Operating Standard of Special Equipment Management” are formulated by the Group to comprehensively promote production safety management across all factories. The Group established Production Safety Management Committee at the headquarters and each factory, consisting of general convener, executive officer, committee members, team leaders and other relevant members. The headquarters is responsible for planning and promoting management of occupational health and safety production while each factory is responsible for implementing factory-level measures.

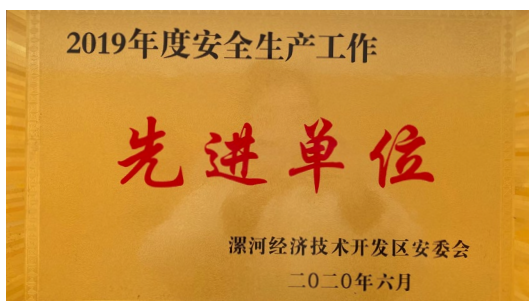
We continuously construct professional safety management team. Greater effort has been made for establishing more systematic and standardised safety management, developing safety production standards in all factories and obtaining the certificate of ISO45001 Occupational Health and Safety Management System. As of the end of the Reporting Period, all factories of the Group obtained the certificate of Safety Production Standardization and a number of factories obtained the certificate of ISO45001 Occupational Health And Safety Management System.



Create health, safe and environment-friendly working environment

Safety production

In 2020, many factories of the Group have been commended by the local government and won the honorary titles of “Advanced Unit of Work Safety”, “Demonstration Enterprise of Work Safety” and “119 Advanced Fire Protection Collective” for their extraordinary production safety management. At the same time, the Group also internally carried out a “Safety Star Factory” honour campaign to commend factories.



Henan President Enterprises Co., Ltd.
“Advanced Unit of Work Safety”



Shaanxi President Enterprises Co., Ltd.
“119 Advanced Fire Protection Collective”



Award of "Safety Star Factory" to
factories in Central China



Award of "Safety Star Factory" to
factories in South China

Each factory of the Group continues to implement responsibility system of production safety. We invited external experts to conduct professional safety knowledge trainings to improve the professional skills of safety management personnel. We established a cross-department technical team to make technical improvements on the working environment of our workshops. We carried out special safety inspection, risk control as well as hidden danger investigation and treatment to eliminate hidden hazards in our factories. We carried out zero disaster 4R (four rounds of hazard prediction drill) activities, safety observation and other activities to eliminate unsafe behaviour of personnel and unsafe state of materials. Special activities such as "Safety Production Month" and "Fire Education Month" were carried out to further enhance safety responsibility and awareness among all employees through full participation. Internal “EHS Monthly Newsletter” is regularly issued to provide information on newly issued laws and regulations, safety accident warning and safety knowledge. Through the implementation of all-round safety work, we are committed to promoting the construction of a company-wide safety production culture.

Prevention and control of occupational diseases

The Group pays close attention to the occupational health of employees and strictly complies with relevant national laws and regulations such as the “Law of the People's Republic of China on the Prevention and Control of Occupational Diseases” and the “Provisions on the Administration of Occupational Health at Workplaces”. We engage in qualified testing organisations to inspect occupational hazards in the workplace and continue to carry out the whole process of occupational health monitoring management before, during and after work. We equip our employees with protective equipment and educate them on how to properly wear such equipment; we post occupational hazards warning signs on work sites to publicize and inform employees the occupational hazards. Also, we take technical safety measures to improve the working environment and to ensure the safety and health of special work operators, including ventilation and cooling measures for employees working under high temperature, dust removal devices installed in dust area, fuming cupboard for employees handling toxic and harmful substances in a laboratory, etc. Besides, we conduct regular training on occupational health knowledge to enhance the health awareness of employees and create a healthy and safe workplace environment. No occupational disease accident occurred within the Group in 2020.

» Introduce and cultivate talents

Support employee development

We attach importance to talent development and cultivation and adhere to the selection and employment standard of "value both ability and virtues, employ those with good virtues". We recruit talents who meet the Group's strategic needs through open recruitment, campus recruitment and head-hunters on an equal and fair basis.

We honour qualities of each employee, provide them with diverse career paths, and strive to establish a career platform that enables the employees to unleash their full potential. In addition, we incorporated "providing training and development opportunities for all employees" into our corporate missions and continuously carry it out. In accordance with the "Training Management Standards", and based on job nature, we offer specialised training of different types and levels to newly recruits, junior supervisors, key personnel and management trainees, so as to enhance their business skills and management level in areas of corporate culture, safety education, professional skills, general skills and leadership.

In 2020, the Group launched a cocktail of distinguishing training courses in light of changes in market environment and company operational strategies, for instance, the "Coaching leadership", "Road to High-end Brand" and "Logic of Marketing" of the marketing department, "New Media Series" of the media department, and the "Lean Management" of Production Management Group. In addition to internal training and engagement of outstanding lecturers, we also encouraged staff members to participate in external trainings and learning, such as "Action Learning" and "Quantitative Diagnostic Analysis of Compensation and Optimisation Strategy", empowering employees to widen horizons and stay tune with industry dynamics.



"Coaching Leadership" training for marketing supervisors



"Lean Six Sigma" training for Production Management Group

During the Reporting Period, the percentage of employees trained and the average training hours by gender and job level in the Group are shown as follows:

Employee training in 2020		
	Percentage of employees trained	Average training hours
By gender		
Male	58%	16 hours
Female	42%	16 hours
By job level		
Junior employees	96%	16 hours
Middle management	3%	17 hours
Senior management	1%	17 hours

Protect employees' interests and rights

The Group strictly complies with the relevant national laws and regulations, including but not limited to the "Labour Law of the People's Republic of China" and "Labour Contract Law of the People's Republic of China". To enhance employees' work satisfaction, the Group formulated a set of policies, including "Staff Manual", to document recruitment, dismissal and other procedures. The Group set clear dismissal standards and procedures in relevant policies and shall not dismiss our employees at ease to effectively protect employees' rights and interests.

Compensation and benefits

The Group sets up a competitive and fair compensation and benefits system based on employees' positions and abilities. We conduct regular compensation surveys and adjust the "broad bands" of compensation range in line with the survey results and competitiveness to motivate and retain talented employees. The Group implements a fair, open and equitable assessment and reward mechanism, and formulated such standards as "Operational Standards on Job-Based Remuneration Management", "Operational Standards on KPI Assessment Management", "Operational Standards on Job Competence Evaluation", "Operational Standards on Incentive Management," etc., aiming to provide employees with a sound compensation system and promotion opportunities.

The employment contract that each employee signs with the Group clearly defines rights, responsibilities and obligations of employee and employer, including compensation, working hours, employee benefits, leave days etc. Every employee is entitled to terminate an employment with the relevant Group member. The entering into, amendment, cancellation and termination of the relevant employment contract are strictly subject to the relevant laws and policies.

The Group's employee compensation mainly comprises basic salary, performance bonus, allowance, overtime pay, incentives, etc. In addition, employees are entitled to additional benefits and subsidies, such as supplementary medical care, marriage allowance, travel allowance, funeral allowance, birthday gifts or money gifts.

Working hours and holidays

In strict compliance with the "Labour Law of the People's Republic of China" and "Labour Contract Law of the People's Republic of China", we implement the standard working hour system and the comprehensive working hour system to ensure sufficient rest for employees. In case of overtime, employees must fill in the overtime application form and obtain approval from their supervisors. Furthermore, the Group's employees enjoy a variety of holidays such as national holidays, annual leave, personal leave, sick leave, marriage leave, maternity leave and funeral leave.



Equality, diversity and anti-discrimination

We advocate equality and oppose discrimination. Regardless of gender, race, ethnicity, nationality, colour, religious belief, disability, marital status, sexuality, political orientation, etc., all staff members receive equal treatment at work in terms of job opportunity, remuneration, promotion, disciplinary treatment, dismissal and retirement, etc. In the “Code of Ethics”, we strictly prohibit all forms of harassment or discrimination by employees of the Group against others and ensure that each employee is treated with respect and dignity. As of the end of the Reporting Period, the proportion of women in the Group's management is 27.7%.

Eliminating child labour and forced labour

We strictly abide by the “Labor Law of the People's Republic of China”, the “Provisions on the Prohibition of Using Child Labor” and other relevant laws and regulations and require all employee to provide relevant identification documents when onboarding. All employees of the Group are beyond the minimum age to work as stipulated by national laws and regulations. At the same time, we respect employees' willingness to work and prevent forced labour.

Employee communication and benefits

We establish diversified communication channels including staff seminar, employee representative meeting and mediation committee of the trade union to acknowledge employees' needs in a timely manner and listen to their opinions. We spare no effort to help employees with their family difficulties, further optimise employee benefits, and promote employee compassion and cohesion, gradually forming a corporate culture of mutual love and kindness for all.

Supporting needy employees



During the Spring Festival in January 2020, the Group's trade union initiated a campaign of "Spring Festival Greeting", where gifts and festival greetings, i.e. quilts and consolation money of RMB9,000 in total, were given to 9 employees of Kunshan President Enterprises Food Co., Ltd. who fell into poverty because of illnesses and disability.

On 2 September 2020, the chairman of the Group's trade union paid a visit to Nanjing to send regards to an employee of Nanjing Office who had suffered from chronic leukemia for years and faced with economic difficulties and provide consolation money of RMB85,000 on behalf of the Group.



Furthermore, we periodically organise various culture and sports activities to enrich employees' leisure time.



UP Energy Campaign



Daily Benefits at Noon



Winter Solstice Festival Activities



Distribution of talents

As of the end of the Reporting Period, the Group had 30,430 employees, all of whom were full-time. Employee structure by gender, age and geographical region are shown as follows:

Type	Indicator	Headcount	Turnover rate
By gender	Male	17,735	20%
	Female	12,695	15%
By age	Under 30 years old	8,617	29%
	30 - 50 years old	21,327	13%
	Over 50 years old	486	26%
By geographical region	Northeast China	1,626	13%
	North China	2,784	28%
	East China	7,401	23%
	South China	5,443	17%
	Central China	4,027	14%
	Northwest China	2,216	14%
	Southwest China	3,489	15%
	Central Plains	3,436	12%
	Hong Kong, Macao and Taiwan	8	0%

The turnover ratio of each category = the number of departures of this category during the Reporting Period / the total number of employees of this category at the end of the Reporting Period * 100%

Customer First, Pursue Win-win Cooperation

Upholding the philosophy of “Three Goods and One Fairness: Good Quality, Good Credit, Good Service and Fair Price”, the Group provides safe, healthy and delicious food to consumers and pursues a mutual beneficial cooperation with all partners.

The UN Sustainable Development Goals we have attended to



» Properly manage suppliers

Supplier management

The Group continuously improves the food safety supervision mechanism throughout the raw material supply chain, with emphasis on the food safety management at the source. We formulated a series of guidelines and standards, including “Measures for Introduction of Raw Material Suppliers”, the “Operational Standards on Field Inspection of Raw Material Manufacturers”, the “Operational Standards on Disposal of Suppliers Crossing “Three Lines of Food Safety Defense”, the “Measures for Daily Management of Raw Material Suppliers”, the “Measures for Quality Rating of Raw Material Suppliers”, the “Quality Rating Standards on Deliveries of Raw Material Suppliers”, etc. We conducted supplier qualification assessment and field inspection and established a food safety monitoring mechanism of raw materials to ensure that food quality and safety monitoring is conducted from the source of supply chain.



As of the end of the Reporting Period, the Group had 883 raw materials suppliers. The number of raw materials suppliers by geographical region is showed as below:

Province	Number of suppliers	Province	Number of suppliers
Jiangsu	133	Shandong	48
Shanghai	127	Henan	34
Guangdong	76	Anhui	30
Zhejiang	57	Fujian	30
Sichuan	54	Hebei	29
Hubei	49	Others	216

Supplier evaluation

We classify and manage our suppliers according to their performance rating. Periodic supplier evaluation and assessment is conducted to urge suppliers on continuous quality improvement. We effectively control those food safety risks introduced by suppliers through multi-dimensional risk assessment measures, including timely conducting conformity and validity check of suppliers' qualification, annually re-ranking suppliers' food safety risk levels, performing unannounced inspection and pre-notice review at different frequencies according to the risk level, commissioning external auditors to perform field inspection, etc. Non-compliance is recorded in the "Non-compliance Tracking List" for suppliers to follow up and draw up improvement plans for a scientific and robust food safety and quality management system. We also render services on field inspection and special quality enhancement coaching to our suppliers for continuous improvement on quality management.

Social responsibility management

We place emphasis on control over environmental and social risks of upstream and downstream suppliers. In this regard, legal disputes, credit risk, tax risk, environmental risk, operational risk, food safety risk, engineering risk, etc. are monitored in a 24-hour and real-time manner by our Robotic Process Automation (RPA) credit system. When conducting field inspection on suppliers, we proactively focus on the performance of suppliers in labour and safety, environmental protection, etc., and urge suppliers to respect employees, treat workplace safety seriously, use environmental-friendly products, value environmental protection, stay on the same page with us and adopt a sound approach for sustainable development.

We have entered into the “Letter of Commitment” with all suppliers and related engineering factories to reject commercial bribery and build a clean supply chain together. In order to avoid profit transfer between distributors and the Group’s employees, we validate accounts with the aid of cooperation contract terms, reconciliation of bills, verification of channel costs and conclusion of fee agreements with customers. We also sign commitment letters with business personnel and perform audit on resigned personnel for the purpose of oversight.

» Protect customers’ interests and rights

As a champion of “truth and pragmatism”, the Group is responsible for consumers and customers. We strictly abide by the “Law of the People’s Republic of China on the Protection of Consumer Rights and Interests”, the “Advertising Law of the People’s Republic of China”, the “Food Safety Law of the People’s Republic of China” and other relevant laws and regulations. We established corresponding systems to standardise after-sales services and product labelling, focusing on consumer demand and conveying the most accurate information to the public.

Customer communication

The Group has formulated the “Operational Standards on Complaints Handling” to create a mechanism to deal with consumer complaints and set up several customer service platforms including 400 consumer service hotline , WeChat official account “Uni-President” and its online services, and Uni-President Club customer service. The Group also monitors public opinion and complaints on we-media by artificial intelligence (AI), listens carefully to consumer opinions and feedbacks, and gains insight into their demand. During the Reporting Period, the Group received 5,362 feedbacks from consumers for products and services. All consumers’ feedbacks were recorded and tracked internally for improvement.

The Group also maintains close business relationship with its distributors and attaches great importance to their feedback. A special functional department is assigned to maintain communication and liaison with distributors, summarise distributors’ requirements monthly and make follow-up calls, and address feedbacks and suggestions from distributors in time. All distributors can give feedback through E-Mall client, customer communication platform, WeChat official account, reporting mailbox, reconciliation statements, resignation audits, etc.





Product labelling and marketing ideas

We strictly abide by relevant national laws and regulations, including but not limited to the “Food Labeling Supervision Administration Measures”, national food safety standard GB7718 “General Standard for the Labeling of Prepackaged Foods”, etc. In addition, we develop an internal standard of procedure for product label audit to clarify the rights and responsibilities of each department (i.e. business division, research, legal, food safety, etc.), and to provide a guiding reference for matters that are prone to errors or disputes. We conduct responsible product marketing and formulate the “Rules for Use of Uni-President Labels in Packaging”, the “Operational Standards on Product Labelling and Publicity Materials Review Process”, the “Operational Standards on Packaging Design Inspection”, the “Rules for Packaging Colour Taboos” to regulate product packaging labelling and advertising language. With respect to product labelling and promotion, complying with national laws and regulations is a minimum. We give full information on product ingredients and use legitimate advertising language in a manner that is transparent and not exaggerated. The “Product Labelling Review Process” and “Product Promotion Review Process” are in place for multi-sectoral review and sign-off of trademarks, brand names, nutrition labels, recycling labels, manufacturing source, certification, warning marks, and advertising language, avoiding consumers’ misunderstanding on our product packaging and advertising language.

Privacy protection and information security

The Group set up an effective information security management mechanism and established an information security management system in line with ISO/IEC 27701. We formed responsible teams and formulated a series of information security policies, such as the “Regulations on Information Security Management”, the “Guidelines for User Information Security”, to standardize such management mechanisms as the confidential level of company information, the level of information security incidents, the reporting flow of information security incidents, the penalty mechanism of information security incidents as well as the investigation mechanism of information security incidents. Thus the integrity, availability and security of the Group’s information assets are guaranteed, and compliance obligations are performed when collecting and using private information.

We adopted a variety of technical measures to strengthen the security of the information system and ensure the integrity and security of data, including but not limited to: establish effective redundancy mechanism to ensure the continuous operation of the application system; establish effective backup mechanism to ensure the continuity and integrity of backup data; establish effective network security protection mechanism to ensure the safe and stable operation of the application system; and establish effective system access control policy to ensure the security of information.

In addition, with the aim of raising employees' awareness of information security and safeguarding risk-free information security system, the Group established an effective information security audit and training mechanism, including self-inspection by each department, security audit of user information and third-party audit. In 2020, a total of 519 information security audits and 280 training and publicity sessions with 4,612 participants were conducted.

Promoting good market order

The Group sticks to originality and boycotts counterfeits, actively promoting a good market order. We strictly complied with the “Copyright Law of the People's Republic of China”, the “Patent Law of the People's Republic of China”, the “Trademark Law of the People's Republic of China”, the “Anti-Unfair Competition Law of the People's Republic of China” and other relevant laws and regulations. We applied certificates for all patents, trademarks, and copyright from intellectual property authorities and signed patent and copyright transfer contracts where third-party patents or works are involved. As of the end of the Reporting Period, the Group obtained a total of 314 patents, ranging from food safety, product R&D, process optimisation to manual process optimisation.

During the Reporting Period, we actively advanced management and protection of intellectual property, formulated the “Operational Standards on Anti-infringement Mechanism and Counterfeits Handling Process Regarding Intellectual Property”, and regularly inspected the use of patents, works and registered trademarks, ensuring the stability of our rights to patents, copyright and trademarks. Meanwhile, we constructed a line of defence against infringing products and conducted market investigation and monitoring to crack down on infringing products and maintain our brand image.

Caring for the Society and Fulfilling Responsibilities

The Group is committed to the philosophy of “giving back to the community” with a focus on integrating economic and social benefits. We leveraged our strengths and dedicated resources to public welfare activities in the fields of cultural and sports education, environmental protection, public relief and community volunteering to give back to the society.

The UN Sustainable Development Goals we have attended to



The Group formulated the “Operational Standards on External Public Welfare Activities”, “the Procedures of Donation for Public Security Events” and other relevant standards to regulate the Group's public welfare activities. In 2020, the Group actively made charitable donations for epidemic prevention and control, flood prevention and disaster relief, poverty alleviation in support of farmers, and caring for growth of adolescents, etc. During the Reporting Period, the Group devoted approximately RMB 27 million and 10,000 hours for social and public welfare activities and natural disaster donations in total (including the combat against COVID-19).

Poverty alleviation

Following General Secretary Xi Jinping's key strategic thought on Poverty Alleviation and Development, the Group proactively urges its subsidiaries to carry out diversified poverty alleviation activities in support of farmers.

2020
June

In active response to a plan to “help poor households together with model workers” proposed by the Trade Union in Economic Development Zone, the trade union committee of Hefei President Enterprises Co., Ltd. brought watermelons of 1,000 kg from vegetable greenhouses in the Poverty Alleviation Industrial Park in Zhaoqiao Village, Feixi County, in a bid to increase income of poor households and facilitate the growth of poverty relief industries.



2020
July

Guangzhou President Enterprises Corp. donated RMB35,000 to the Guangzhou Huangpu Charity. The money was designated to the Village Committee of Dacheng Village, Yangshan County, Qingyuan, Guangdong Province, the one-to-one poverty alleviation target of Huangpu District.

2020
September

In active response to redemption of "Special Consumption Coupon for Poverty Alleviation" initiated by the Office of Nanning Federation of Trade Unions, the trade union committee of Nanning President Enterprises Co., Ltd. participated in poverty alleviation activities in support of farmers, where the special coupons were granted to trade union members and 507.5 kg of pollution-free rice was ordered from Lingyun County, a poverty-stricken county, based on the number of employees in the factory, enabling such counties to eliminate poverty and generate more income.



Support in flood prevention

In late spring or early summer of 2020

Various localities were confronted with the challenge of "preventing flood and waterlogging" amid the fight against COVID-19. Hefei Uni-President Limited and Wuhan President Enterprises Food Co., Ltd. responded positively to the government's call to donate instant noodles and beverage to soldiers who fought against the flood at the front-line.

On the afternoon of 13 July 2020

Wuhan President Enterprises Food Co., Ltd. transported 200 boxes of "Laiyitong" Instant Noodles, 100 boxes of Uni-President Ice Black Tea, and 100 boxes of Uni-President Green Tea (equivalent to RMB19,800) to four dike stations in Xingou, Cihui, Shuikou and Lvjiawan, Dongxihu District, Wuhan, delivering emergency supplies to the front-line.

On 28 July 2020

Hefei President Enterprises Co., Ltd. gave away 1,000 boxes of "Laiyitong" Instant Noodles, 150 boxes of "ALKAQUA" natural mineral water and 350 boxes of Uni-President Ice Black Tea (equivalent to RMB87,600) to flood-stricken areas, such as Sanhe Town, Feixi County and Zhegao Town and Baohe District of Chaohu in Anhui Province. On 11 August, another 400 boxes of instant noodles (equivalent to RMB13,100) were given to the Red Cross of Feixi County. In this regard, Hefei President Enterprises Co., Ltd. donated RMB100,700 in total.



Community volunteering

The Group actively nurtures and promotes the culture of "willing to give and care for others and communities", and engages in community volunteering in honour of volunteerism.

In 2020, "Uni-President Green Tea", together with its brand ambassador, WoWkie Zhang, launched a public welfare activity "Giving out Green Tea to Deliverymen who Deliver against the Clock". From 21 August, participants in over 40 cities, including Zhengzhou, Dongguan, Nanning and Wuhan, responded to the activity, providing free cold drinks to deliverymen and those working under high temperature. In this activity, the brand drew on the combination of "online interaction + offline distribution", online platforms and social network software to conduct theme marketing, making real contributions to those working under high temperature while engaging more people in public welfare activities.



#Online Challenge: Giving out Green Tea to Deliverymen received lots of attention with related videos viewed 100 million times



Deliverymen at a Drink Supply Station in Quanzhou

In addition, the Group calls on and organises employees to donate blood voluntarily on an annual basis. On 23 April 2020, Uni-President Enterprises (Xinjiang) Food Co., Ltd. participated in voluntary blood donation in the seventh consecutive year. Employees involved in the donation were informed of blood donation precautions and provided with pick-up services and nutrition subsidies. On 11 June 2020, Kunshan President Enterprises Food Co., Ltd. and the Kunshan Blood Centre of Jiangsu Province jointly ran a blood collection campaign themed “Promoting Voluntary Blood Donation and Civilisation in Kunshan” at a designated location, during which a total of 18,400 ml blood were collected from 60 donors.



Caring for growth of adolescents

In 2020, the brand of "Kai Xiao Zao" held a public welfare activity to care for young people. For every product sold in the big sale of Kai Xiao Zao Flagship Shop, RMB1 was contributed to the “Free Lunch for Children Foundation” under the China Social Welfare Foundation, aiming to provide free lunch to children in poor areas.



ESG Reporting Guide

KPI	Description	Section(s)
A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Enhance environment management Stick to green operation Strictly control emissions
A1.1	The types of emissions and respective emissions data	Stick to green operation Strictly control emissions
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity	Stick to green operation
A1.3	Total hazardous waste produced and, where appropriate, intensity	Strictly control emissions
A1.4	Total non-hazardous waste produced and, where appropriate, intensity	Strictly control emissions
A1.5	Description of emissions target(s) set and steps taken to achieve them	Strictly control emissions
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Strictly control emissions
A2 Use of Resource		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Enhance environment management Stick to green operation Improve water efficiency Enhance material management
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Stick to green operation
A2.2	Water consumption in total and intensity.	Improve water efficiency
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Stick to green operation
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Improve water efficiency
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Enhance material management
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Enhance environment management Stick to green operation Improve water efficiency Enhance material management Strictly control emissions
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Enhance environment management Stick to green operation Improve water efficiency Enhance material management Strictly control emissions

KPI	Description	Section(s)
A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Stick to green operation
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Stick to green operation
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Introduce and cultivate talents
B1.1	Total workforce by gender, employment type, age group and geographical region.	Introduce and cultivate talents
B1.2	Employee turnover rate by gender, age group and geographical region.	Introduce and cultivate talents
B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Guard health and safety
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Guard health and safety
B2.2	Lost days due to work injury.	Guard health and safety
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Guard health and safety
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Introduce and cultivate talents
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Introduce and cultivate talents
B3.2	The average training hours completed per employee by gender and employee category.	Introduce and cultivate talents
B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Introduce and cultivate talents
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Introduce and cultivate talents
B4.2	Description of steps taken to eliminate such practices when discovered.	Introduce and cultivate talents

KPI	Description	Section(s)
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Properly manage suppliers
B5.1	Number of suppliers by geographical region.	Properly manage suppliers
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Properly manage suppliers
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Properly manage suppliers
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Properly manage suppliers
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Food safety management system Protect customers' interests and rights
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Food safety management system
B6.2	Number of products and service related complaints received and how they are dealt with.	Protect customers' interests and rights
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protect customers' interests and rights
B6.4	Description of quality assurance process and recall procedures.	Food safety management system
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protect customers' interests and rights
B7 Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Corporate Governance
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Corporate Governance
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Corporate Governance
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Caring for the Society and Fulfilling Responsibilities
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Caring for the Society and Fulfilling Responsibilities Topic: Supporting Pandemic Prevention and Control
B8.2	Resources contributed (e.g. money or time) to the focus area.	Caring for the Society and Fulfilling Responsibilities Topic: Supporting Pandemic Prevention and Control

GRI Standards Index

GRI Standards	Disclosure Title	Section(s)
Organizational profile	102-1 Name of the organization	About Uni-President
	102-2 Activities, brands, products, and services	About Uni-President
	102-3 Location of headquarters	About Uni-President
	102-4 Location of operations	About Uni-President
	102-5 Ownership and legal form	Please refer to the annual report
	102-6 Markets served	About Uni-President
	102-7 Scale of the organization	About Uni-President
	102-8 Information on employees and other workers	About Uni-President Introduction and cultivation of talents
	102-9 Supply chain	Properly manage suppliers
	102-10 Significant changes to the organization and its supply chain	Please refer to the annual report
	102-11 Precautionary Principle or approach	Corporate Governance
	102-12 External initiatives	Corporate Honours
	102-13 Membership of associations	Corporate Honours
Strategy	102-14 Statement from senior decision-maker	Chairman's Statement
	102-15 Key impacts, risks, and opportunities	Chairman's Statement
Ethics and integrity	102-16 Values, principles, standards, and norms of behavior	Corporate Governance
	102-17 Mechanisms for advice and concerns about ethics	Corporate Governance
Governance	102-18 Governance structure	Corporate Governance
	102-19 Delegating authority	/
	102-20 Executive-level responsibility for economic, environmental, and social topics	Social Responsibility Governance
	102-21 Consulting stakeholders on economic, environmental and social topics	Social Responsibility Governance
	102-22 Composition of the highest governance body and its committees	Corporate Governance
	102-23 Chair of the highest governance body	Corporate Governance
	102-24 Nominating and selecting the highest governance body	Please refer to the annual report
	102-25 Conflicts of interest	Please refer to the annual report
	102-26 Role of highest governance body in setting purpose, values, and strategy	Corporate Governance
	102-27 Collective knowledge of highest governance body	Corporate Governance
	102-28 Evaluating the highest governance body's performance	Please refer to the annual report
	102-29 Identifying and managing economic, environmental, and social impacts	Corporate Governance
	102-30 Effectiveness of risk management processes	/
	102-31 Review of economic, environmental, and social topics	Social Responsibility Governance
	102-32 Highest governance body's role in sustainability reporting	Social Responsibility Governance
	102-33 Communicating critical concerns	Corporate Governance
	102-34 Nature and total number of critical concerns	Corporate Governance
	102-35 Remuneration policies	Please refer to the annual report
	102-36 Process for determining remuneration	/
	102-37 Stakeholders' involvement in remuneration	/
	102-38 Annual total compensation ratio	/
	102-39 Percentage increase in annual total compensation ratio	/

GRI Standards	Disclosure Title	Section(s)
Stakeholder engagement	102-40 List of stakeholder groups	Social Responsibility Governance
	102-41 Collective bargaining agreements	Introduce and cultivate talents
	102-42 Identifying and selecting stakeholders	Social Responsibility Governance
	102-43 Approach to stakeholder engagement	Social Responsibility Governance
	102-44 Key topics and concerns raised	Social Responsibility Governance
Reporting practice	102-45 Entities included in the consolidated financial statements	About the Report
	102-46 Defining report content and topic Boundaries	About the Report
	102-47 List of material topics	Social Responsibility Governance
	102-48 Restatements of information	No significant change
	102-49 Changes in reporting	About the Report
	102-50 Reporting period	About the Report
	102-51 Date of most recent report	/
	102-52 Reporting cycle	About the Report
	102-53 Contact point for questions regarding the report	Readers Feedback Form
	102-54 Claims of reporting in accordance with the GRI Standards	About the Report
	102-55 GRI content index	GRI Standards Index
	102-56 External assurance	Independent Statement of Assurance
Management Approach	103-1 Explanation of the material topic and its Boundary	Social Responsibility Governance
	103-2 The management approach and its components	Social Responsibility Governance
	103-3 Evaluation of the management approach	Social Responsibility Governance
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	2020 Focus
	201-2 Financial implications and other risks and opportunities due to climate change	Stick to green operation
	201-3 Defined benefit plan obligations and other retirement plans	/
	201-4 Financial assistance received from government	/
GRI 202: Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	/
	202-2 Proportion of senior management hired from the local community	/
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	Topic: Supporting Pandemic Prevention and Control Caring for the Society and Fulfilling Responsibilities
	203-2 Significant indirect economic impacts	Topic: Supporting Pandemic Prevention and Control Caring for the Society and Fulfilling Responsibilities
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	Properly manage suppliers
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	Corporate Governance
	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance
	205-3 Confirmed incidents of corruption and actions taken	Corporate Governance
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	/
GRI 301: Materials	301-1 Materials used by weight or volume	Enhance material management
	301-2 Recycled input materials used	Enhance material management
	301-3 Reclaimed products and their packaging materials	Enhance material management

GRI Standards	Disclosure Title	Section(s)
GRI 302: Energy	302-1 Energy consumption within the organization	Stick to green operation
	302-2 Energy consumption outside of the organization	/
	302-3 Energy intensity	Stick to green operation
	302-4 Reduction of energy consumption	Stick to green operation
	302-5 Reductions in energy requirements of products and services	Stick to green operation
GRI 303: Water	303-1 Water withdrawal by source	Improve water efficiency
	303-2 Water sources significantly affected by withdrawal of water	No such sources
	303-3 Water recycled and reused	Improve water efficiency
GRI 304: Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not related
	304-2 Significant impacts of activities, products, and services on biodiversity	Not related
	304-3 Habitats protected or restored	Not related
	304-4 IUCN Red List species and national conservation list Species with habitats in areas affected by operations	Not related
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	Stick to green operation
	305-2 Energy indirect (Scope 2) GHG emissions	Stick to green operation
	305-3 Other indirect (Scope 3) GHG emissions	/
	305-4 GHG emissions intensity	Stick to green operation
	305-5 Reduction of GHG emissions	Stick to green operation
	305-6 Emissions of ozone-depleting substances (ODS)	/
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	/
GRI 306: Effluents and Waste	306-1 Water discharge by quality and destination	Strictly control emissions
	306-2 Waste by type and disposal method	Strictly control emissions
	306-3 Significant spills	No related matters occur
	306-4 Transport of hazardous waste	/
	306-5 Water bodies affected by water discharges and/or runoff	No such water bodies
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	No incidents of non-compliance
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	Properly manage suppliers
	308-2 Negative environmental impacts in the supply chain and actions taken	Properly manage suppliers
GRI 401: Employment	401-1 New employee hires and employee turnover	Introduce and cultivate talents
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Introduce and cultivate talents
	401-3 Parental leave	Introduce and cultivate talents
GRI 402: Labor/ Management Relations	402-1 Minimum notice periods regarding operational changes	Strictly follow Countries/Regions Related laws and Regulations
GRI 403: Occupational Health and Safety	403-1 Workers representation in formal joint management-worker health and safety committees	/
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Guard health and safety
	403-3 Workers with high incidence or high risk of diseases related to their occupation	Guard health and safety
	403-4 Health and safety topics covered in formal agreements with trade unions	/

GRI Standards	Disclosure Title	Section(s)
GRI 404: Training and Education	404-1 Average hours of training per year per employee	Introduce and cultivate talents
	404-2 Programs for upgrading employee skills and transition assistance programs	Introduce and cultivate talents
	404-3 Percentage of employees receiving regular performance and career development reviews	Introduce and cultivate talents
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Introduce and cultivate talents
	405-2 Ratio of basic salary and remuneration of women to men	/
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	Introduce and cultivate talents
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	/
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	Introduce and cultivate talents
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Introduce and cultivate talents
GRI 410: Security Practices	410-1 Security personnel trained in human rights policies or procedures	/
GRI 411: Rights of Indigenous Peoples	411-1 Incidents of violations involving rights of indigenous peoples	No incidents of non-compliance
GRI 412: Human Rights Assessment	412-1 Operations that have been subject to human rights reviews or impact assessments	/
	412-2 Employee training on human rights policies or procedures	/
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	/
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Topic: Supporting Pandemic Prevention and Control Caring for the Society and Fulfilling Responsibilities
	413-2 Operations with significant actual and potential negative impacts on local communities	No such operations
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	Properly manage suppliers
	414-2 Negative social impacts in the supply chain and actions taken	Properly manage suppliers
GRI 415: Public Policy	415-1 Political contributions	/
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	Food safety management system Protect customers' interests and rights
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents of non-compliance
GRI 417: Marketing and Labeling	417-1 Requirements for product and service information and labeling	Protect customers' interests and rights
	417-2 Incidents of non-compliance concerning product and service information and labeling	No incidents of non-compliance
	417-3 Incidents of non-compliance concerning marketing communications	No incidents of non-compliance
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Protect customers' interests and rights
GRI 419: Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	No incidents of non-compliance



English Translation for Reference Only

2021/SH-0246
(Page 1 of 3)

Independent practitioner's assurance report

To the Board of Directors of Uni-President China Holdings Ltd.

We have been engaged to perform a limited assurance engagement on the selected 2020 key data as defined below in the 2020 Corporate Social Responsibility Report ("CSR report") of Uni-President China Holdings Ltd. (the "Company").

Selected key data

The selected key data in the Company's 2020 CSR Report that is covered by this report is as follows:

- Direct (Scope 1) GHG emissions
- Energy indirect (Scope 2) GHG emissions
- Natural gas consumption
- Diesel consumption
- Purchased electricity
- Purchased steam
- Total energy consumption
- Water consumption
- Total number of employees
- Proportion of female employees

Our assurance was with respect to the year ended 31 December 2020 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2020 CSR Report.

Criteria

The criteria used by the Company to prepare the selected key data in the 2020 CSR report is set out in the basis of key data on page 67 of the 2020 CSR report (the "basis of reporting").

Management's Responsibilities

Management of the Company is responsible for the preparation of the selected key data in the 2020 CSR report in accordance with the basis of reporting. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the selected key data in the 2020 CSR report that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibilities

It is our responsibility to express a conclusion on the selected key data in the 2020 CSR report based on our work.

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information", and, in respect of greenhouse gas emissions, International Standard on Assurance Engagement 3410, "Assurance Engagements on Greenhouse Gas Statements". These standards require that we plan and perform our work to form the conclusion.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Company's 2020 selected key data in the 2020 CSR report has been prepared, in all material respects, in accordance with the basis of reporting. Our work involves assessing the risks of material misstatement of the selected key data in the 2020 CSR report whether due to fraud or error, and responding to the assessed risks. The extent of procedures selected depends on our judgment and assessment of the engagement risk. Within the scope of our work, we have performed the following procedures in the Headquarter of the Company We have not conducted work on other locations.:

- 1) Interviews with relevant departments of the Company involved in providing information for the selected key data within the CSR Report; and
- 2) Analytical procedure;
- 3) Examination, on a test basis, of documentary evidence relating to the selected key data on which we report;
- 4) Recalculation; and
- 5) Other procedures deemed necessary

Inherent Limitation

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gases.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the 2020 selected key data in the 2020 CSR report is not prepared, in all material respects, in accordance with the basis of reporting.

Restriction on Use

Our report has been prepared for and only for the board of directors of the Company and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

PricewaterhouseCoopers Zhong Tian LLP

Shanghai, China

7 May 2021

Basis for key data

Key data	Basis for key data
Direct (Scope 1) GHG emissions	Direct (Scope 1) GHG emissions were GHG emissions generated by the use of natural gas and diesel in the food and beverage manufacturing plants of the Group. Diesel was only used by the Group's Changbaishan plant. The emission factors of natural gas and diesel come from the "Accounting Method and Reporting Guideline of GHG Emissions for Food, Tobacco and Alcohol, Beverage and Refined Tea Enterprises (Trial)" released by the NDRC.
Energy indirect (Scope 2) GHG emissions	Energy indirect (Scope 2) GHG emissions were GHG emissions generated by the use of purchased electricity and steam in the food and beverage manufacturing plants of the Group. The average carbon dioxide emission factors of regional power grid refer to the emission factor of 2012 in the "Average Carbon Dioxide Emission Factors of China's Regional Power Grids in 2011 and 2012" issued by the NDRC. The emission factors of purchased steam come from the "Accounting Method and Reporting Guideline of GHG Emissions for Food, Tobacco and Alcohol, Beverage and Refined Tea Enterprises (Trial)" released by the NDRC.
Natural gas consumption	Natural gas consumption was the natural gas used by the food and beverage manufacturing plants of the Group. Natural gas consumption is presented in MWh and the conversion factors come from the "Accounting Method and Reporting Guideline of GHG Emissions for Food, Tobacco and Alcohol, Beverage and Refined Tea Enterprises (Trial)" released by the NDRC.
Diesel consumption	Diesel consumption was the diesel used by the Group's Changbaishan plant. Diesel consumption is presented in MWh and the conversion factors come from the "Accounting Method and Reporting Guideline of GHG Emissions for Food, Tobacco and Alcohol, Beverage and Refined Tea Enterprises (Trial)" released by the NDRC.
Purchased electricity	Purchased electricity was the electricity purchased by the food and beverage manufacturing plants of the Group.
Purchased steam	Purchased steam was the steam purchased by the food and beverage manufacturing plants of the Group. Purchased steam is presented in MWh and the calculation method and conversion factors come from "Accounting Method and Reporting Guideline of GHG Emissions for Other Industrial Enterprises (Trial)" and the enthalpy of 1MPa in its Appendix II, Table 2.4 Saturated Steam Enthalpy Table released by the NDRC.
Total energy consumption	Total energy consumption was the total energy used by the food and beverage manufacturing plants of the Group, including natural gas consumption, diesel consumption, purchased electricity, and purchased steam.
Water consumption	Water consumption was the water used by the food and beverage manufacturing plants of the Group.
Total number of employees	Total number of employees was the number of employees directed employed by the Group as the end of 2020.
Proportion of female employees	Proportion of female employees was the percentage of the Group's female employees as the end of 2020.