

統一企業股份有限公司
永續發展實務守則
Uni-President Enterprises Corporation
Sustainable Development Code of Practice

Established on 26 April 2010 at the 19th Board Meeting of the 14th Board
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Section 1 General Principles

Article 1

To fulfill Company's corporate social responsibility as well as to promote economic, environmental, and social progression to achieve sustainable development, this Code of Practice is established to provide a dependable reference for business operations with reference to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” established by Taiwan Stock Exchange (TWSE) and Taipei Exchange (TPEX).

Article 2

This Code of Practice encompasses the overall operations of Uni-President Enterprises.

During the course of business management, the Company shall actively fulfill our sustainable development to follow international development trends. In addition, the Company shall assume the accountability incorporated in corporate citizenship to contribute to the national economy; improve the quality of life of employees, the community, and society; and build up a competitive advantage based on sustainable development.

Article 3

In promoting sustainable development initiatives, the Company shall respect the rights and benefits of stakeholders. In addition to the pursuit of sustainable management and profit, the Company shall also pay attention to factors such as environmental, social, and corporate governance dimensions, so that they can be incorporated into the company's management guidelines and business activities.

The Company shall apply the Materiality principle assess risks of environmental, social, and corporate governance dimensions that pertain to the Company's business activities and shall formulate risk management policy or strategy.

Article 4

The Company shall adhere to the following principles in the practice of our sustainable development:

1. Promote corporate governance.
2. Develop a sustainable environment.
3. Protect social welfare.
4. Strengthen disclosure of corporate sustainable development information.

Article 5

Taking into account the correlation between the development of domestic and international sustainable issues and core business operations of the Company, and the effect of the Company's operations on stakeholders, the Company will formulate a sustainable development policy and

submit it for approval by the board of directors.

Section 2 Promotion of Corporate Governance

Article 6

The Company should establish effective corporate governance frameworks and relevant ethical standards and items to optimize corporate governance with reference to the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”.

Article 7

The Company’s board of directors carry out their management responsibilities in good faith by overseeing sustainable development fulfillment. The effectiveness of implementation and continual improvement of sustainable development will be reviewed whenever necessary as well to ensure proper sustainable development fulfillment.

Article 8

On a regular basis, the Company should organize training and education programs on fulfilling sustainable development.

Article 9

The Company has established a concurrent sustainable development unit responsible for the proposition and implementation of sustainable development policies to ensure proper sustainable development management and governance. The results are reported back to the Board of Directors.

Article 10

The Company shall, out of respect for the rights and benefits of stakeholders, identify our stakeholders and establish a dedicated section for stakeholders on the Company’s website; the Company understands the reasonable expectations and needs of stakeholders through suitable communication methods, and respond to sustainable development issues that are important to the stakeholders in an appropriate manner.

Section 3 Development of a Sustainable Environment

Article 11

The Company shall protect the natural environment in a suitable manner by conforming to environmental regulations and related international standards or guidelines. The Company shall also endeavor to achieve a sustainable environment while implementing business activities and internal management.

Article 12

The Company should increase our efficiency in the use of various resources (including energy), use recycled materials that have a low environmental burden and impact, and manage social impacts to realize the sustainable use of the Earth's resources.

Article 13

The Company should establish an appropriate environmental management system based on the nature of our industry. This environmental management system should cover the following items:

1. Collect and assess the environmental impact of our operations in a comprehensive and timely manner.
2. Define measurable goals while also regularly reviewing the continuity and correspondence of such goals.
3. Establish implementation measures including defined programs or action plans and review the

effectiveness of their operation on a regular basis.

Article 14

The Company shall establish a dedicated unit or assign dedicated personnel to establish, implement, and maintain relevant environment management systems and defined action plans and organize environmental training classes for manages and employees on a regular basis.

Article 15

The Company takes into account the impact of business operations on eco-efficiency, promotes the concept of sustainable consumption, and conducts business activities, including research and development, procurement, production, and service provision, with reference to the following principles to reduce the impact of business operations on the natural environment and humankind:

1. Reduce the consumption of energy and resources by products and services.
2. Reduce the emission of pollutants, toxic substances and waste. Waste should also be disposed of in an appropriate manner.
3. Increase the recyclability and re-use of raw materials and products.
4. Optimize the sustainable use of recycled resources.
5. Extend the durability of products.
6. Increase the performance of products and services.

Article 16

The Company shall make effective and sustainable use of water resources as well as define related management measures to improve the efficiency of water resource use.

The Company shall build and strengthen environmental protection treatment facilities to avoid polluting the water, air and land in its operations. If this is unavoidable, all possible effort should be made to reduce the negative impact on human health and the environment by taking into account the cost-effectiveness as well as technical and financial feasibility before adopting the most practical pollution prevention and control technologies.

Article 17

The Company shall evaluate the potential current and future risks and opportunities caused by climate change and take responsive measures to cope with climate-related issues.

The Company shall adopt international or local standards or guidelines to implement enterprise-wide greenhouse gas inventory and disclose the results. The scope of inventory shall include:

1. Direct greenhouse gas emissions:
emissions from operations that are owned or controlled by the Company.
2. Indirect greenhouse gas emissions:
emissions resulting from the utilization of energy such as imported electricity, heating, or steam.

The Company shall calculate the greenhouse gas emissions, volume of water consumption, and the total weight of waste. Also, the Company shall establish policies of energy saving, greenhouse gas emission reduction, and water consumption reduction or other waste management, to reduce the Company's operation impact on climate changed.

3. Other indirect emissions: emissions resulting from corporate activities that are not indirect emissions from energy, but are from other sources of emissions owned or controlled by the company.

Section 4 Protection of Social Welfare

Article 18

The Company shall conform to relevant labor legislation and protect human rights such as gender equality, the right to work, and ban discrimination.

The Company shall establish relevant management policies and processes to protect human rights, including:

1. Proposing a corporate policy or statement on human rights.
2. Evaluating the impact of the group's business activities and internal management on human rights, and establishing corresponding handling processes.
3. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
4. Disclosing the processes for handling human rights infringement, if any, involving stakeholders.

The Company shall comply with various labor rights, such as freedom of association, the right of collective bargaining, compassion for disadvantaged groups, ban on child labor, elimination of all forms of forced labor, and elimination of discrimination in employment discrimination. The Company shall also ensure that our human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and benefits of the labor force, so as to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. The Company shall also respond to employee grievances in an appropriate manner.

Article 19

The Company should provide employees with information on their rights under the labor laws of the region that the business is located in.

Article 20

The Company shall provide employees with a safe and healthy work environment. This includes the provision of necessary health and first-aid facilities as well as working to reduce risk factors to employee safety and health in order to prevent occupational accident.

The Company should organize regular health and safety training for employees.

Article 21

The Company shall create a sound environment for employees' career development and establish an effective career ability development plan.

The Company shall appropriately manifest the performance or achievement of business operations with actions, such as employee remuneration, holiday policy, and other welfares, in the employee benefits policy to ensure the sustainable operations in recruitment, retention, and motivation of human resources.

Article 22

The Company shall establish a channel for regular communication and dialogue with employees to give employees information and the right to express their opinion on the Company's business management activities and decision-making.

The Company shall respect the authority of employee representatives to negotiate on work conditions and provide employees with the necessary information and hardware facilities for facilitating negotiation and collaboration between the employer, employees and employee representatives.

The Company shall notify employees of changes to operations that may have a major impact in a reasonable manner.

Article 23

The Company shall embrace product responsibility and value marketing ethics. In the process of research and development, procurement, production, operation, and service, the Company shall ensure the transparency and safety of product labeling and service information. The Company shall also define and disclose our policy on consumer rights and benefits and enforce it in business activities, so as to prevent our products or services from harming the rights, benefits, health, or safety of consumers.

Article 24

The Company shall guarantee the quality of our products and services in accordance with government regulations and relevant industry guidelines.

The Company shall conform to relevant laws and regulations related to customers' health and safety, customers' privacy, and marketing and labeling for products and services. There shall be no deceptive, misleading, fraudulent or other behavior that damages consumer trust or rights.

Article 25

The Company shall evaluate and manage all types of risks that may interrupt business continuity to reduce their impact on consumers and society.

The Company shall provide for its products a transparent and effective consumer complaint procedure that handles consumer complaints in a fair and timely manner. The Company shall also conform to the Personal Information Protection Act and relevant regulations in protecting the consumer's right to privacy and the personal information they provide.

Article 26

The Company shall evaluate the impact of its purchasing behavior on the source, community's environment, and society. It should also work with suppliers to implement CSR.

The Company shall formulate the policy on supplier management to demand them to follow the regulations on environment, occupational health and safety or human rights of labor force and other issues in order to assess whether suppliers have records of causing impacts on the environment and society, and shall avoid conducting transactions against our corporate social responsibility policy before any business dealings.

When signing contracts with major suppliers, the Company shall ensure that the following terms are included in the contract: mutual compliance with the corporate social responsibility policy of each party and the right to terminate or rescind a contract at any time when a party violates such policy.

Article 27

The Company shall assess the influence of our operations on local communities and appropriately employ local workforce to enhance community identification.

The Company shall participate in activities organized by civic organizations, charities, and local government agencies involved in community development and community education through business activities, goods donations, volunteer service, or other philanthropic services to promote community development.

Section 5 Strengthening the disclosure of sustainable development information

Article 28

The Company shall practice disclosure in accordance with the relevant regulations and best practice for TWSE/Taipei Exchange listed businesses. Important and reliable information on

sustainable development should be fully disclosed to increase transparency.

The Company shall disclose the following sustainable development information:

1. Sustainable development policies passed by the Board of Directors
2. The risks and effects to Company operations and finances from the implementation of corporate governance, sustainable environmental development and protection of social welfare.
3. Sustainable development targets and measures promoted by the Company and their implementation performance.
4. Key stakeholders and issues of concern.
5. Other information relating to sustainable development.

Article 29

The Company shall adopt widely recognized international standards or guidelines to produce a sustainability report for disclosing progress on sustainability development promotion. The Company shall also apply for third-party assurance or verification of these reports to enhance the reliability of information in the reports. The content should include:

1. The system framework, policy, system, or relevant management guidelines and defined promotion plans for implementing sustainable development initiatives.
2. Key stakeholders and issues of concern.
3. The Company's performance and reviews on the promotion of corporate governance, sustainable environmental development, protection of social welfare, and promotion of economic development.
4. Direction and target of future improvements.

Section 6 Addendum

Article 30

The Company shall monitor developments in the domestic and foreign sustainable development related standards as well as changes in the business environment, and then review and improve the sustainable development system established by the Company accordingly to improve the effectiveness of sustainable development promotion.

Article 31

This Code of Practice shall be implemented once it has been approved by the Board of Directors. The same procedure shall be followed for all Amendments.