

# 2016

Corporate Social  
Responsibility Report



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## Editorial Principle

### • Reporting Period

Yang Ming Marine Transport Corporation (hereinafter referred to as Yang Ming) has published the Corporate Social Responsibility Report annually on the company website since 2012. This report states our efforts on social responsibility of Year 2015 (2015/01/01-2015/12/31). We also provide the data of the past few years for reference. The date of most recent report is 2015/9/30 which covers the period from 2015/01/01 to 2015/12/31.

### • Reporting Scope

This report is about the performance of sustainable development, including economic, environmental and social topics of Yang Ming and the affiliated companies. Moreover, the report contains our response to all stakeholders regarding issues of corporate governance, operation management, social participation, employment, and environmental protection. In this report, the financial information used and prepared is certified by CPA.

The content structure of this report was made by consulting the Global Reporting Initiative G4 in the appendix of the report for your reference. Both English and Chinese version will be posted on Yang Ming website.

[http://www.yangming.tw/csr/01csr\\_005.html](http://www.yangming.tw/csr/01csr_005.html)

### • This report is not verified by a third party.

### • Contact Information

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## From the Chairman and Chief Executive Officer



Dear readers:

In 2015, Yang Ming received many rewards on voyage management, corporate governance and environmental issues, which represent approvals for us. We will continuously enforce these strategies and encounter the challenges. Here I would like to deeply appreciate the hard work and outstanding contribution of all Yang Ming's colleagues,

the great cooperation of our supply chain partners, the positive affirmation and support of clients, investors and stakeholders. In 2016, Yang Ming is dedicated to integrating the processes of group's business, vessels, docks, containers, as well as region markets, such as Southeast Asia, the Middle East and Northern Europe, and setting up new transit model with China Airline and Chunghwa Post. Yang Ming is responsible for carrying goods to our clients so that we take "Grow greatly and Expand Niche" as this year's operational principle.

In retrospect of 2015, we were rewarded by Target Store and China Shipping for container shipping, ranking to 20 percent on Corporate Governance and the best reward A++ on information disclose assessment. In addition, as a global citizen, we try the best to protect our environment and win the Blue Circle Awards and the honor of GP Ocean Carrier of the Year, which certainly would be our efforts toward the sea. We strictly abide by each international safety and environmental treaty, continuously replacing vessels, updating equipment to reinforce vessel's efficiency and efficient business intelligence to control the emission. We have done our utmost to reduce waste generated from vessels so that the amount of CO<sub>2</sub>, NO<sub>x</sub>, SO<sub>x</sub>, waste oil/water, and plastics yielded is lower than the

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record ever before. Besides tangible fixed assets, human resource is Yang Ming's invisible asset. We have held many firstaid training and healthcare courses which provide safe working places for on and off shore employees. The large scale recruit activities were held to increase the working opportunity. Moreover, Yang Ming put much emphasis on the education of marine culture and such activities won lots of appraise from local residents over a long period of time. Besides the "Keelung Fairy Tale Festival" held every April, over 16 exhibitions of "Oceanic Culture of Mobile Museum" were staged in Keelung, Kaohsiung, Taipei and Hsinchu in 2015.

In 2016, the world's economy is pervaded with the conservative atmosphere, except for U.S., that QE of Europe, Japan and Mainland China works or not is crucial to global prosperity. When it comes to the market of container shipping, according to the estimate of Drewry Container Forecaster in 2015 Q4, the demand of containers grows 2.5% and the supply increases 4.8%. Although the pace of slot supply slows down, the whole market is still oversupplied. Facing this changing shipping market, Yang Ming continuously holds prudent attitude to considerate both corporate social responsibility and group's benefit. With the effort of our colleagues, it is expected

that we can provide high quality service for our clients, satisfy shareholders' and community's expectations and prove worthy of their supports.



A stylized, handwritten signature in black ink, appearing to read 'Bronson Hsieh', positioned above the name and title.

Bronson Hsieh  
Chairman & CEO

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## Introduction to Yang Ming

### 1.1 Company profile

Yang Ming was established on December 28, 1972. Its headquarters is located in Keelung City, Taiwan. At the end of December 2015, Yang Ming operated a fleet of 106 containerships totaling 6.63 million DWT/562 thousand TEUs. The paid-in capital amounts to NTD 30.04 billion. We focus on container shipping business with a worldwide service network and have set up more than 240 subsidiaries. Our business ranges from ocean freight transportation, warehouse storage, terminals, tugboats, barges, inland container yards, ship repairing, chartering and selling/purchasing. Containers and chassis-related business is also part of our diversified operation scope.

In line with our core value "Teamwork, Innovation, Honesty and Pragmatism," we dedicate ourselves to providing global and elaborate shipping services, setting "Punctual, Speedy, Reliable, and Economical" as guideline to strengthen operational performance, strategy and quality service. Devoted to improving our efficiency of integrated operational resource, enhancing cooperation with other carriers and sustaining a healthy expansion, Yang Ming has become one of the leading shipping

companies in the world.

### 1.2 Business Strategy

#### 1.2.1 Operating Strategy in 2015

In the face of extreme fluctuation in the shipping market, in 2015 carriers have taken several measures so as to overcome the lukewarm situation. Our primary strategies and policies are:

##### **(1) Upgrading our fleet comprehensively and reducing unit cost by economic scale**

We have chartered fifteen 14,000 TEU full-container vessels since 2013, which have delivered continually since April 2015. Furthermore, with the aim of getting competitive advantages from megaships, we have chartered another five 14,000 TEU full-container vessels from Shoei Kisen Kaisha, which are scheduled for delivery from 2018 to 2019 to further underpin our position in main East-West trades.

##### **(2) Resource integration and soft power improvement**

Aside from diversified risks, we enhance our comprehensive profitability by integrating container business, logistic, bulk and terminal business. Moreover, we have established intersectoral working groups to coordinate and control each

task force among departments, through implementing exquisite management in light of cargo structure, slot utilization, fuel hedging, oil-saving, demurrage and detention.

### **(3) Accelerating IT systems upgrade and integration**

In order to provide high quality and convenient transport service, we improve our decision management model by introducing Big Data and develop shopping platform "My captain" to branch out into a new e-commerce business.

### **(4) Intensify regional layout**

We have harmonized several feeder services in 2015, including 5 loops in Southeast Asia Services (SE4/SE5/SE6/SBS/RSZ), 3 loops in Northern Europe Services (IE2/IE3/IE6) and 2 loops in Eastern Mediterranean Services (IM1/IM2), in order to increase the coverage of feeder network in Southeast Asia, Middle East, Eastern Mediterranean, Northern Europe, collocating with main routes to strengthen hub & spoke and create comprehensive outcome.

### **(5) Strengthening cooperation among CKYHE Alliance members**

We have taken flexible contingency plans in line with CKYHE members since spot rate fell continually on Far East–Europe

trade in 2015 with the aim of solving imbalance between supply and demand by cost-saving, dispersing operational risks by vessel deployment and focusing on potential intra service coupled with main trade lanes.

### **(6) Innovating new business mode**

In order to make market segmentation and carve out a wide range of business, we have been dedicated to establishing a trio strategic alliance among Yang Ming, China Airlines and Chunghwa Post to collaborate on e-commerce, logistic operations on sea-air freight, parcel post, warehousing and delivery services.

## **1.2.2 Short-term and Long-term business plans**

### **(1) Business plans on East-West Trade**

To cope with dismal global economy and potential risks of increasing capacity in shipping industry, Yang Ming has adjusted not only part of our delivering schedule but also enhanced our service network. In medium and long-term plans, in addition to maintaining our existing services (Asia/North America, Asia/Mediterranean, Asia/Europe, Europe/ North America, Asia/South America, North America/South America), we keep carving out potential services whenever necessary



to expand our niche market. In short-term plans, except for concentrating on present East-West trades, we set high quality service and make cost-saving as our goal. Therefore, we cooperate with K-line and Evergreen by deploying five 14,000 TEU full-container vessels on Mediterranean Service (MD2) and in the meantime we cooperate with Evergreen by deploying one 8,200 TEU full-container vessel on Far East-Mediterranean Service (FEM), and deploying three 8,200 TEU full-container vessels on USEC routes in replace of Europe routes. It is hoped that optimizing service structure, further reducing cost, improving service quality and slot exchange can expand Europe service network and increase service frequency.

## (2) Business plans on Intra-Asia Trade

In consideration of potential market in emerging countries (e.g. China, India) and booming market in ASEAN, China, Japan, Korea, etc., we progressively lay out a comprehensive and concentrated service network based on present routes (Southeast Asia feeder service, Northeast Asia/Southeast Asia, Far East/Middle East/ Sub-Continent, Far East/Australia, Far East/South America) and reinforce cooperation to

harmonize the deployment of services and ports. Moreover, we jointly operated with RCL on South East Asia V Service (SE5) and slot exchange on Sihanoville-Sonkhla Service (RSZ), slot exchange on Japan-Singapore Express (JSX) with K-line, slot exchange on Volans Service (VLS) and Phoenix Service 1 (PHX) with NYK in order to expand our service network through increasing the frequency of weekly service to enhance competitiveness.

## 1.3 Awards

### 1.3.1 Business related awards

#### (1) The "2014 Vice President Award" from Target





**(2) The 11th China Freight Industry Award**



**(3) GP Ocean Carrier of the Year**



**1.3.2 Corporate governance related awards**

- (1) Top 20% in the 1th "Corporate Governance Evaluation System" award from Taiwan Stock Exchange.
- (2) A++ in the 12th "Information Transparency and Disclosure Ranking System" award from Securities and Futures Institute.

**1.3.3 Environmental related awards**

Yang Ming puts much effort on green vessels, environmental protection and energy saving, and forces national vessels abides by international environmental conventions. Simultaneously, there is no detention record from Port State Control, which leaves an impressive image in our customers. The awards would be illustrated as follows.

- (1) 2014 Blue Circle Award from Vancouver harbor bureau.



**(2) Awards from Los Angeles Harbor Bureau since 2010.**



**(3) Award of excellent carrier from Taiwan International Ports Corporation.**



**1.3.4 Safety and Health related award**

The 1<sup>st</sup> grade of lactation room assessment from Keelung Health Bureau since 2012.



**1.4 Association Membership**

Yang Ming is actively involved in many association activities. Our executives have been elected chairmen or managing supervisors of National Association of Chinese Ship Owners, Chinese Ship Owner's Association of Taipei, Association of Shipping Services ROC, Taipei Shipping Agencies Association, and China Maritime Institute, etc. Besides, some employees, thanks to their expertise, are members of professional committees in these associations, often showing interests in offering suggestions on public affairs that affect the shipping industry and economy.

As for international organizations, Yang Ming is a member



of World Shipping Council (WSC) and International Council of Containership Operators, the Box Club. WSC's goal is to provide a coordinated voice for the liner shipping industry in its work with policymakers and other industry groups. It also partners with governments and stakeholders to solve some of the world's most challenging transportation problems. The main target at this stage is the sustainable management of the environment. Through amendments to the law and communication with governments and international organizations, WSC seeks to reduce the pollution caused by marine transportation on the environment. Yang Ming is also a member of forums on various trades and environment-related affairs. Such forums are helpful for individual carrier's own business strategy development.

Association	Holds a position on the governance body	Participates in projects or committees	Membership
National Association of Chinese Ship Owners	√	√	√
Chinese Ship Owner's Association of Taipei	√	√	√
Association of Shipping Services ROC	√		√
Taipei Shipping Agencies Association	√		√
Chinese Maritime Research Institute	√		√
Chinese National Association of Industry and Commerce, Taiwan			√
Chinese International Economic Cooperation Association			√
Sino-Arabian Cultural & Economic Association			√
The Arbitration Association of the Republic of China			√
China Maritime Institute			√

Association	Holds a position on the governance body	Participates in projects or committees	Membership
Chinese Institute of Transportation			√
Chinese Management Association			√
International Ocean Freight Forwarders & Logistics Association Taiwan			√
Taiwan Society Naval Architects and Marine Engineers			√
Commerce Development Research Institute	√		√
Turnaround Management Association Taiwan			√
Taiwan Russia Association	√		√
CR Classification Society	√	√	√
Chinese Professional Management Association			√
The Association of Marine Affairs Established			√
Institute for Chinese Economics Industry	√		√

Association	Holds a position on the governance body	Participates in projects or committees	Membership
Cross-Strait CEO Summit			√
Informal Rate Agreement (IRA)			√
Informal South Asia Agreement (ISAA)			√
Informal Red Sea Agreement (IRSA)			√
Transpacific Stabilization Agreement (TSA)		√	√
Clean Cargo Working Group(CCWG)			√
World Shipping Council (WSC)			√
International Council of Containership Operators, the Box Club			√
Asia-Australia Discussion Agreement (AADA)			√



## Corporate Governance

### 2.1 The Structure of Corporate Governance

The Board is the top management of Yang Ming. The Chairman also serves as CEO. The Board is composed of 11 directors, including 3 independent directors and one labor director. In order to review corporate operating performance and discuss crucial issues, such as economics, environment, social responsibility, the Board meeting shall be held seasonally according to Article of Incorporation. The crucial issue of the board shall be announced on Market Observation Post System of Taiwan Stock Exchange. There were 7 meetings held in 2015 and the average attendance of board member was 98.7%.

To enhance the independence and professional function of the Board, protect shareholder's interests and ensure the quality of financial information, the company has set up the Audit Committee since 2013. The committee, composed by all independent directors, is responsible for implementing the term of Supervisors of Company Act, Securities and Exchange Act and other laws and regulations. To strengthen the function of managing remuneration, the company has set up the Remuneration Committee under the Board, which is also organized by all independent directors. The

main task of the Remuneration Committee includes formulating, verifying and reviewing the remuneration policy, system, standard, structure applied to board members as well as managers and other cases handed down by the Board. In addition, the company refers to Corporate Governance Best Practice Principles of TWSE and sets up principles for Yang Ming.

Ministry of Transportation and Communications holds the most shares of Yang Ming, having 6 representatives of government among directors. Meanwhile, it is revealed in the article of incorporation that liability insurances are prepared for directors so as to prevent directors from being accused while performing their duties.

## Organization Chart of Yang Ming Marine Transport Corp.

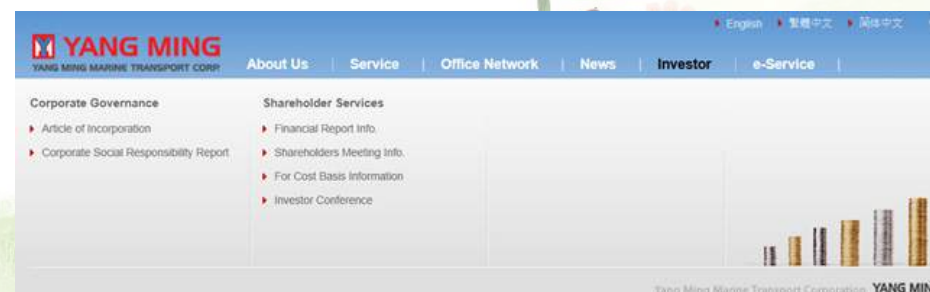


## 2.2 Risk Management

### 2.2.1 Risk Management Structure

Yang Ming established a department for integrating all risk management affairs through periodical risk assessment, risk analysis and risk control in 2004 according to the requirement of Corporate Governance and Internal Audit. The organization

of Yang Ming’s risk management is based on the characteristics of specific risks. The Risk Management and Legal Affairs Department is responsible for integrating all risk management affairs, while the initial risk identification, risk assessment and risk control, and general operation risks are directly handled by the respective departments in charge. High-risk projects are assigned to designated committees or Audit Department for further examination in accordance with the characteristics of risks and investment amount, and the projects whose investment amounts are over internal management standards are required to be sent to the Boards for approval. Risk Management Policy of Yang Ming is revealed on the official website under the “Investor.”



Please refer to the website : [http://www.yangming.com/traditional\\_chinese/asp/index.asp](http://www.yangming.com/traditional_chinese/asp/index.asp)



Main risks	State of market	Actions
<b>The risk of expanding vessels</b>	Every carrier seeks to deploy mega-ship in a bit to cut cost, as a result, the industry faces a situation of over-supply of ships.	<p>(1) Enhancing joint operation Yang Ming cooperates with alliance partner closely. By timely adjusting voyages, we cut down on the operating cost to maintain our competitiveness and our service in the main market. In addition, we continuously tap the developing new market and the feasibility of niche market with other carriers.</p> <p>(2) Implementing seasonal voyages This is done by matching up specific time, such as Chinese New Year, China vacation, Japan's golden week or winter off season, and market requirement.</p>
<b>Interest rate risk</b>	The United States may still raise interest rates in this year, and the other major economies such as Europe, Japan, China and Taiwan adopt negative or cut interest rate.	The Company will manage asset and liability which are sensitive to interest rate.

Main risks	State of market	Actions
<b>Foreign currency risk</b>	Due to industry characteristics, the company faces the risk of currency appreciation or depreciation.	The Company will keep seeking natural hedge by balancing the positions.
<b>Oil price risk</b>	Owing to the demand and supply of fuel, geopolitics, US shale oil exploration and inventory of fuel factors will affect the risk of higher oil prices.	The Company will reduce the impact of the fluctuation of fuel price on our business performance through price transfer, bunker saving and fuel oil hedge.

## 2.2.2 Internal Control System

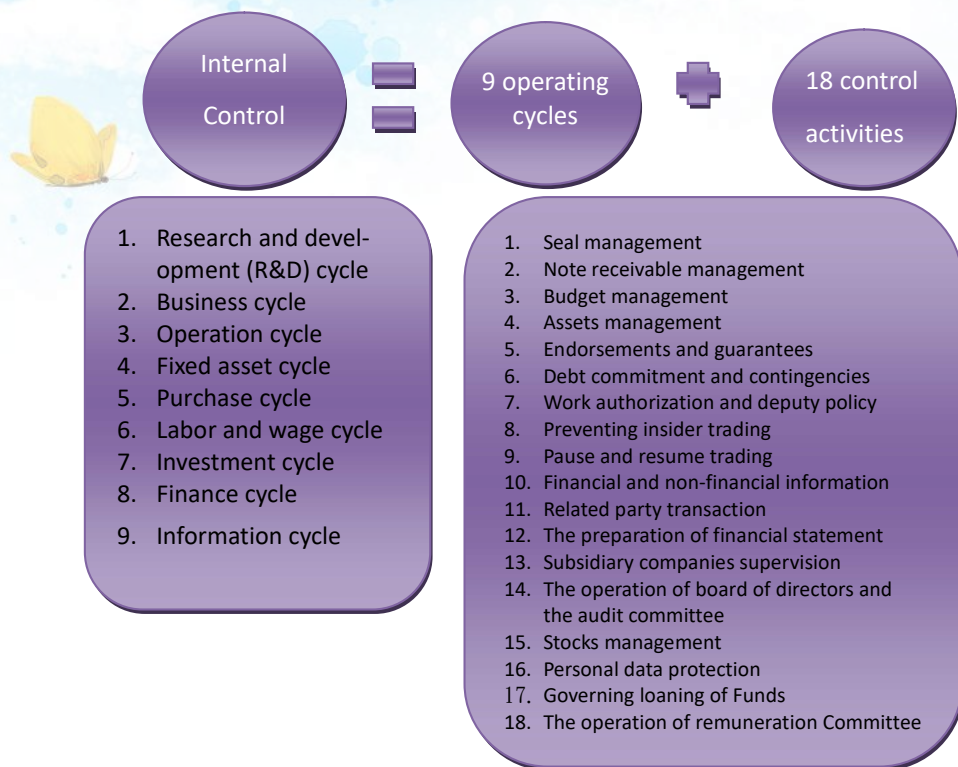
Yang Ming establishes an internal control system, including internal audit implementation rules, in accordance with “Regulations Governing Establishment of Internal Control Systems by Public Companies” set up by Financial Supervisory Commission. Environment control, risk assessment, operation control, information and communication control, and supervision are the 5 elements for the company to keep operation efficiency, strengthen corporate governance and then take actions before crises occur. In addition, timely disclosure of each important information, sustainable environmental and social responsibility are all made in compliance with regulations. At present, when crises occur, they are handled in accordance with announced standard and procedure. The related departments could immediately assess the entailing influence and react in a short time, protecting the image of corporation.

According to the business and the characteristics of the industry, we have classified our operational activities into 9 operating cycles and 18 control activities to strengthen corporate governance and risk control system and to promote sound operations of the company.

Audit department, belonging to the Board, organizes annual internal audit plan based on risk assessment. After the approval of Audit Committee and Board of Directors, internal control and quality audit will be proceed so as to inspect the effectiveness and efficiency of operational activities of each department to ensure the sustained effectiveness of the internal control system and make timely recommendations for improvements.

- (1) The operation of internal control audit follows internal audit implementation rules, C-TPAT and AEO.**
- (2) The operation of quality audit follows ISO9001/14001/27001、OHSAS18001/CNS15506 and ISM CODE.**
- (3) The objects of audit include each department of headquarters, Keelung Taichung and Kaohsiung branches, subsidiary domestic or foreign companies and the vessels belong to our group.**





### 2.2.3 Legal Compliance

To demonstrate our compliance with the rules and regulations with regard to the environment, health and safety, discrimination, bribery, conflicts of interests and the protection of investors' and company's assets, Yang Ming has regulated the "Code of Conduct for Board Directors and Managers," the "Code of Conduct" and the "Code of Ethical Management" as guidelines for the directors,

managers, and all employees of Yang Ming Group when they are engaged in any business activities. They are required not only to follow all national and international conventions and the company's rules, but also observe the trade practices and social ethics in order to establish the principle of consistent behavior and good company image of Yang Ming Group. We also provide a whistle-blowing mechanism via e-mail ([conduct@yangming.com](mailto:conduct@yangming.com)) for reporting concerns about unethical or unlawful behaviors, and the report is kept strictly confidential and handled with extreme care.

For all employees' acknowledgement of the rules and regulations to be followed, such as the Securities and Exchange Act, the Personal Information Protection Act, the Fair Trading Act, the relevant departments implement education and training for the employees using external resources and internal online education system. By the end of 2015, Yang Ming had never been fined or otherwise punished for violation of any law and regulation regarding the restriction of unfair competition, antitrust and monopoly. There is no internal contravention to Yang Ming's "Code of Ethical Management" and "Code of Conduct" either.

## 2.2.4 Information Security Management

Yang Ming emphasizes information security. We have been accredited with ISO27001 since 2008, and our ISO27001:2013 certification was renewed in 2014. The access of programs, data, the use and maintenance of software and equipment, and system recovery are executed to make sure that our global service goes well. Besides, the information cycle is included in the internal control system in response to our clients' concern of information security. The Audit department checks our information security periodically according to the internal audit implementation rules, and reports the audit result for further improvements, then keeps tracing to see if the correction or improvement has been made.

In addition to internal training and Information Security notice, there is an "Information Security Column" edited by I.T. Department and published in Yang Ming's monthly "Yang Ming You & Me". Through training and relevant announcement, we can raise our employees' awareness and keep them on high alert regarding Information Security.



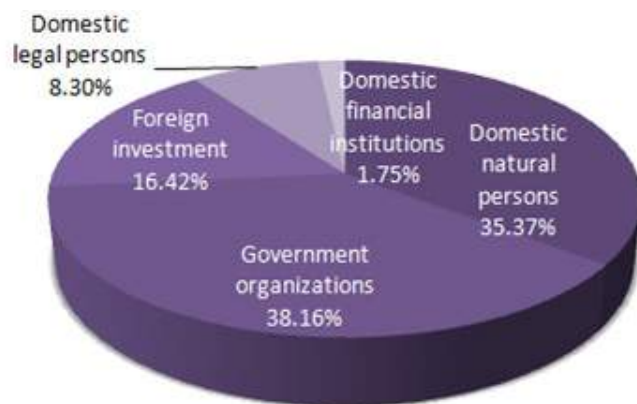


## 2.3 Financial Statement

### 2.3.1 Ownership Structure

The major shareholders of Yang Ming are domestic/foreign legal persons and natural persons. According to statistics of December 31, 2015, the shareholding ratios of government organizations, domestic natural persons, and foreign investments were 38.16%, 35.37% and 16.42% respectively.

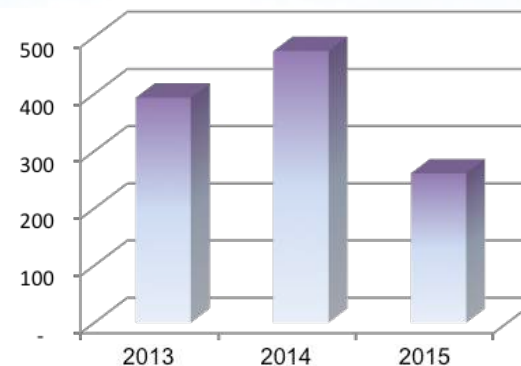
**Yang Ming Shareholder Structure**



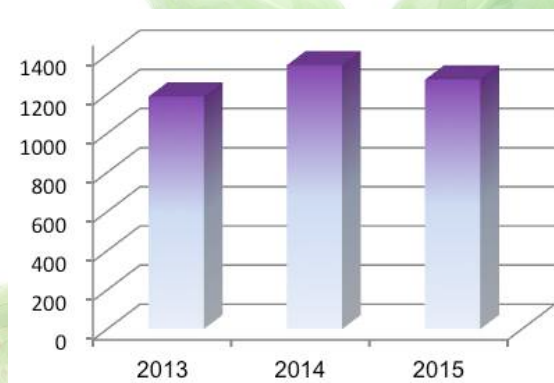
### 2.3.2 Financial Performance

Yang Ming's total market value in 2015 was about NTD26.1 billion, and its consolidated operating revenue of 2015 was about NTD127.6 billion.

**Yang Ming total market value(NTD100 million)**



**Yang Ming consolidated operating revenue (NTD100 million)**



### 2.3.3 Information Disclosure

To show our respect of the investors, Yang Ming sets up the webpage of "Investor Relations" in accordance with regulations to keep improving transparency and information disclosure.

Yang Ming established the “Procedures for Handling Important Information” to prevent the information leakage and insider trading, and make sure the consistency of the information to the general public as well. In 2015, no related issue occurred.

The prevention of insider trading has been included in annual audit plan by the Audit department to ensure the operating effectiveness of the systems. The material information of company is published pursuant to “Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities”. In 2015, 29 cases of material information were already disclosed.

Yang Ming offers education and training to directors, managers and employees at least once a year. “Investor Relations” has been set on website. It provides not only financial reports, annual reports and dividends information but also various information, such as meetings of shareholders and the Board and important policy information.

## 2.4 Customer Service and Satisfaction

### 2.4.1 Partnership with Clients

Customer’s trust is one of the core values of Yang Ming Marine Transportation Corporation. Yang Ming always considers clients’ needs as the priority. Our service plan, market strategy, and customer service are all on the basis of clients’ needs. Yang Ming is dedicated to building up long term cooperation with our clients in hope of getting clients’ abiding support on our business. In addition to the positive feedback on our high quality of professional service, Yang Ming also receives rewards from various carrier evaluation constantly.





## 2.4.2 Customer Service

Yang Ming is devoted to providing high quality service to clients and deeply believes that the best service is the key factor to raise customer's satisfaction and strengthen customer's loyalty. Clients' loyalty plays an important role in securing incumbent clients, developing new clients and deepening relationship. Yang Ming has customer service team to be the contact window for clients. The target of the team is to provide professional service with high efficiency to our clients and create best service to win clients' trust.



Through biennial customer satisfaction survey, Yang Ming receives lots of positive comment on ecommerce performance. In the meantime, Yang Ming also realizes that clients have more expectation on our web cargo tracking function which the tracking

coverage extends to point pair search instead of original port pair search. In 2015, E-Commerce and Documentation Department of Yang Ming enhanced the back data linkage to improve the completeness and timeliness of cargo tracking. Now clients can trace their cargo by bill of lading number, booking number, and container number on our web which is more convenient than before. This explains how Yang Ming keeps improving our service quality and efficiency by customer's feedback.

## 2.4.3 Internal Evaluation

Yang Ming places an email box of customer service on our official website. When receiving complaint from clients, Yang Ming customer service team will pass the complaint to related departments and working out proper solution and revert to our clients in timely manner. In Year 2015, we received total 11 cases of complaint in Taiwan. Despite of some exceptional cases, most of complaints are resulted from the misunderstanding in communication. Yang Ming has well explained to clients and obtained customer's understanding and constant support.

Contact Us

Please leave your contact details and information you require, we'll reply you no later than next working day.

Fields marked with \* are required

Profile

First Name\*

Last Name\*

Gender\*  Ms.  Mr.

Company\*

Country\*

State

City

E-mail\*

TEL\*

Cell Phone

FAX

Topic

Please select a topic

- Rate inquiry
- E-commerce
- Investor relations
- Apply for a job
- Media inquiries
- Complaint
- Encouragement
- Forgot password
- Others

Comment\*

Submit Reset

[http://www.yangming.com/english/ASP/e-service/contact\\_us/contact\\_us.asp](http://www.yangming.com/english/ASP/e-service/contact_us/contact_us.asp)

### 2.4.4 External Evaluation

In order to keep improving our service quality and deeply understand customer's need, Yang Ming will conduct biennial customer satisfaction survey through the cooperation with external consultant company. By consultant company's

professional analysis, Yang Ming can well understand how we perform in customer service, documentation quality, the accuracy of rate quotation and bill of lading rating, container provision, responsiveness of complaint, efficiency of booking and cargo release, and efficiency of e-commerce. We'll conduct the same survey in Year 2016. Through the survey we expect to continuously trace customer's satisfaction of our service, innovation of customer service items, and provide satisfactory service to all clients.

## 2.5 Supplier Management

To ensure the supplier not only meets Yang Ming's operation requirement on quality, price and credit but also supports the Company's social responsibility on environmental protection and safety and health, Yang Ming strictly controls and supervises the procurement's quality, price, service and delivery schedule. We require the suppliers comply with the Code of Ethical Management of Yang Ming, and the transaction should be done in public and with transparency in order to achieve our CSR concept with suppliers. A brief description of Suppliers management standard:

- Avoid direct/indirect give or take of any unreasonable benefit.



- Hold safety and health educational training periodically.
- Comply with safety and health working procedure.
- Inform safety and health regulations in advance.
- Set up qualified contractor list, and take annual evaluation as reference for renewal of contract;

The main procurements (i.e., vessel, container, chassis, building, etc.) are handled by headquarters, and main business units only handle the procurement of general items or assist headquarters in procurement. The procurements are divided into “Evaluation for new suppliers” and “Evaluation for collaborative supplier” as follows:

### **(1) Evaluation for new suppliers – list for qualified suppliers**

Based on daily and recurring procurement, the evaluation list will be set up as follows:

- Legally registered
- ISO and related certifications
- Products and service meet our specification and requirement
- Supply (service) ability and experience
- Regular performance evaluation for supplier

### **(2) Evaluation for collaborative supplier**

In order to match the actual need of procurement and service, the suppliers will be divided into different categories, which will be our collaborative suppliers in the future after our evaluation. There are annual assessments for the collaborative suppliers. The assessment report will be considered as one of the conditions for further cooperation. Assessment period will be adjusted according different types of contract.

Evaluation for collaborative supplier will be set up as follows:

#### **● Professional ability**

- Provide varies technical support and assist to solve the unexpected situations
- In response to new laws or regulations
- Professional knowledge for the service window with accurately and quickly problem solving ability. Provide information for new products and services

#### **● Quality of cooperation**

- Products and services are related to contract
- Specification, quantity and time will be able to follow the orders. Reduce the replacement rate
- Qualities of delivery match our agreements. Reject and replacement rates reduction

### ●Degree of cooperation

- In response to our shipping operation. Flexibility for order changing and delivery time
- Flexibility for following our solutions when dispute happens
- Accurately of invoice and bill and reducing corrections

### ●Performance

- Immediately and accurately response in daily business contact
- Ability of emergency situation assist
- Competitive quotation

### ●Environmental and safety protection

To provide better service for our customers, Yang Ming has ramped up the security of our supply chain. Yang Ming's Keelung, Taichung, Kaohsiung Branches and the affiliates YES logistic and Kao Ming container terminal received AEO (Authorized Economic Operator) certificate.

## 2.6 Identifying Stakeholders and Significant Aspects

### 2.6.1 Identifying Stakeholders

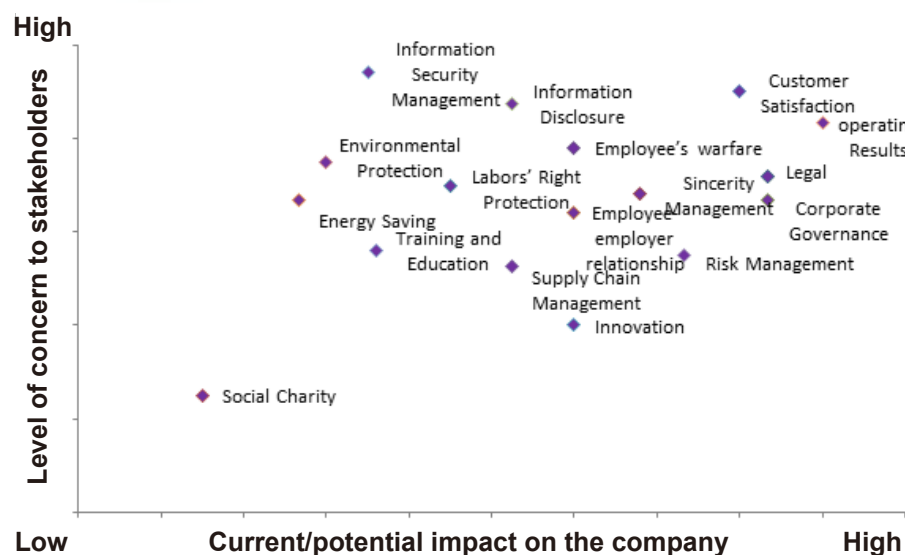
In order to get integrated information of external attentive issues and solution and delivery correct responses, the priority is to identify the stakeholders related company's operation, and collect issues from stakeholders section, which understand stakeholders' concerns and expectations. After classifying the sustainability subjects of Economic, Environmental, and Social views from related departments, we identify each subject's responsibility, influence, proximity, dependence, representation, and policy & strategic and then decide the stakeholders of corporate social responsibility. Finally, the government, customers, investors, employees, community and Suppliers should be included.

### 2.6.2 Identifying Significant Issues

Yang Ming listed the sustainable subject and its communication channel with the abovementioned stakeholders, and identified the material aspect of Yang Ming by "current or potential impacts on the company" and "level of concern to stakeholders" through discussion meetings, at the same time, we refer to GRI G4 standard to process the assessment of sustainable issues. We



finally elect 17 significant aspects of corporate social responsibility, and then figured out the action plan by analyzing the internal and external impact on the company. The emphasis of sustainable issues and the weighted scores of impact on operation from 6 stakeholders, the analysis and communication channel are illustrated as bellow.



Stakeholders	Sustainable Issue	Communication Channel and Frequency
<b>Government</b>	① Operating Results ② Sincerity Management ③ Corporate Governance ⑨ Legal Compliance ⑫ Energy Saving ⑭ Environmental Protection ⑮ Information Disclosure ⑯ Risk Management ⑰ Information Security Management	<ul style="list-style-type: none"> <li>• Uploading financial statement to investor section of Yang Ming's website and market observatory post system each quarter and holding shareholders meeting in Q2.</li> <li>• Initiating preventing from insider transaction each year.</li> <li>• Participating in corporate governance assessment each year.</li> <li>• Confirming legal compliance every half year.</li> <li>• Following the rule of information disclosure</li> <li>• Processing risk assessment each year and analyzing.</li> <li>• Maintaining effectiveness of information security management (ISO27001).</li> </ul>
<b>Investors</b>	① Operating Results ② Sincerity Management ③ Corporate Governance ⑨ Legal Compliance ⑭ Environmental Protection ⑮ Information Disclosure ⑯ Risk Management	<ul style="list-style-type: none"> <li>• Uploading financial statement to investor section of Yang Ming's website and market observatory post system each quarter and holding shareholders meeting in Q2.</li> <li>• Participating in corporate governance assessment each year.</li> <li>• Confirming legal compliance every half year.</li> <li>• Following the rule of information disclosure</li> </ul>

Stakeholders	Sustainable Issue	Communication Channel and Frequency
<b>Investors</b>		<ul style="list-style-type: none"> <li>Processing risk assessment each year and analyzing.</li> </ul>
<b>Clients</b>	<ul style="list-style-type: none"> <li>② Sincerity Management</li> <li>⑦ Customer Satisfaction</li> <li>⑩ Supply Chain Management</li> <li>⑪ Innovation</li> <li>⑫ Energy Saving</li> <li>⑭ Environmental Protection</li> <li>⑯ Risk Management</li> <li>⑰ Information Security Management</li> </ul>	<ul style="list-style-type: none"> <li>Forbidding employees receiving improper bribery and kickback.</li> <li>Replying clients immediately through customer mailbox, and one survey from consulting company in two years.</li> <li>Visiting clients irregularly to meet their requirement.</li> <li>Creating more chance to service our clients by horizontal alliance.</li> <li>Improving our condition by the environmental and social survey of clients.</li> <li>Maintaining effectiveness of ISO9001 and ISO14001.</li> <li>Processing risk assessment each year and analyzing.</li> <li>Maintaining effectiveness of information security management (ISO27001)</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>① Operating Results</li> <li>② Sincerity Management</li> <li>⑩ Supply Chain Management</li> </ul>	<ul style="list-style-type: none"> <li>Uploading financial statement to investor section of Yang Ming's website and market observatory post system each quarter and holding shareholders meeting in Q2.</li> </ul>

Stakeholders	Sustainable Issue	Communication Channel and Frequency
<b>Suppliers</b>		<ul style="list-style-type: none"> <li>Forbidding employees receiving improper bribery and kickback.</li> <li>Assessing the contract suppliers each year and listing qualified suppliers.</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>① Operating Results</li> <li>② Sincerity Management</li> <li>③ Corporate Governance</li> <li>④ Employee's welfare</li> <li>⑤ Labors' Right Protection</li> <li>⑥ Employee-employer relationship</li> <li>⑨ Legal Compliance</li> <li>⑬ Training and Education</li> </ul>	<ul style="list-style-type: none"> <li>Reviewing operational performance irregularly</li> <li>Forbidding employees receiving improper bribery and kickback</li> <li>Holding employee-employer meetings irregularly and setting up an email for employees</li> <li>Holding a hiking activity each year</li> <li>Investigating employee's satisfaction of office and cafeteria every quarter</li> <li>Abiding by the updated labor's regulation</li> <li>Training employee's skill by plans</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>⑧ Social Charity</li> <li>⑫ Energy Saving</li> <li>⑭ Environmental Protection</li> </ul>	<ul style="list-style-type: none"> <li>Yang Ming Cultural Foundation impels each cultural activity</li> <li>Sponsor international transportation</li> <li>Holds green activities and education</li> <li>Promotion of ocean culture activities</li> </ul>



## Environmental Protection

### 3.1 Environmental Management System

Yang Ming implements the company's Environmental Management System through promoting the energy-saving measures taken in line with the management and business strategies, monitoring and measuring the daily operation, auditing, and tracking the corrective and preventive actions against nonconformity to ensure that the environmental policy and goal is achieved.

Yang Ming's headquarters, Keelung/Taichung/Kaohsiung Branches, and fleet have been accredited with ISO 14001 "Environmental Management System" since 2004.



### 3.2 Energy Conservation and Carbon Reduction

Yang Ming provides global marine service so as to promote international commerce. Meanwhile, the development of international environmental regulations and the promotion of green economics, responding to green carriage by the Ministry of Transportation and Communications, are given great importance. Since 2010, we have made green competence our target by aggressively encouraging energy conservation and carbon reduction at group's offices, terminals and vessels. We have coordinated our actions, such as the increase of fuel-use efficiency, the reduction of greenhouse gas emission and waste, the safety of personnel and vessel, the enhancement of operation benefit in order to fulfill the safety for personnel, the safety for ships, and the safety for shipment.

Yang Ming has joined Clean Cargo Working Group, whose members include maritime container carriers, freight forwarders, and shipping customers since 2006. The group is dedicated to improving the environmental performance of marine container transport. By 2015, we had joined the following establishments:

**Clean Cargo Working Group Companies**

<b>PARTNERS</b>	EcoVadis	Kuhne Logistics University	Turnkey Solutions Ltd				
<b>PARTICIPANTS</b>	Agility	APL	Arkas Line	Belk, Inc.	BDP International	BMW AG	CMA CGM
COSCO	DAMCO	DB Schenker	DHL	Electrolux AB	Evergreen Marine Corp Ltd.	GEODIS	
Hamburg Sud	Hanjin Shipping	Hapag Lloyd	Heineken N.V.	Hermes Logistics	HP Inc.		
Hyundai Merchant Marine	ICL Europe NV	IKEA	JF Hillebrand	Kawasaki Kisen Kaisha Ltd. "K-Line"			
Kuehne + Nagel Inc.	Marks & Spencer	Matson	Maersk Line	MCC Transport Singapore Pte Ltd.			
Mediterranean Shipping Company S.A.	Mitsui O.S.K. Lines, Ltd.	Nike, Inc.	NYK Line	OOCL	PVH Corp.		
Ralph Lauren Corporation	Tchibo GmbH	Unifeeder A/S	United Arab Shipping Company	Wan Hai Lines			
Yang Ming Marine Transport Corp.	ZIM Integrated Shipping Services						

### 3.3 The Action and Performance of Energy Conservation and Carbon Reduction Committee

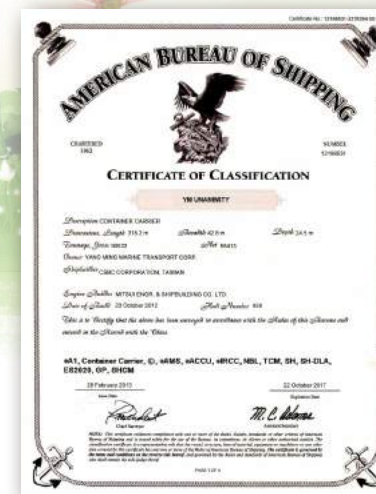
To manage and implement energy consumption, we established the Energy Conservation and Carbon Reduction Committee, which is composed of Vessel Team, Container Yard Team, Container Team, Building Team and Social Responsibility Team. The work includes collecting information for new technology, monitoring the relevant laws and regulations, checking current available items for the company, evaluating each item's benefit,

proposing if any energy-saving measures can be made, helping each department conduct energy conservation, reviewing the performance every half year and then establishing a standard operation procedure. The effort of our fleet and the improvement of performance have been disclosed in social responsibility report every year.

#### 3.3.1 Green Vessels

Vessel's Energy Conservation Team was composed of colleagues from Operations Department, Engineering Department, and Marine Department. We continuously seek innovation and improvement for green marine techniques, operation and management system, with details described as follows:

- (1) Energy-saving design, equipment and construction have been more widely adopted for our green ships to comply with international standards and to prevent marine and air pollution. Our new green vessels have adopted following designs and equipment for energy saving and waste reduction:





- Yang Ming owned full container vessel "YM Unanimity" is the first vessel that obtained "Green Passport" and was endorsed by ABS. "Green Passport" mainly aims at enhancing ship safety and health and environmental protection during vessel's operation and scrapping. It reveals Yang Ming's proactive actions toward maritime environmental protection as well as our observance of international conventions.



- The green ship is equipped with the international manufacturers' MAN B&W ME type and WARTSILA RT-FLEX's new type of electronic fuel

injection system for propulsion of diesel engines. The ship is also equipped with Alpha cylinder oil injection devices and high performance fuel injection valve (slide valve). They remarkably reduce the consumption of fuel, lubricating oil, and emissions of particulate matter and other greenhouse gases.

- By using shaft generator and energy-saving equipment, diesel generator can be stopped en route. The shaft generator can



supply clean electricity on board which remarkably reduces the emissions of diesel generators.

- PBCF is an effective energy saving device, which can diminish the strong vortex caused by rotating of the propeller and can eliminate the low pressure area behind



boss cap. It can relatively promote the propulsive efficiency of the propeller, save fuel consumption, and reduce emissions from diesel engines.

- Installation of shore power equipment (Alternative Maritime Power) for ship to use power ashore when berthed at port. Ship's generator engine can stop to reduce fuel consumption and air pollution.



- We adopt electric motor design for Deck machinery to avoid the risk of oil pollution from the traditional hydraulic oil system.



- By installing Air Guard Seal Type Tail Shaft System and using biodegradable environmentally-friendly lubricants

for ships deployed in the U.S. service line, we are eager to achieve zero pollution required for marine environment protection.



- We use silicon elastomer antifouling paint on the vessel's hull which can reduce fuel consumption and extend intervals of dry docking. It can also protect marine ecological safety.

- We cut out one turbo-charger for main engine to improve energy efficiency under low speed, and to reduce fuel consumption and air pollution.





- We modify with ES Bow to improve propulsive efficiency during low speed and to reduce fuel consumption and CO<sub>2</sub> emissions from ships.



(2) Ship operation and energy efficiency management system

Yang Ming's Ship Operation and Energy Efficiency Management System can collect realtime big data to monitor ship performance (illustrated as below); it can also precisely plan the maintenance and dry docking schedule to promote ship's energy efficiency and reduce fuel consumption for carbon reduction. Meanwhile, Yang Ming owned fleet, complying with the Ship Energy Efficiency Management Plans (SEEMP), uses weather navigating information to monitor ship's speed, draft, cargo operation at port, and ship's planned maintenance operations, etc. It can control each ship's actual speed to arrive at port JUST IN TIME with ideal fuel saving. It has contributed to significant reduction in fuel consumption.



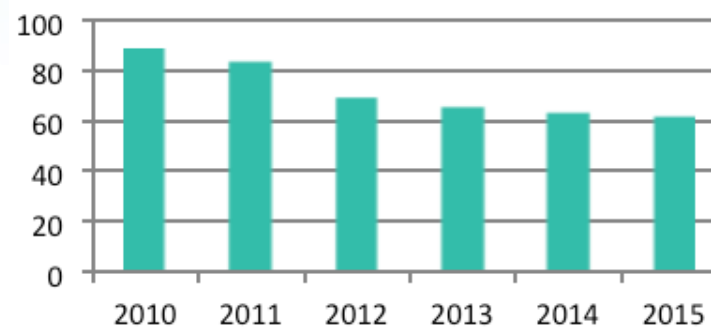
(3) Ship waste management

Yang Ming upholds the concept to protect the Earth, to provide safe and efficient transport service. We strictly comply with the international safety and environmental protection conventions, whether it is mandatory by law or voluntary. We replace aged vessels with environment-friendly new ones; we use advanced hardware and commercial intelligent software to monitor ship's energy efficiency and emissions; we recover and recycle the waste so as to minimize the amount of waste and disposal; and we implement standard operating procedures on fuel, garbage, sewage and ballast water management in order to

eliminate the risks of pollution produced by the ships. Yang Ming is actively promoting green shipping, environmental protection, energy saving and emission reduction, including carbon dioxide (CO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>). The amount of oily bilge water and plastic waste of our fleet is much less now than in previous years.

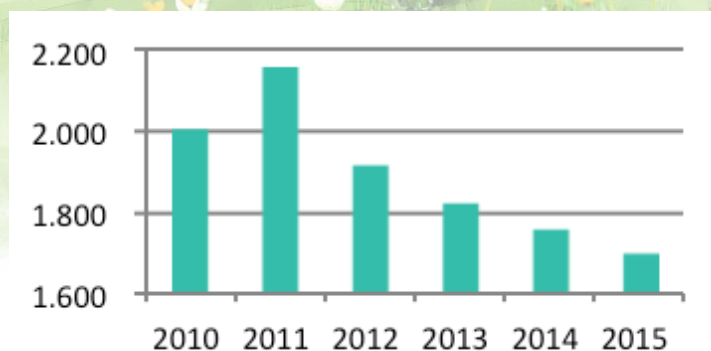
- Carbon dioxide (CO<sub>2</sub>) emissions management and analysis  
Yang Ming's fleet commits to improving energy efficiency. The carbon emission of our fleet in 2015 was 3% less than in 2014, which contributed the biggest proportion to carbon reduction of Yang Ming Group. The saving on fuel cost was about \$27 million. CO<sub>2</sub> emission was calculated on the basis of the fleet's annual fuel consumption, including marine gas oil and heavy oil on board. The average CO<sub>2</sub> emission rate in 2015 of Yang Ming's fleet was 61.65 g/teu-km (to transport 20-ft standard containers for one kilometer at sea). It reduced by 30% comparing with that in 2010.

CO<sub>2</sub> Emission: g/Teu x km



- Nitrogen oxide (NO<sub>x</sub>) emissions management and analysis  
NO<sub>x</sub> is produced by burning fuel in marine main engine and generator. Each machine has its NO<sub>x</sub> emission rate. The amount of NO<sub>x</sub> can be calculated and expressed in grams per KW-hour. The average NO<sub>x</sub> emission of Yang Ming's fleet in 2015 was 3.38% less than that in 2014.

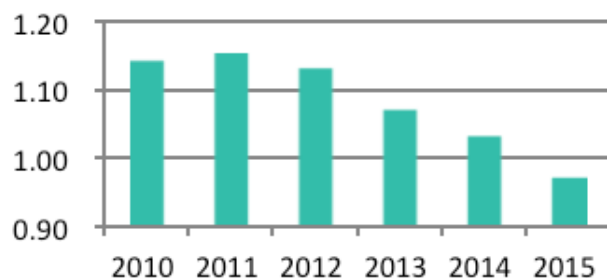
NO<sub>x</sub> [g/TEU-km]





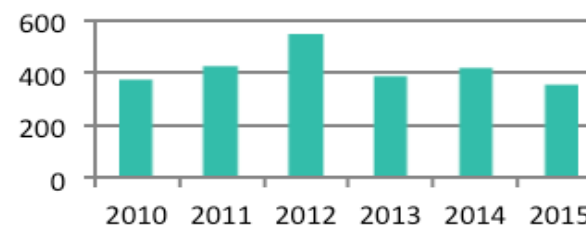
- Sulphur oxides (SOx) emissions management and analysis  
SOx emissions is calculated based on the fleet's annual fuel consumption, which is expressed in grams per teu-km. The average SOx emission in 2015 of Yang Ming's fleet reduced by 5.83% comparing with that in 2014.

SOx [g/TEU-km]



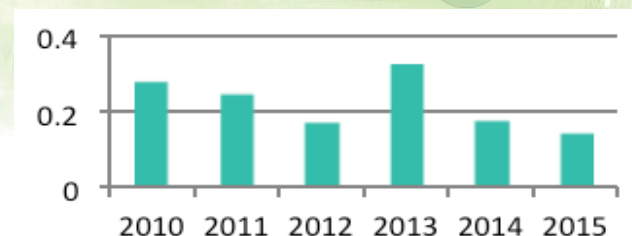
- Oily water management and analysis  
Oily water, sludge and bilge water generated during the use and maintenance of vessel's engines are all handled and supervised in accordance with the Regulation of MARPOL 73/78/97 and the local relevant regulations. We contracted SPRO vendors, which are permitted by the port authorities, to handle and recycle the waste and oily water in accordance with the international regulations. The oily water discharged ashore in 2015 decreased by 14.35% compared with that in 2014.

Sludge/oily water (m<sup>3</sup> per ship)



- Management and analysis of waste and incinerator  
The management of non-hazardous waste on Yang Ming's ship is strictly complying with relevant international waste management and pollution control regulations. We implement garbage sorting, reduction and recycling onboard to minimize the amount of waste, which will be sent to qualified recycling facility ashore for handling, and to maximize the recovery of resources. Meanwhile, we reduced the usage of incinerators to avoid affecting air quality. The ashes of incinerator in 2015 declined 17.58% as compared with that in 2014.

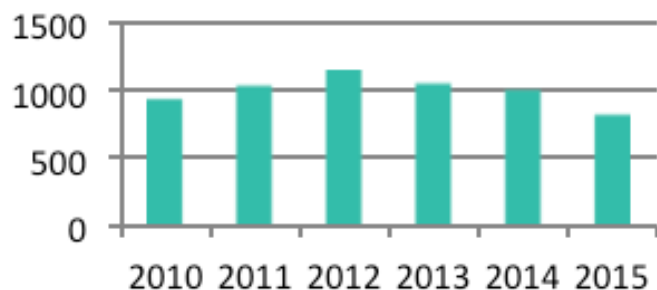
Ash (m<sup>3</sup> per ship)



● Plastic waste management and analysis

Incinerating plastic waste causes emissions of dioxins and toxic gases; therefore, Yang Ming strictly forbids our crew to incinerate plastic waste on board. Plastic waste must be sent ashore and recycled by qualified facility with related records being kept in the garbage record book. The amount of plastic waste in 2015 reduced by 18.32% as compared with that in 2014.

Plastic (m<sup>3</sup> per ship)



● Ballast water management

Ship ballast water operation is enforced in compliance with international, local regulations and company's procedures to prevent impact on the multitude of marine species. Our plan for ballast water management has been approved by the ship classification societies; and our new vessels have installed the ballast water treatment system to avoid the

damage to marine species, and to protect marine ecology from pollution.

● Emissions of ozone-depleting substances

Yang Ming's green ship uses R404a/R134a environment-friendly refrigerants in its air conditioning and refrigeration equipment with the refrigerant leak detection systems, which can alert the leak immediately to reduce pollution. The use of HFC-free refrigerant helps alleviate the deterioration of the ozone layer and the greenhouse effect.

### 3.3.2 Green container yard

- (1) To meet Environment Regulation, Honming Terminal & Stevedoring Co., Ltd., a subsidiary of Yang Ming, invested in a facility of wastewater treatment for cleaning containers at #70 terminal in Kaohsiung. Testing was done in early 2016 and it will be able to process 30 tons of wastewater a day.
- (2) Kao Ming Container Terminal Corp., a subsidiary of Yang Ming, had applied for the extension of the certification for its wastewater treatment operator. The usage rate of recycling water is efficiently improved from 50% to 70%. Moreover, lamps at control gateway and office will be replaced by LED gradually and will separately save about 75% and 30%



consumption of electricity at the container yard.

### 3.3.3 ECO Container

Yang Ming is aiming at protection of the earth and environment by using more environment-friendly products, including bamboo. Bamboo has outstanding environmental performance, such as fast-growing, lower hygroscopicity, lower shrinkage rate, little density variance, stronger and lighter than hard wood, and the most important thing is that bamboo wood floor would reduce maintenance and repair cost. The bamboo-wood composite floor was introduced into Yang Ming's own containers in 2011 and had been widely utilized since 2012. As for the leased containers, Yang Ming has taken bamboo-wood composite floor as first consideration since 2013.

### 3.3.4 Green Building

Item		Measure
On Shore	Educate and advocate all employees	<ul style="list-style-type: none"> <li>• Ongoing execution of environmental protection affairs and education for all employees, including those of global agents.</li> <li>• Enhance the advocacy of environmental protection and energy saving by conducting carbon emission reduction and recycling activities.</li> <li>• Conduct film sharing: "Beyond Beauty - TAIWAN FROM ABOVE."</li> </ul>

Item		Measure
On Shore	Paper-saving measures	<ul style="list-style-type: none"> <li>• Promote paperless working environment by utilizing emails for communication, online sign-off systems for approval, and projectors for displaying meeting materials.</li> <li>• Encourage double-sided printing and reuse the back side of papers.</li> <li>• Set paper-recycling bins to recycle used papers.</li> <li>• Use personal cups during meetings and provide porcelain cup for guests.</li> <li>• The amounts of paper used by headquarters do not exceed the amounts used in previous year. For subsidiaries, the amounts of paper used, excluding the use due to increasing business, do not exceed the amounts used in previous year.</li> </ul>
	Electricity-saving measures	<ul style="list-style-type: none"> <li>• Install 102 LED lights on the 6th floor of Cidu building. The lights currently function well and are expected to save around 18,204 kilowatts of electricity per year.</li> <li>• Control air conditioning chiller and blower's operation time and set appropriate temperature.</li> </ul>
	Electricity-saving measures	<ul style="list-style-type: none"> <li>• Reduce unnecessary office lighting lamps in public areas and gradually replace them with energy saving light bulbs.</li> <li>• Turn off part of the office lighting during lunch break.</li> <li>• Set printers, fax machines and copiers on power saving mode.</li> <li>• Advocate the use of PC power saving mode and turn off the power after work.</li> <li>• Turn off the power of PC, copiers, printers, etc. and unplug the unused electronic devices after work.</li> </ul>

		Item	Measure
On Shore		Electricity-saving measures	<ul style="list-style-type: none"> <li>The use of electricity by headquarters does not exceed the use in previous year. For subsidiaries, the use of electricity, excluding the use due to increasing business, does not exceed the use in previous year.</li> </ul>
		Water-saving measures	<ul style="list-style-type: none"> <li>Gradually complete the Installation of water-saving devices on faucets, water-saving flushing devices on toilets in women's restrooms to adjust the amount of water used for flushing, reverse osmosis (RO) process waste water recycling and take other water conservation measures.</li> <li>Continue to urge colleagues to conserve water and control water flow.</li> <li>Recycle waste water from container cleaning.</li> <li>The use of water by headquarters does not exceed the use in previous year. For subsidiaries, the use of water, excluding the use due to increasing business, does not exceed the use in previous year.</li> <li>In the container cleaning area, waste oil and waste water are filtered with the devices before disposal and are subject to periodic inspection.</li> </ul>
		Building sewage treatment	<ul style="list-style-type: none"> <li>Building's septic tanks are cleaned regularly by qualified companies and the sewage is carried to places designated by the environmental protection authority.</li> </ul>

		Item	Measure
On Shore		Waste, waste edible oil treatment	<ul style="list-style-type: none"> <li>Set up trash cans and recycling bins for paper, glass, batteries, plastics, etc., to facilitate garbage classification. This could reduce garbage disposal cost and achieve recycling purpose.</li> <li>For waste edible oil, the company's cafeteria centrally manages and stores cooking and frying oil, handing it over to professional firms for recycling, and declaring this in accordance with regulations to environmental protection authority.</li> </ul>
		Refrigerant use	<ul style="list-style-type: none"> <li>According to the "Montreal Protocol," strictly ban chlorofluorocarbons (CFCs), Halon and other harmful substances.</li> <li>All refrigerants used by the company's ships and containers must be R404a and R134a.</li> </ul>
		Encourage green procurement	<ul style="list-style-type: none"> <li>The company encourages green procurement and won 2015 green procurement medal from Keelung City Environmental Protection Bureau. The green procurement amount increased by about 20% over last year.</li> <li>Interior decoration repair materials such as paint, ceilings and automatic flushing devices in men's toilets are replaced with green products.</li> <li>Lease copy machines with Green Mark. Printers mostly use environmentally friendly renewable toner cartridges.</li> </ul>



		Item	Measure
Off Shore	Crew training	<ul style="list-style-type: none"> <li>• Prescribe the latest environmental regulations and energy conservation information for the crew.</li> <li>• Hold half-a-year training courses to raise the crew's awareness of energy conservation.</li> </ul>	
	Sludge oil	<ul style="list-style-type: none"> <li>• Deliver all sludge oil to certified institutions ashore and keep complete record of the deliveries.</li> </ul>	
	Waste gas	<ul style="list-style-type: none"> <li>• Reduce SOx emission, the company uses oil products that meet the low sulphur standards set forth in MARPOL Annex VI.</li> <li>• Use machines on newly built vessels that meet the standards of emission of CO<sub>2</sub> and NOx.</li> </ul>	
	Discharged water	<ul style="list-style-type: none"> <li>• Keep the SEWGAE TREATMENT DEVICE in normal condition.</li> </ul>	
	Trash	<ul style="list-style-type: none"> <li>• Set up vessels' recycling collection boxes forbids crew members throwing garbage into the sea. The garbage arrangement shall be as follows.                             <ul style="list-style-type: none"> <li>➢ Burn it in the incinerator and keep records.</li> <li>➢ Deliver it to certified institutions ashore and keep complete record of the deliveries.</li> </ul> </li> </ul>	

### 3.3.5 Please refer to Social Responsibility for Social Responsibility Team

In short, the crew and office staff must strictly abide by the company's environmental policies. In 2015, there was neither violation of environmental laws and regulations nor environmental pollution incident in Yang Ming's fleet. Therefore, no loss or fine incurred.

## 3.4 Safety and Health

### 3.4.1 Safety and Health Committee

- We set up Occupational Safety and Health Committee in accordance with the regulations, chaired by the Executive Officer of Global Management Group, who also holds the post of OHSAS18001 management representative and Yang Ming Group general supervisor of the Labor Safety and Health. The three labor representatives (more than regulation required number) join the regular meeting every three months. Occupational Safety and Health Department is established in Cidu head office with required full-time labor safety and health administrator.
- The high risks of daily operations come from working afloat and container handling on deck. This is prone to happen in high-temperature operation and maintenance of machine and equipment in the engine room, as well as during container handling and trailer transportation in container yard. All work process complies with the rules of marine time and local safety and health regulations.
- We also carry out trainings on the handling of dangerous goods, fire management, first aid, operation safety

management, road safety, safety and health management, contractor and procurement management (totally 94 events for 2,157 participants in 2015)

Training Item	Events	Attendees
AED training	9	218
Health seminar	22	754
Fire training	15	619
Orientation for new employees	9	110
Regular safety and health training	6	191
safety and health management administrator training	10	27

- In 2015, the disabling frequency rate (FR, the average disabling cases/per million hours) of Yang Ming (including native crews) was 0.97 and the disabling severity rate (SR, the average loss of working days/per million hours) was 2.6, which has shown signs of decline since 2013 and stayed ahead of the average records of the storage and transportation industry in Taiwan (FR2.06,SR128).

### 2013~2015 Yang Ming FR/SR

	2013	2014	2015
FR	1.41	1.67	0.97
SR	70.37	40.79	2.6

### 3.4.2 Supplier management

We require the suppliers to comply with government regulations on environmental protection, labor safety and health. The contracts with suppliers provide for the legal obligations, acquisition of the business license, workplace hazards identification, accident prevention, emergency response, limitation of subcontractor, and the environmental and safety and health regulations aimed to clearly define the responsibilities. The contractors accept regular inspections and daily, monthly and quarterly audits before construction and work on board based on the audit plan. Coordination meetings are held in preconstruction stages to inform them of the safety and health regulations and contractor evaluations are also carried out regularly.

### 3.4.3 Health management and promotion

We offer more regular, high-quality health examinations than required in the state regulations for all employees. We set up



AED (Automated External Defibrillator) in all work place for first aid. We hire physicians and nurses to offer health counseling, implement health management, make health risk assessment and health promotion. We regularly invite experts to give health lectures with subjects such as: "Purify the body and lead a healthy and sustainable lifestyle," "vision care," "stress and emotion management," "to know more about calorie," "tobacco hazard prevention." "3-High (hypertension, high blood cholesterol, high blood sugar) prevention," "stress and emotional management." We also carry out health activities such as healthy weight loss, physical fitness test, stretch gymnastics, hiking and exercise walking, quit smoking and so on. Finally, we share health knowledge and ways of health self-management via email and internal website for all staff.

In 2015 we initiated EAPS (Employee Assistance Programs) to help employees solve problems about emotion, law, health and so on by using professional psychological counseling and hence to promote their working performance and create win-win situation for both the employees and the employer.

- The consequence of EAPs from 2015/7/1 to 2015/12/31. In respect of satisfaction, the record is about score 5.5-6 on a scale of 6.

Step 1 Telephone consulting	Step 2 Specialist counseling
16 people	10 people

**Top 3 discussed issues**

Family	Others	Relationship/ Regulation
69%	19%	6.3% each

- Lactation room of each county

Taipei



Kaohsiung



- Consulting in the infirmary

Cidu headquarters



Kaohsiung branch



## Concern for Employees

### 4.1 Employment

Employees are the most valuable assets in the company. In order to retain high-quality team members, Yang Ming emphasizes people-oriented approach and provides a complete education system, and a global challenging working environment for employees to develop their potentials. Moreover, Yang Ming provides a generous salaries and a complete welfare system to take care of employees.

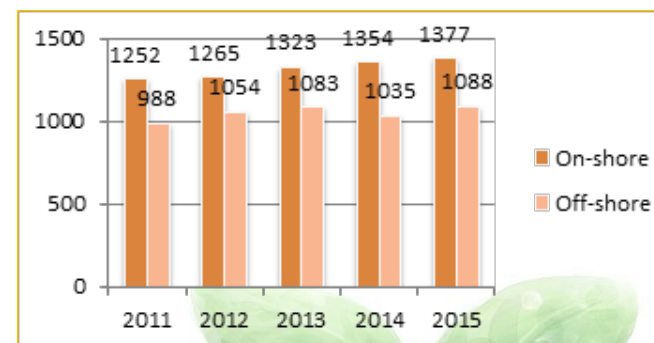
#### 4.1.1 Employee Structure

At the end of December 2015, there were 4,637 employees in Yang Ming Group, including 2,465 employed by Yang Ming Marine Transport Corp. The percentages of on-shore and off-shore employees were 56% and 44% respectively. Employees of the sales and business-related departments, terminals and facilities abroad accounted for 63% of on-shore workforce. The number working in logistics and fleet management departments accounted for 18%, and those working in supporting and management departments constituted 14%.

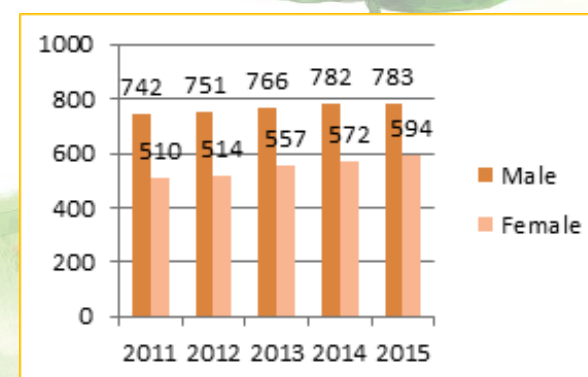
As for the off-shore workforce, the number of crew members in

2015 was 1,088, of whom 543 were employed domestically and 545 were hired abroad. Yang Ming's subsidiaries have 2,172 on-shore employees, 879 or 40% of whom working in Taiwan.

**Number of Employees**

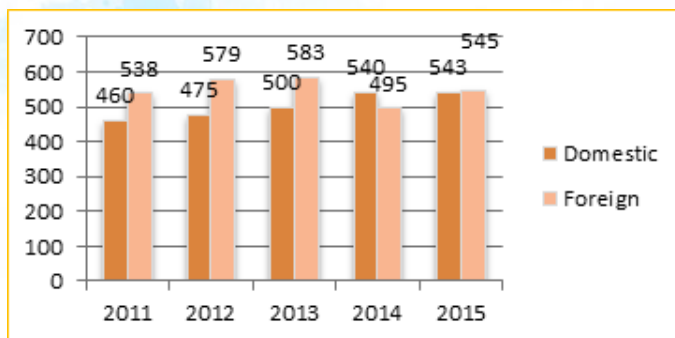


**Gender of On-shore Employees**

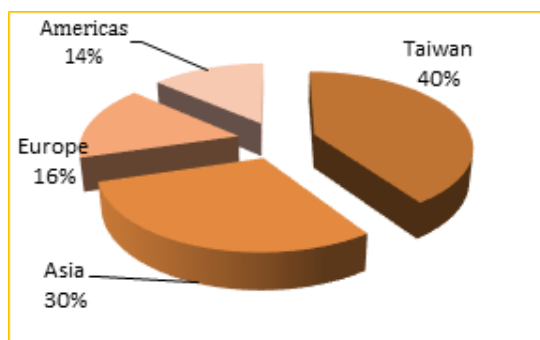




### Off-shore Employees



### Group Employees



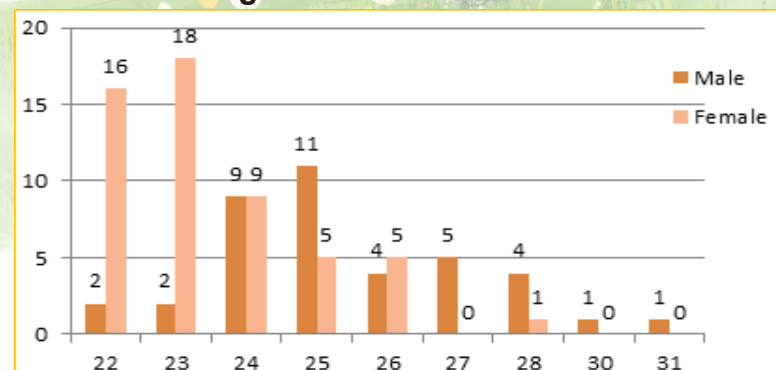
Even though the headquarters of Yang Ming is located in Taiwan, except for a few management positions, most employees are locally hired. Yang Ming not only hires local employees but also provides management positions for local talent. This enables Yang Ming to expand the local market and communicate well with local employees. The regional center of Americas is located in New Jersey, and that of Europe is located in Hamburg, Germany. Both of them hire managers locally. Their local managers account

for 88% and 67% respectively. Young-Carrier Company Ltd. is in charge the market outside South China, whereas the Yang Ming Line (Hong Kong) Ltd. is responsible for the market of South China as well as Hong Kong. Their market shares are 78% and 79% respectively.

### 4.1.2 Employees Recruitment

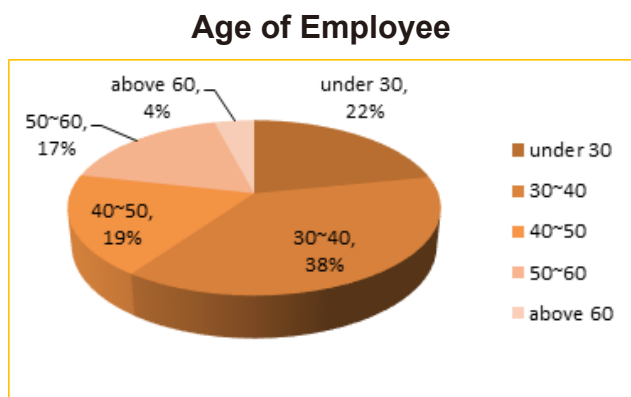
In the recent three years, Yang Ming has continually held recruiting activities. 74 people and 109 people were recruited in 2013 and 2014 respectively. In 2015, Yang Ming hired 93 employees and 78 of them were aged from 22 to 26. Meanwhile, we also post our recruiting information to each maritime schools or training organization. Moreover, we cooperate with these schools or organizations to enhance the chance of internship, a way to increase the possibility of getting talented crew.

### Age of Freshmen in 2015



### 4.1.3 Prohibition of Child Labor Employment

The Labor Standards Act bans employers to hire anyone aged under 15 for labor work, and Yang Ming strictly adheres to the law in this respect. The youngest on-shore employees are 22 years old and according to recruiting regulation, all applicants for crewmember positions need to be older than 18.



### 4.1.4 Protection of disabled people's and indigenous people's working right

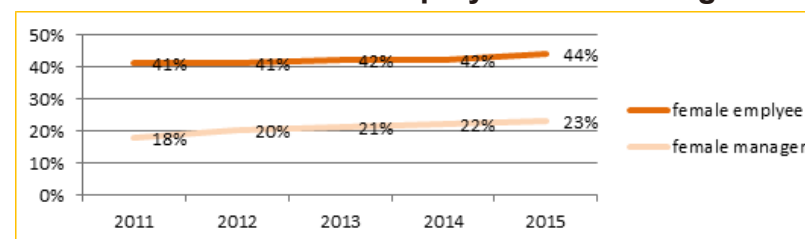
Yang Ming hires 11 disabled people and 8 indigenous people at present.

### 4.1.5 Gender Equality

Our female employees numbered 594, accounting for 43% of total on-shore workforce. In this respect, Yang Ming adheres to the Act of Gender Equality in Employment. Although traditionally

male employees outnumber female employees, the percentages of both female employees and managers in Yang Ming have increased steadily, and were still growing in these three years. Employees may apply not only parental leave, but also new born allowance.

The ratio of female employees and managers

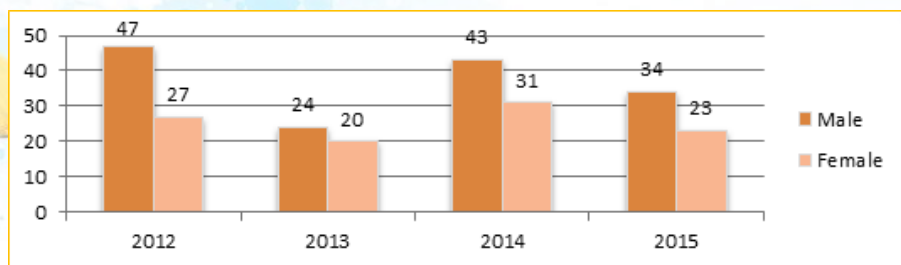


Parental Leave in 2015

Item	Male	Female	Total
The qualified number	34	23	57
The application number	3	18	21
Expect to work in the same year	2	16	18
Actual return to work in the same year	1	14	15
Rehabilitation prior year and working for one year	1	15	16
Rehabilitation prior year	1	16	17
Application ratio	9%	78%	37%
Rehabilitation ratio	50%	88%	83%
Working ratio	100%	94%	94%



**New born supplement in recent 4 years**



Yang Ming’s off-shore female workers have increased gradually, and now we have 34 supervisors, 13% of the officers. If female off-shore employees are unable to serve on ships (such as being pregnant or giving birth), they will be transferred to onshore work.

Sexual harassment in any form is forbidden and will not be tolerated in our workplace. In this regard everyone is equal. We provide a discrimination-free working environment. Any harassing language and behavior toward other staff will be investigated and disciplined in accordance with the procedure prescribed in the regulations for sexual harassment prevention, appeal and discipline. Appropriate discipline will be enforced according to the severity of the harassment. In a severest case, the employee will be laid off. In 2015, we didn’t have any sexual harassment case.

### 4.1.6 Friendly Workplace, High Retention Rate of Employees

Yang Ming pays much attention to the work-life balance of employees and emphasizes harmonious workplace ambience. The turnover rate of on-shore workers has remained at less than 5% since 2002. This stable and low turnover rate has allowed Yang Ming to maintain normal rejuvenation of human resource each year, which brings vitality to the company.

Turnover rate in 5 years	2011	2012	2013	2014	2015
Ratio of Employee Quitting	1.24%	1.20%	1.31%	3.68%	4.14%
Average Age of Employment	39.04	39.31	39.88	39.25	39.33

## 4.2 Employee Development

### 4.2.1 Off-shore Training Plan

#### (1) Training and Evaluation for Seafarers

According to the International conventions and regulations including STCW 95, SOLAS, MARPOL 73/78, ISM Code, ISPS Code, IMDG Code as well as the Company’s procedures and

manuals, we designed and developed the training courses on board such as training before employment, taking-over training, familiarization training, annual shipboard training, etc. Marine Department holds trainings for seafarers ashore twice a year. Total training hours for seafarers ashore in 2015, including attending internal and external training courses, amounted to 6,727 hours.

Courses	Frequency	Days	Headcount
Annual Training	2	8	88
Britannia P&I Club's Seminars	2	2	63
Implement training of ABB Turbocharger	4	4	19
Training of welding	1	5	20
Training of Lathe	1	5	18
Training of DG cargo	2	2	24
Training of reefer	5	7	68
Physical Safety Training of hazard prevention	6	6	69
Training of Occupational Safety and Health	4	4	76
Certified Administrator of Occupational Safety and Health affairs - Class C	12	36	32
Chart Fixed and Navigation safety	6	6	106
Total	45	85	583

Seafarers can submit their questions or advice, whether on work or on trainings, through the discussion with the superiors of Marine Department directly after the training courses, and receive immediate feedback. We can thus review and design ideal training courses which meet the seafarer's practical need. It can also strengthen seafarer's identification with the company and reduce the gap between shipboard seafarers and colleagues ashore.

In order to comply with the STCW 2010 enforced in 2017, Yang Ming has cooperated with the training institutes to hold Trainings of Electronic Chart and Information Display Systems, and Leadership and Bridge/Engine Room Resource Management, etc. 80% of our Seafarers have got new certification after training and the training courses are still continuing. Seafarers will be evaluated of their performances on board by their superiors on board by each item listed in the scorecard, and will be reviewed by the chief engineer and the master. It will be used as a basis for promotion and reward in the future. Seafarers who have excellent performances will be recommended for promotion.





### 4.2.2 On-shore Training Plan

#### (1) Orientation for New Comers

New-hired employees of Yang Ming have to take orientation training to establish their recognition about Yang Ming’s management concept, mission and vision. Through the orientation training, newhired employees can also obtain the basic knowledge of shipping industry as well as culture and ethics in Yang Ming. We also emphasized the importance of “Integrity Management”; to further implement integrity management and create a sustainable environment for better enterprise development, we held related courses from year 2012 to reiterate the importance of integrity management as our corporate culture.

#### (2) Internal Trainers Training

By holding a series advanced courses of shipping management

via internal tutors, we are not only accumulating our training database of shipping core knowledge, but also cultivating Yang Ming’s internal trainers as well.

#### (3) Management Skills Training

Besides of Mandatory training courses such as Human Resources System and basic management skills, several assessment tools are used to help middle managers to acknowledge their strength and weakness and help them to develop their talents. In 2015, “Yang Ming Research Institute” was held first time to develop global talent who have overall thinking and macro perspectives. In addition, “Yang Ming Lectures” which are held from time to time create opportunities for us to invite successful managers from outside of Yang Ming to share their successful experiences and managing ideals. The main courses of 2015 were as below.



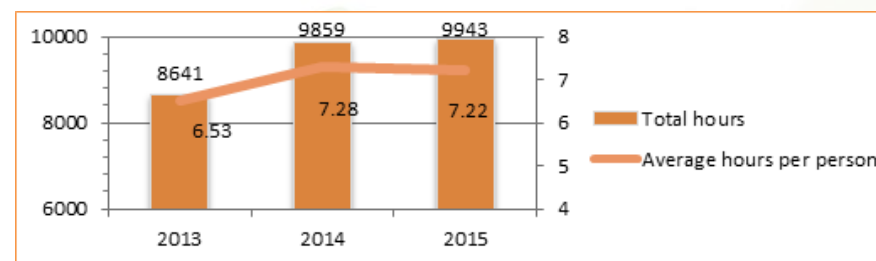
In 2015, we hired total 1377 on-shore employees and the training hours reached 9,943 hours in total with an average of 7.22 hours per person.

Level	Courses	Hours	Headcounts
New Employees 2015	Training for New Employees 2015	1,915	88
	Introduction to Marine Studies	233	93
Entry level employees	Customer Satisfaction and Service Quality	385	95
	Marine Management Studies	1,629	73
Senior employees	Problems Analysis and Solutions	532	76
	Non-financial Personnel Accounting Practices	410	55
	Corporate Governance and Policy Managements	228	57
Middle Manager	Competent Management Workshop	256	16
Level	Courses	Hours	Headcounts
Corporate-wide	Propaganda of Personal Data Act 2015	318	635

Level	Courses	Hours	Headcounts
Corporate-wide	Propaganda of Insider Trading Prevention 2015	410	819
	Corporate Social Responsibility Integrity Management Courses	864	864*

\*From 2012, an one hour integrity management course is open on line. There are 864 people completing the course accumulated to 2015.

**Average training hours for on-shore employees**



We apply Taiwan Training Quality System standard to our company's training execution. To ensure effective learning, we design questionnaire and conduct all learners' after-course survey, which include course content, teaching methods, material preparation, learning effect, course processing improvement, pre-course questionnaire, after-course questionnaire, examination, report and on-line discussion on e-learning platform.



The performance of on-shore worker is managed via PMS (Performance Management System), a standardized system. All employees and supervisors are requested to periodically evaluate their performance and make development plans.

Annual target setup, periodic evaluation and progress tracking can help employees grasp the consequence and achievement degree. Working attitude and capability appraisal can strengthen working attitude and capability build-up. The supervisors would have performance interview with employees to counsel and intensify mutual communication. Via periodic evaluation, we invite employees to speak out their career development ideas before executing our career development plans and relative training programs. At last we reward outstanding employees according to their work performance and appraisal results to improve their accountability and capability.

(4)Multiple Development and Learning Approaches

- Professional training, language training, after-work school education and the second language study. The following table reveals the external training courses hours in 2015.

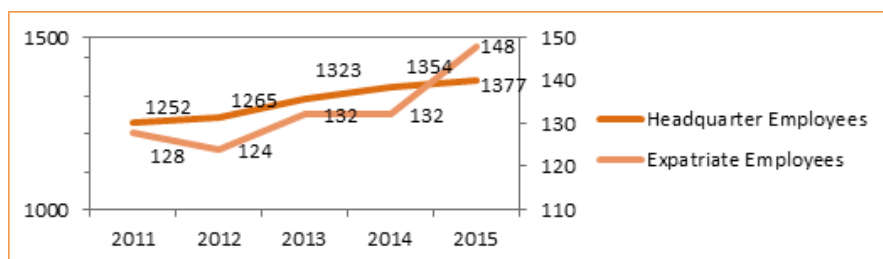
External Training Courses	Hours	Headcounts	hours/ per person
Language Training Subsidy (Including: English, Japanese, German, Spanish... and etc.)	7,859	195	40hr
Professional Training Subsidy ( Including: Quality Control, Auditing, Finance, Human Resources, Transportation, Occupational Safety, ... and etc.)	2,437	197	12hr

- We set up courses on e-learning platform to enlarge learning group and scope.
- We have established online reading party since 2010 and recommended more than 50 books. We build up an up-to-down independent learning environment via top management’s books recommendation.
- Via survey and questionnaire on training needs, we can catch on the training circumstances of our overseas subsidiaries. In keeping with Yang Ming’s character as a transnational enterprise, we assist employees with resource sharing and mutual support to strengthen global-wide employees’ learning effect.

(5) International talents cultivation

Through “International Interchange Program,” we invite colleagues of subsidiaries to have intern courses in Yang Ming Group headquarters. We expect colleagues of subsidiaries to realize Yang Ming Group’s business execution and management culture by this program, and then implement group’s policy as well as developing local business after they are back in subsidiaries.

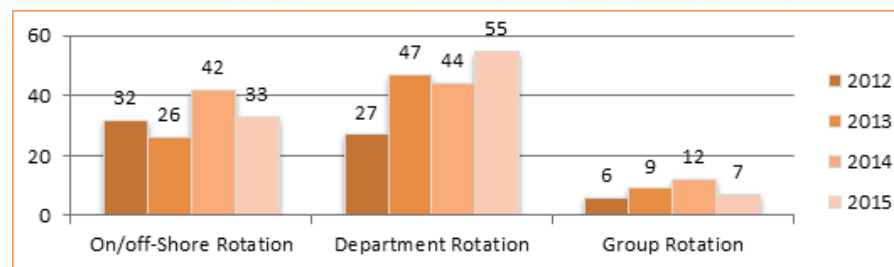
The Number of Headquarter and Expatriates



(6) Professional Competency Training

In order to improve employees’ professional capabilities, different kinds of technical and professional training are provided through departmental training. We further strengthen the importance of job rotation, in addition to job rotation within department; employees can apply for the vacant position subject to job vacancies announcement. The categories and numbers of job rotation in last four years are as follows.

Rotation Number



4.3 Compensation & Benefits

Yang Ming believes that employees are the most valuable assets in the company. In order to stimulate employees to develop their potentials and demonstrate high quality of work, Yang Ming not only offers comprehensive compensations and adopts a competitive bonus policy in compliance with the law and collective agreement to meet crew members’ requests, but also has established a complete welfare system in place to care for our employees. We provide various bonus structure in accordance with different job description to attract talent and combine corporate target with personal performance closely through rewards. Moreover, Yang Ming establishes Employee Stock Ownership Trust with a fixed allowance to encourage employee participation and reinforce coherence.



Welfare	Description
Leave	2 days off a week, and annual paid leave in line with the provisions of Labor Standards Law, in addition to 5 days with paid leave for sick and personal affairs
Pension	Based on “Labor Standards Law” and “Labor Pension Act,” Yang Ming has set up employee retirement pension. The company sets aside a monthly pension to the designated account to protect employees’ pension charges and payments as an encouragement for an employees’ long-term job involvement.
Insurance	Labor, national health and business trip safety insurance.
Health Care & Promotion	Integrated health examination, health seminars and distribution of health education to employees of recent epidemics.
Benefits	Multiple subsidies such as birthday, wedding, retirement, child birth, relief payments to hospitalized employees, and scholarships and education grants to employees’ children.
Leagues Activity	Currently there are over 30 leagues, such as ping-pong, badminton, golf, tennis, basketball, swimming, bowling, flower arrangement, photography, mountain climbing, aerobic dancing, yoga, and board games.

## 4.4 Employee Relationship

### 4.4.1 Open Communication Channels

As a transnational shipping company, Yang Ming believes an unobstructed flow of prompt and correct information to our employees is necessary. We also regard assisting our employees all over the globe in solving problems on their jobs as our important responsibility. In order to foster unobstructed two-way communication, we conduct opinion surveys and employee satisfaction surveys regularly to listen and respond to employees’ opinions for enhancing management efficiency. Besides, the mail box [employeebox@yangming.com](mailto:employeebox@yangming.com) is set up for the harmony of group, the protection of employee’s right and the assistance of personnel problem.

### 4.4.2 Employee Reward

Yang Ming sustains a definite, fair and transparent reward and penalty policy. Every outstanding employee will gain appropriate promotion and bonus under the promotion and performance evaluation system. The employees who perform excellently and make exceptional contributions to the company are recommended as model marine staff, national excellent labor representatives and model seafarers every year.

### 4.4.3 Freedom of Association

The Yang Ming Marine Union has existed for more than 20 years. Employees can join or quit at will. There was 56% of participation tallied at the end of 2015 in the Union. In order to strike a balance

between work and life and enhance coworkers' relationship, we encourage our coworkers to form different kinds of leagues with adequate subsidy. Currently we have over 30 leagues.

**Ukulele club**



**Table tennis club**





## Social Responsibility

### 5.1 Global Transportation for Social Charity

Yang Ming is dedicated to global transportation for social charity. To show our concern about human care and our determination to make contributions to society, we deliver our care to all around the world.

5.1.1 Yang Ming provides Buddha's Light International Association R.O.C with free ocean freight of three 40-foot containers, one 40-high cube container and three 20-foot containers in total.

5.1.2 Yang Ming provides China Engineering Consultants, Inc., with free ocean freight of two 40-foot containers.

5.1.3 Yang Ming donates a 40-foot container to National Yuanlin Home-Economics and Commercial Vocational Senior High School for Step 30 public activity.



5.1.4 Yang Ming provides National Member of World Scouting with free ocean freight of five 20-foot containers from Keelung to Moji.

5.1.5 Yang Ming offers ten 40-foot high cube containers (see illustration) to Logos Hope berthing at Taichung for safety purpose.

### 5.2 Yang Ming Cultural Foundation

Yang Ming combines the maritime profession and the concept of humanism to promote marine cultural undertakings. In 2005, Yang Ming Cultural Foundation was established for the purpose of further promoting oceanic culture education through kinds of culture, art, education, exhibitions, and events held by YM Oceanic Culture & Art Museum, located at Keelung since 2004, and YM Museum of Marine Exploration, located at Cijin fishing port since 2007. Yang Ming aims to long-term oceanic education programs, such as energy conservation and carbon reduction, underprivileged groups' care and cultural education. We hope that these museums are places of culture and art that deliver the concept of oceanic freedom, adventure and aesthetics to the public.

### 5.2.1 Energy conservation and carbon reduction

Environmental workshops were open to public. Inviting the public to share homemade soaps, insect repellent and daily necessities has inspired communities. Meanwhile, people involve environmental protection to our livings through recycling activities. In addition, YM museum sponsored an environmental program along with Ministry of Education, bringing children visiting educational spots. There were 735 teachers and students joining the activity.

### 5.2.2 Underprivileged groups' care

YM museum invited underprivileged students for free visit, guiding them to have a deeper understanding of oceanic environment, even though the special educated children could join us through DIY workshop. The activities, such as blood donation and blood pressure measure, were organized through cooperation among Yang Ming, institutions and schools.

### 5.2.3 Cultural education

YM Oceanic Culture & Art Museum has cooperated with National Taiwan Ocean University for a long run. The history lecture courses of Keelung port were held for volunteers. Besides, sightseeing trips of Keelung for the elderly encourages them to

enjoy outdoor activities and flourishes tourism industry.

## 5.3 Community Activities

Every April YM Oceanic Culture & Art Museum and Keelung City Government jointly hold the fairy tale festival in Keelung. When the Formosan landlocked salmon flags, painted by the students from the 44 Elementary schools of Keelung City, hanged and flied around the Keelung harbor side, it symbolizes the environmental protection and becomes a feature of Keelung. Moreover, marine environment creative show, a drama competition, is an important part of Keelung fairy tale festival. It encourages students, teachers and parents to exert their imagination and creativities. In 2015, 14 fellowships from Taipei, New Taipei and Keelung City joined the activity and showed their creativities on marine environment protection.





YM Museum of Marine Exploration held a New Year's activity in February and organized many others in cooperation with Kaohsiung City Government, for instance, inviting children to the exhibitions on Children's Day. At the meantime, salmon flags were provided for children painting on the spot. Besides, in August we held a summer activity. When the public biked for a visit, they had tickets free. The energy conservation plan encourages everyone to involve the concept of energy conservation to their livings.



## 5.4 Oceanic Exhibition

Yang Ming has popularized continuously oceanic mobile museum. There were more than 16 displays on the winning works of the photograph competition and international juvenile painting contest in the mobile museum traveling to schools and communities of Keelung City, Hsinchu City, Kaohsiung City and Taipei City in 2015.

### (1) Pieces of International Juvenile Painting Contest

The subject of fifth international juvenile painting contest remained to be beautiful and environmental marine. The winning pieces would be displayed in Taipei, Hualien, Taichung and Kaohsiung in July.



(2)Exhibition

● YM Oceanic Culture & Art Museum (OCAM)

Date: 2014/12/23–2015/12/06

World's Classic Dragon Boat Exhibition led audiences to understand appearances of dragon boats from Taiwan, Japan, Thailand, Mainland China and the over-100-years-old culture of dragon boat competitions.



● YM Museum of Marine Exploration Kaohsiung (MOME)

Exhibition Date: 2014/12/23–2015/12/06

To promote the beauty of oceanic craft, YM Museum of Marine Exploration Kaohsiung organized the World's Classic Bridges Special Exhibition. The event presented photos of the world's enchanting bridges as well as the spectacular bridges from Taiwan and the world. Besides, there were interesting bridge-related narrations and pictures.





## Appendix-Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines

Disclosure ● Non-disclosure ○

General Standard Disclosures				
Indicator	Description	Status	Related Section	Notation
<b>Strategy and Analysis</b>				
G4-1	Provide a statement from the most senior decision-maker of the organization.	●	From the Chairman and Chief Executive Officer	
G4-2	Provide a description of key impacts, risks, and opportunities.	●	1.2 Company Strategy 2.2.1 Risk Management Structure	
<b>Organizational Profile</b>				
G4-3	Report the name of the organization.	●	1.1 Company Profile	
G4-4	Report the primary brands, products, and services.	●	1.1 Company Profile	
G4-5	Report the location of the organization's headquarters.	●	1.1 Company Profile	
G4-6	Report the number of countries where the organization operates, and names of countries.	●	1.1 Company Profile	
G4-7	Report the nature of ownership and legal form.	●	2.3.1 Ownership Structure	
G4-8	Report the markets served.	●	1.1 Company Profile	
G4-9	Report the scale of the organization.	●	1.1 Company Profile 2.3.2 Financial Performance 4.1.1 Employee Structure	
G4-10	Report the total number of employees.	●	4.1.1 Employee Structure	

G4-11	Report the percentage of total employees covered by collective bargaining agreements.	•	4.4.3 Freedom of Association	
G4-12	Describe the organization's supply chain.	•	1.1 Company Profile	
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	•		No significant change
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	•	4.4.1 Open Communication Channels	
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	•	1.4 Association Membership	
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations	•	1.4 Association Membership	
<b>Identified Material Aspect and Boundaries</b>				
G4-17	Report all entities included in the organization's consolidated financial statements or equivalent documents.	•	Editorial Principle Please refer to Consolidate Financial Statement.	
G4-18	Explain the process for defining the report content and the Aspect Boundaries.	•	2.6 Identifying Stakeholders and significant aspects	
G4-19	List all the material Aspect identified in the process for defining report content.	•	2.6 Identifying Stakeholders and significant Aspects	
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	•	2.6 Identifying Stakeholders and significant Aspects	
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	•	2.6 Identifying Stakeholders and significant Aspects	



G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	•		No significant change
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	•	Editorial Principle	
<b>Stakeholder Engagement</b>				
G4-24	Provide a list of stakeholder groups engaged by the organization.	•	2.6 Identifying Stakeholders and significant Aspects	
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	•	2.6 Identifying Stakeholders and significant Aspects	
G4-26	Report the organization's approach to stakeholder engagement.	•	2.6 Identifying Stakeholders and significant Aspects	
G4-27	Report key topics and concerns that have been raised through stakeholder engagement.	•	2.6 Identifying Stakeholders and significant Aspects	
<b>Report Profile</b>				
G4-28	Reporting period.	•	Editorial Principle	
G4-29	Date of most recent previous report (if any).	•	Editorial Principle	
G4-30	Reporting cycle.	•	Editorial Principle	
G4-31	Provide the contact point for questions regarding the report or its contents.	•	Editorial Principle	
G4-32	Report the 'in accordance' option the organization has chosen.	•	Editorial Principle	
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report.	•	Editorial Principle	

Governance				
G4-34	Report the governance structure of the organization.	•	2.1 The Structure of Corporate Governance	
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	•	2.1 The Structure of Corporate Governance	
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	•	2.1 The Structure of Corporate Governance	
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics.	•	2.1 The Structure of Corporate Governance	
G4-38	Report the composition of the highest governance body and its committees.	•	2.1 The Structure of Corporate Governance	
G4-39	Report whether the Chair of the highest governance body is also an executive officer.	•	2.1 The Structure of Corporate Governance	
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	•	2.1 The Structure of Corporate Governance	
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed.	•	2.2.3 Legal Compliance Please refer to the Consolidate Financial Statement	



G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	•	2.2.1 Risk Management Structure	
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	•	2.2.1 Risk Management Structure	
G4-44	Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics.	•	2.2.1 Risk Management Structure	
G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities.	•	2.2.1 Risk Management Structure	
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	•	2.2.1 Risk Management Structure	
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	•	2.2.1 Risk Management Structure	
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspect are covered.	•	From the Chairman and Chief Executive Officer	
G4-49	Report the process for communicating critical concerns to the highest governance body.	•	2.1 The Structure of Corporate Governance	

G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	•	2.1 The Structure of Corporate Governance	
G4-51	Report the remuneration policies for the highest governance body and senior executives.	•	2.1 The Structure of Corporate Governance Please refer to Consolidate Financial Statement	
G4-52	Report the process for determining remuneration.	•	2.1 The Structure of Corporate Governance Please refer to Consolidate Financial Statement	
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	•	2.1 The Structure of Corporate Governance Please refer to Consolidate Financial Statement	
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	○		
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	○		
<b>Ethics and Integrity</b>				



G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	•	2.2.3 Legal Compliance	
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as help lines or advice lines.	•	2.2.3 Legal Compliance	
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistle blowing mechanisms or hotlines.	•	2.2.3 Legal Compliance	
<b>Specific Standard Disclosures</b>				
Indicators	Description	Status	Related Section	Notation
<b>Category: Economic</b>				
<b>Aspect: Economic Performance</b>				
G4-EC1	Report the direct economic value generated and distributed.	○		
G4-EC2	Report risks and opportunities posed by climate change.	•	3.3 The Action and Performance of Energy Conservation and Carbon Reduction Committee	
G4-EC3	Coverage of the organization's defined benefit plan obligations.	•	4.3 Compensation & Benefits	
G4-EC4	Report the total monetary value of financial assistance received by the organization from governments.	•		The company didn't receive financial assistance from governments.
<b>Aspect: Market Presence</b>				

G4-EC5	Report the ratio of the entry level wage by gender at significant locations of operation to the minimum wage.	●		The minimum wage of the company is more than the wages stipulated by the basic work criteria of the Labor Standard Law.
G4-EC6	Report the percentage of senior management at significant locations of operation that are hired from the local community.	●	4.1.1 Employee Structure	
<b>Aspect: Indirect Economic Impacts</b>				
G4-EC7	Report the extent of development of significant infrastructure investments and services supported.	●	Social Responsibility	
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	●	2.5 Supplier Management Social Responsibility	
<b>Aspect: Procurement Practices</b>				
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	○		
<b>Category: Environmental</b>				
<b>Aspect: Materials</b>				
G4-EN1	Materials used by weight or volume.	●	3.3.1 Green Vessels	
G4-EN2	Percentage of materials used that are recycled input materials.	○		Not applicable
<b>Aspect: Energy</b>				
G4-EN3	Energy consumption within the organization.	●	3.3.1 Green Vessels	
G4-EN4	Energy consumption outside of the organization.	○		Not applicable



G4-EN5	Energy intensity.	●	3.3.1 Green Vessels	
G4-EN6	Reductions of energy consumption.	●	3.3.1 Green Vessels	
G4-EN7	Reductions in the energy requirements of products and services	●	3.3.1 Green Vessels	
<b>Aspect: Water</b>				
G4-EN8	Total water withdrawal by source.	○		Not applicable
G4-EN9	Water sources significantly affected by withdrawal of water.	○		Not applicable
G4-EN10	Water recycled and reused.	●	3.3 The Action and Performance of Energy Conservation and Carbon Reduction Committee	
<b>Aspect: Biodiversity</b>				
G4-EN11	Operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	○		Not applicable
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	○		Not applicable
G4-EN13	Habitats protected or restored.	○		Not applicable
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	○		Not applicable
<b>Aspect: Emissions</b>				
G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1).	●	3.3.1 Green Vessels	

G4-EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2).	○		Not applicable
G4-EN17	Other indirect greenhouse gas (GHG) emissions (scope 3).	○		Not applicable
G4-EN18	Greenhouse gas (GHG) emissions intensity.	●	3.3.1 Green Vessels	
G4-EN19	Reduction of greenhouse gas (GHG) emissions.	●	3.3.1 Green Vessels	
G4-EN20	Emissions of ozone-depleting substances (ODS).	●	3.3.1 Green Vessels	
G4-EN21	NOx, SOx, and other significant air emissions.	●	3.3.1 Green Vessels	
<b>Aspect: Effluents and Waste</b>				
G4-EN22	Total water discharged by quality and destination.	○		Not applicable
G4-EN23	Total weight of waste by type and disposal method.	●	3.3.1 Green Vessels	
G4-EN24	Total number and volume of significant spills.	●	3.3 The Action and Performance of Energy Conservation and Carbon Reduction Committee	
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention <sup>2</sup> Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	○		
G4-EN26	Identity, size protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.	○		
<b>Aspect: Products and Services</b>				



G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	•	3.1 Environmental Management System 3.2 Energy Conservation and Carbon Reduction 3.3 The Action and Performance of Energy Conservation and Carbon Reduction Committee	
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	○		Not applicable
<b>Aspect: Compliance</b>				
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	•	3.3 The Action and Performance of Energy Conservation and Carbon Reduction Committee	
<b>Aspect: Transport</b>				
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	•	3.3.1 Green Vessels	
<b>Aspect: Overall</b>				
G4-EN31	Total environmental protection expenditures and investments by type.	•	3.3.1 Green Vessels	
<b>Aspect: Supplier Environmental Assessment</b>				
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	•	2.5 Supplier Management	
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	•	2.5 Supplier Management	

<b>Aspect: Environmental Grievance Mechanisms</b>				
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	•		No environmental accusation.
<b>Category: Social</b>				
<b>Sub-Categories: Labor Practices and Decent Work</b>				
<b>Aspect: Employment</b>				
G4-LA1	Total number and rate of new employee hires and employee turnover by age group, gender and region.	•	4.1 Employment	
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	•	4.3 Compensation & Benefits	
G4-LA3	Return to work and retention rates after parental leave, by gender.	•	4.1.5 Gender Equality	
<b>Aspect: Labor/Management Relations</b>				
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	•	4.4 Employment Relationship	
<b>Aspect: Occupational Health and Safety</b>				
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	•	3.4 Safety and Health	
G4-LA6	Type of injury, and rates of injury, occupational diseases, lost day, and absenteeism and total number of work-related fatalities, by region and by gender.	•	3.4 Safety and Health	



G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	●	3.4 Safety and Health	
G4-LA8	Health and safety topics covered in formal agreements with trade unions.	○		
<b>Aspect: Training and Education</b>				
G4-LA9	Average hours of training per year per employee by gender, and by employee category.	●	4.2 Employee Development	
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	●	4.2 Employee Development	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	●	4.2 Employee Development	
<b>Aspect: Diversity and Equal Opportunity</b>				
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	●	4.1 Employment	
<b>Aspect: Equal Remuneration for Women and Men</b>				
G4-LA13	Ratio of the basic salary and remuneration of women to men by employee category, by significant locations of operation.	●	4.1.1 Employee Structure 4.3 Compensation & Benefits	
<b>Aspect: Supplier Assessment for Labor Practices</b>				
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria.	●	3.4 Safety and Health	

G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	•	3.4 Safety and Health	
<b>Aspect: Labor Practices Grievance Mechanisms</b>				
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	•	4.4 Employment Relationship	
<b>Sub-Categories: Human Rights</b>				
<b>Aspect: Investment</b>				
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	○		No relevant rules in agreements and contracts.
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	•	4.2 Employee Development	
<b>Aspect: Non-discrimination</b>				
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	•	4.1 Employment	
<b>Aspect: Freedom of Association and Collective Bargaining</b>				
G4-HR4	Operations and suppliers identified in which employee rights to exercise freedom of association or collective bargaining may be violated or at significant risk and measures taken to support these rights.	•	4.3 Compensation & Benefits	
<b>Aspect: Child Labor</b>				

G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor and measures taken to contribute to the effective abolition of child labor.	•	4.1.3 Prohibition of Child Labor Employment	
<b>Aspect: Forced or Compulsory Labor</b>				
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	•	3.4 Safety and Health	
<b>Aspect: Security Practices</b>				
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.	○		No significant issues.
<b>Aspect: Indigenous Rights</b>				
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.	•	4.1.4 Protection of disabled people's and indigenous people's working right	
<b>Aspect: Assessment</b>				
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	○		
<b>Aspect: Supplier Human Rights Assessment</b>				
G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	○		
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	○		
<b>Aspect: Human Rights Grievance Mechanisms</b>				



G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	•	2.4 Customer Service and Satisfaction	
<b>Sub-Categories: Society</b>				
<b>Aspect: Local Communities</b>				
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	•	Social Responsibility	
G4-SO2	Operations with significant actual and potential negative impacts on local communities.	•	Social Responsibility	
<b>Aspect: Anti-corruption</b>				
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	•	2.2.3 Legal Compliance	
G4-SO4	Communications and training on anti-corruption policies and procedures.	•	2.2.3 Legal Compliance	
G4-SO5	Confirmed incidents of corruption and actions taken.	•	2.2.3 Legal Compliance	
<b>Aspect: Public Policy</b>				
G4-SO6	Total value of political contributions by country and recipient/beneficiary.	○		The company didn't give or take political contributions.
<b>Aspect: Anti-competitive Behavior</b>				
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes.	•	2.2.3 Legal Compliance	
<b>Aspect: Compliance</b>				

G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	•	2.2.3 Legal Compliance	
<b>Aspect: Supplier Assessment for Impacts on Society</b>				
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	•	2.5 Supplier Management	
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	•	2.5 Supplier Management	
<b>Aspect: Grievance Mechanisms for Impacts on Society</b>				
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	•	2.4 Customer Service and Satisfaction	
<b>Sub-Categories: Product Responsibility</b>				
<b>Aspect: Customer Health and Safety</b>				
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	○		Not applicable
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	○		Not applicable
<b>Aspect: Product and Service Labeling</b>				
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	○		Not applicable

G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	●	2.2.3 Legal Compliance	
G4-PR5	Results of surveys measuring of customer satisfaction.	●	2.4 Customer Service and Satisfaction	
<b>Aspect: Marketing Communications</b>				
G4-PR6	Sale of banned or disputed products.	○		
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	○		
<b>Aspect: Customer Privacy</b>				
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	●	2.2.3 Legal Compliance	
<b>Aspect: Compliance</b>				
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	●	2.2.3 Legal Compliance	