

## Importance of Climate Governance

The shipping industry plays a vital role in environmental sustainability. As one of the top nine shipping companies in the world, Yang Ming spares no effort in sustainable development. Aside from certification to ISO 14001 Environmental Management Systems, it also ensures compliance with laws and regulations and identifies risks in operations for an effective management and reduction of environmental risks. Yang Ming has been proactively promoting energy saving and carbon reduction. It started to calculate the carbon emission intensity of its fleet in 2008, received Smart Ship notations in 2020 as well as replaces old vessels with new ones for its fleet and elevates energy efficiency by ready-made vessel modification. In addition, through the monitoring system, Yang Ming tunes the route configurations, saving energy consumption and minimizing related climate risks.

## Policy Measures at Yang Ming

Climate risks are incorporated in the business decision-making process. By involving the governance body and the management, Yang Ming promptly responds to environmental risks and opportunities related to the Company. The annual risk assessment report requires approval by the Chairman before submission to the Board of Directors. The Company attaches importance to climate change governance and conducts risk management and analysis through the TCFD framework and deems it as a topic in urgent need of improvement. The sustainable development policy and management targets have been formulated not just to meet our customers' needs but also to respond to the material topics of stakeholders' concern.

## Energy-saving & Decarbonization Measures

The Company built new vessels of high energy efficiency. Four 2,800 TEU class and six new 11K TEU class eco-friendly vessels were delivered in 2021. The twin-island design for the new 11,000 TEU class vessels offers green benefits of flexibility, economy, and energy efficiency. The 2,800 TEU class vessels adopt the state-of-the-art sword-type bow design, which delivers benefits of a lower calm water resistance and a better wind-wave resistance. Also, with the approval from the Board of Directors in 2022, five LNG-powered dual-fuel container vessels are being built for an active deployment of vessels on alternative energy.

For an effective carbon management, in addition to the execution of a 40% emission reduction by 2030 per unit for vessels of international routes, the Company introduced ISO 14064-1:2018 - Greenhouse gases, with its offices, Keelung (Yang Ming) Container Yard and service vessels included as important information for carbon management decision-making. Also, through calculation for the Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII), it proactively takes actions to optimize the vessel energy efficiency management. Meanwhile, the Smart Ship Center (SSC) enables real-time monitoring of vessels and elevates the vessel energy efficiency management with data analysis combined.



The Company established the Pandemic Prevention Team as early as March 2020, which comprises senior management including the President of Yang Ming and the Presidents of its domestic subsidiaries. The Chief Administrative Officer served as the Convenor. After the domestic pandemic situation worsened in May 2021, the team was presided by the Chairman instead. Aside from an ongoing compliance with the guidance from the Central Epidemic Command Center (CECC) in implementing its epidemic prevention measures to ensure the health of all employees, the Yang Ming Group recognized the efforts of all employees that stood fast in their positions during the dark hours and has procured the group epidemic prevention insurance policy from China Life Insurance Co., Ltd. to further the health and welfare of its employees. The policy came in force as of 12:00 am, May 25, 2021 for a duration of one year. The epidemic prevention measures of the Company in 2021 are as follows:



## Onshore Staff Epidemic Prevention Management:

### 1. Office access control

- Visitors were required to fill out “No Overseas Travel and Health Declaration Form.” Any visitor exhibited risks such as fever or acute respiratory symptoms was forbidden to enter. The announcement of no visitor allowed in the office area was made during the worsening period of the pandemic.

### 2. Encouragement of full vaccination to employees

- A half day official leave for employees per dose of vaccination.
- Arrangement with medical facilities nearby the Company for employee vaccination opportunities.
- Stipulation of a full vaccination incentive program for all employees; 79% of all onshore staff fully vaccinated with 3 doses as of April 20, 2022.

### 3. Employee health monitoring

- Daily temperature check required for employees entering the office.
- Ongoing promotion of the importance of self-health management.
- Daily report of health status required for all employees at the worsening period of the pandemic; monitoring and management for anyone that exhibited anomaly.

### 4. Staggered Shifts

- Grouping into Groups A and B and relevant drills completed.
- Split WFH measure in force from time to time subject to the pandemic situation and in consideration of normal operation of businesses.

### 5. Non-essential international business travel suspended

- Reminders and necessary supplies for epidemic prevention were offered by the medical staff before any essential travel out of business needs.

### 6. Enhanced personnel health and dining management

- Enhanced cleaning and disinfection of office areas for active environment maintenance.
- Personnel dining hours adjusted into 3 batches to lower the number of people dining in the same period.
- "No talking while dining" promoted.

### Maritime Personnel Healthcare:

1. Operational Guidelines for the Prevention and Control of the COVID-19 Pandemic for the Crew of Yang Ming prepared.
2. Enhanced maritime personnel health management, including crew member vaccination promotion, requirement of PCR testing prior to boarding and daily temperature check, etc.
3. Vaccination coverage of seafarers raised; onboard crew vaccination rate as of 2022/3/7: 84.2% of Taiwanese crew had their first dose, and 68.7% had their second dose.
4. Necessary crew arrangement made via flexible schedule adjustment, deviation or additional calling at ports or anchorages of vessels that allowed crew replacement.
5. Improved psychological counseling and health regulation for seafarers.
6. Sufficient supplies and extra bonus for epidemic prevention allocated per ship.
7. Epidemic prevention allowance for all crew.

### Digitalization Support:

1. Enhanced vessel schedule monitoring and tracking for a timely arrangement of vessels to ports with the pandemic under control for cargo loading, crew rotation and vaccination.
2. Flexible adjustment with remote audit interview and document review, etc.; external audits completed as scheduled for all fleets without impact to fleet services.
3. Subsidy to employees to procure IT equipment for working from home by the Company for employees to procure equipment to improve WFH efficiency in line with their needs.

### Group Pandemic Insurance Procurement:

1. Claim could be made for employees diagnosed by hospital/medical doctor with communicable diseases declared by the central health competent authority in compliance with Article 3 of Communicable Disease Control Act (COVID-19 included).
2. The group pandemic insurance policy covered:



Allowance for Hospitalized  
**\$2,000/Day** (up to 365 days)



Caring Insurance  
**\$30,000**  
(hospitalized after being diagnosed positive, up to one time)



Hospital Discharge Insurance  
**\$2,000/Day** (up to 365 days)



Accidental death/disabled  
**\$100,000**

### Flexible Route Adjustment:

Check “1.3 Operation Plan” of the Report for more details.

### Port Call Management:

Check “1.3 Operation Plan” of the Report for more details.

All operations of Yang Ming function normally thus far; [updates of operation status are disclosed on our official website](#) from time to time.