



 **CMT** 中國航運股份有限公司
Chinese Maritime Transport Ltd.

2023 Sustainability Report

<https://cmt.tw>

Stock Code: 2612

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About this Report

1.1 About this Report

1.2 Message from the Chairman

1.3 Overview of CMT

1.4 2023 Sustainable Results



1.1 About this Report

Chinese Maritime Transport Ltd. (CMT or the Company) issues its Sustainability Report in accordance with “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” for the first time in 2024 and will update the Report regularly on a yearly basis. The Report aims at transparent disclosure of the company’s efforts of the Company and its subsidiaries (hereinafter referred to as the CMT Group or Group) in sustainability in the four aspects of Environmental Protection, Social Engagement, Corporate Governance, and Steady Economic Development as well as the achievement of implementation in 2023. The issuance of the Sustainability Report helps with the establishment of transparency, comprehensively presenting to all stakeholders CMT’s efforts in corporate sustainable development and social responsibility, aiming to enhance trust and demonstrate our commitment to continuous improvement in these areas.

1. Scope of Disclosure and Reporting Period of the Report

The scope of disclosure covers Chinese Maritime Transport Ltd. (hereinafter referred to as the parent company) and its consolidated financial reporting subsidiaries, excluding certain environmental and social information related to subsidiaries established for investment or tax purposes and those over which operational control is not exercised. The reporting period is from January 1 to December 31, 2023.

Type	Main Disclosure	Difference between the Report and the Financial Report
Financial Information	The parent company and subsidiaries (Associated Transport Inc., CMT Logistics Co., Ltd., Associated Group Motors Corp., and the fleet)	Consistent with the financial reports
Environmental Information	The operating bases in Taiwan and overseas fleet of the parent company and subsidiaries (Associated Transport Inc., CMT Logistics Co., Ltd., Associated Group Motors Corp., and the fleet)	Excluding overseas offices
Social Information	The parent company’s and subsidiaries’ (Associated Transport Inc., CMT Logistics Co., Ltd., Associated Group Motors Corp., and the fleet) activities in Taiwan	Excluding overseas offices and operations

2. Basis for the Report

Issuing Organization	Items Followed
Global Reporting Initiative (GRI)	GRI Standards 2021
Financial Stability Board (FSB)	Task Force on Climate-related Financial Disclosures
Sustainability Accounting Standards Board	SASB Standards
United Nations	Sustainable Development Goals (SDGs)

3. Verification and Assurance

Internal Audits

Information and data in this Report were provided by all departments of the CMT Group, compiled and edited by the GHG Inventory & Sustainability Report Editorial Team, and reviewed by the Sustainable Development Committee. This Report was finally issued after discussion and approval of the board of directors.

External Verification

This report was verified by KPMG, Taiwan, and the assurance report has been provided in Dec.,2024.

The statistical data disclosed in this Report are from our own statistics and survey results. The financial data were from the financial information verified by certified public accountants (KPMG Taiwan) and all calculated in New Taiwan Dollars.

4. Contact Information

Responsible Unit: GHG Inventory & Sustainability Report Editorial Team

Address: Chinese Maritime Building, 9F, No.15, JiNan Road Sec. 1, Taipei 10051, Taiwan, R.O.C.

Contact number: (02) 2396-3282

Issuance of the current edition: August, 2024

In response to environmental protection, the electronic version of the full Report is available at CMT official website at <https://cmt.tw/>. Please feel free to contact us if you have any advise or suggestion regarding this Report.



1.2 Message from the Chairman

2023 was a year of challenges and opportunities, and also an important milestone for the sustainable development of CMT.

CMT has focused on environmental and social concerns, setting environmental, social, and governance (ESG) as long-term development goals. We aim at maximizing shareholder value while advancing environmental protection, fulfilling social responsibilities, and implementing sound corporate governance practices.

In 2023, CMT officially launched the compilation of the Sustainability Report and GHG inventory, and set up the Sustainable Development Committee to supervise related work. We have advanced the industry deployment by investing and acquiring energy-efficient equipment to replace old systems to steadily stepping toward our sustainability goals. Whether it is the delivery of the two newly built energy-saving and eco-friendly bulk carriers that meet the IMO (International Maritime Organization) Phase 3 EEDI (Energy Efficiency Design Index) requirement, the introduction of Taiwan's first electric tractor that has completed the license plate registration, or the continued purchase of the latest EU 6 tractors and electric forklifts, our Group is dedicated to offering better options for the environment and our customers to support the government's goal of Net-Zero Emissions by 2050.

In addition to the efforts in environmental protection, CMT is also dedicated to protecting the interests of our employees, suppliers, customers and other stakeholders. In response to the increasing cybersecurity risks in recent years, CMT proactively and diligently upgrades relevant software and hardware, carries out publicity and training to employees from time to time to ensure that no major cybersecurity incidents will occur. Meanwhile, we are well aware that employees are the core assets for an enterprise. The Company adheres to a people-oriented and employee-first philosophy, strictly abides by human rights policies, eliminates human rights violations, and provides comprehensive support beyond legal requirements from employee health, family care to talent cultivation.

Safety is also the highest value at CMT. In terms of occupational safety and health, we adhere to the principle of "Ensuring Industrial Safety for All Employees, Benefiting Everyone at CMT". CMT creates a safe working environment and lowers the likelihood of occupational safety and health incidents by strengthening the safety awareness training for employees and workers and review risk control measures, such as fire safety, on a regular basis. Regarding ship safety, the Company has established a "Safety First, Environmental Protection Foremost" policy, operating our capesize bulk carrier fleet in accordance with the highest safety standards. In addition, as a corporate citizen committed to social welfare, CMT actively engages in public welfare activities. We have donated to charitable foundations to care for the disadvantaged and established CMT Scholarship to give back to society through our charitable initiatives.

Looking into the future, sustainable development is imperative. CMT is committed to continued implementation of the ESG spirits. Under the joint supervision of the board of directors and the Sustainable Development Committee, we adhere to three principles of environmental protection, social responsibility, and corporate governance. By leveraging the synergistic effects and competitive advantages of our business units, we aim at enhancing sustainability, improving operational performance, and creating maximum benefits for our shareholders and society.

Chairman, William Peng



1.3 Overview of CMT

1. About Chinese Maritime Transport Ltd. (CMT)

Chinese Maritime Transport Ltd. (CMT) operates bulk carriers and inland container transportation and terminals. We are a reliable partner in the global commodities supply chain for major international traders and miners as well as landside container service providers to global shipping lines. With full efficiency, expertise, reliability, superior customer service, and a commitment to community and environment, CMT provides an extensive range of transport solutions.

Listed on the Taiwan Stock Exchange (Stock Code: 2612) in 1994, CMT owns and operates a fleet of Capesize bulk carriers through Singapore and Hong Kong subsidiaries. The subsidiaries operate land transportation, container logistics and commercial vehicle sales. Among them, Associated Transport Inc. specializing in container services is the largest container services provider in Taiwan, while CMT Logistics Co., Ltd. operates the most renowned container terminal in northern Taiwan and Associated Group Motors Corp. is Taiwan's first company to introduce electric tractors.

Our commitment to innovation, digitization, and sustainability has made CMT an indispensable partner in supporting our clients meet their business needs.

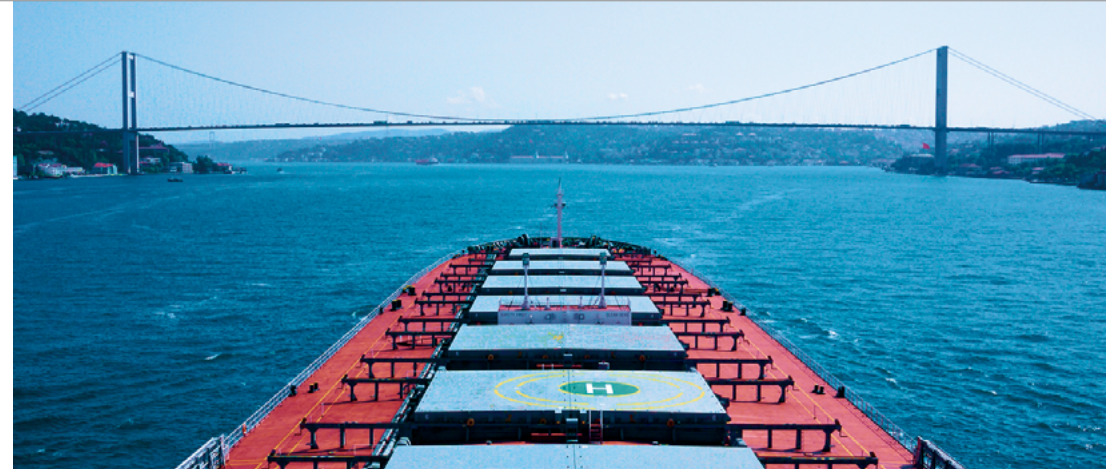
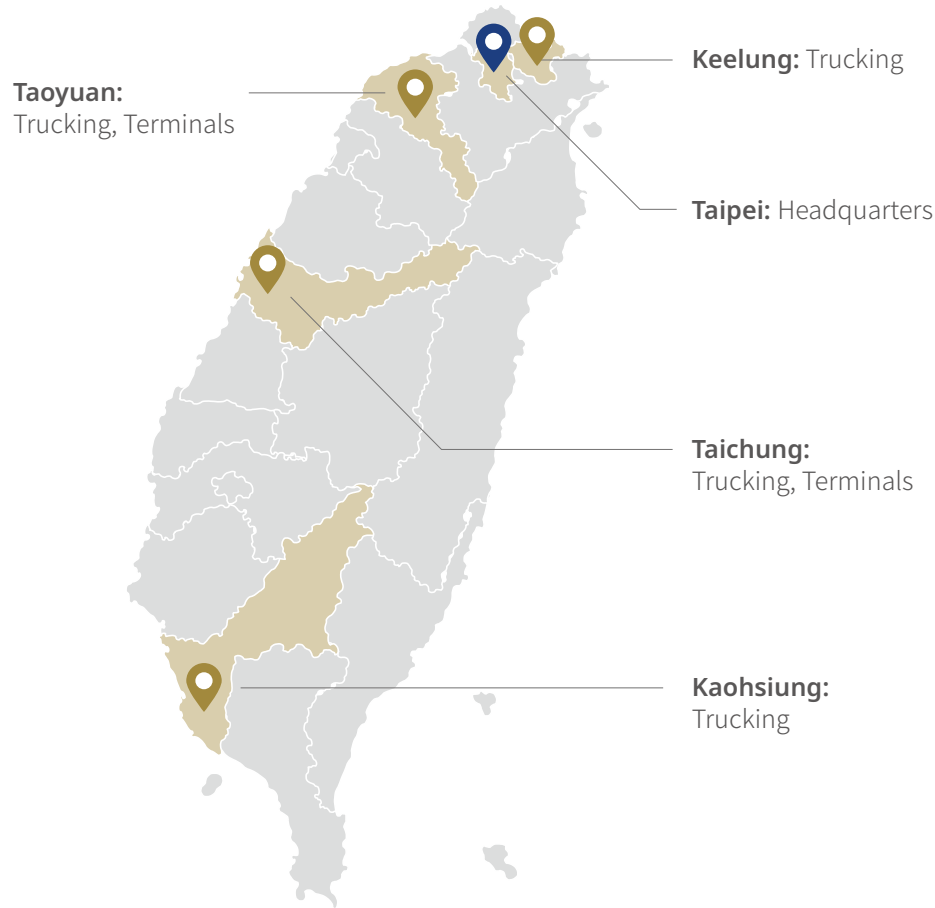
Item	Main Disclosure
Full Company Name (Chinese)	中國航運股份有限公司
English Name	Chinese Maritime Transport Ltd.
Headquarters Location	Chinese Maritime Building, 9F, No.15, JiNan Road Sec. 1, Taipei 10051, Taiwan, R.O.C.
Industry	Shipping Industry
Main Business	Shipping agency/ container terminal operators/ container truck transportation enterprise/ wholesale of motor vehicles
Date of Establishment	1978/01/31

Item	Main Disclosure
Chairman	William Peng
President	James S.C. Tai
Operating Bases	The main operating bases are located in Taiwan, including Keelung, Taipei, Taoyuan, Taichung, Kaohsiung and other places.
Number of Employees (people)	314
Stock Exchange	Listed (2612)
Capital Amount (NTD)	1,974,845,930

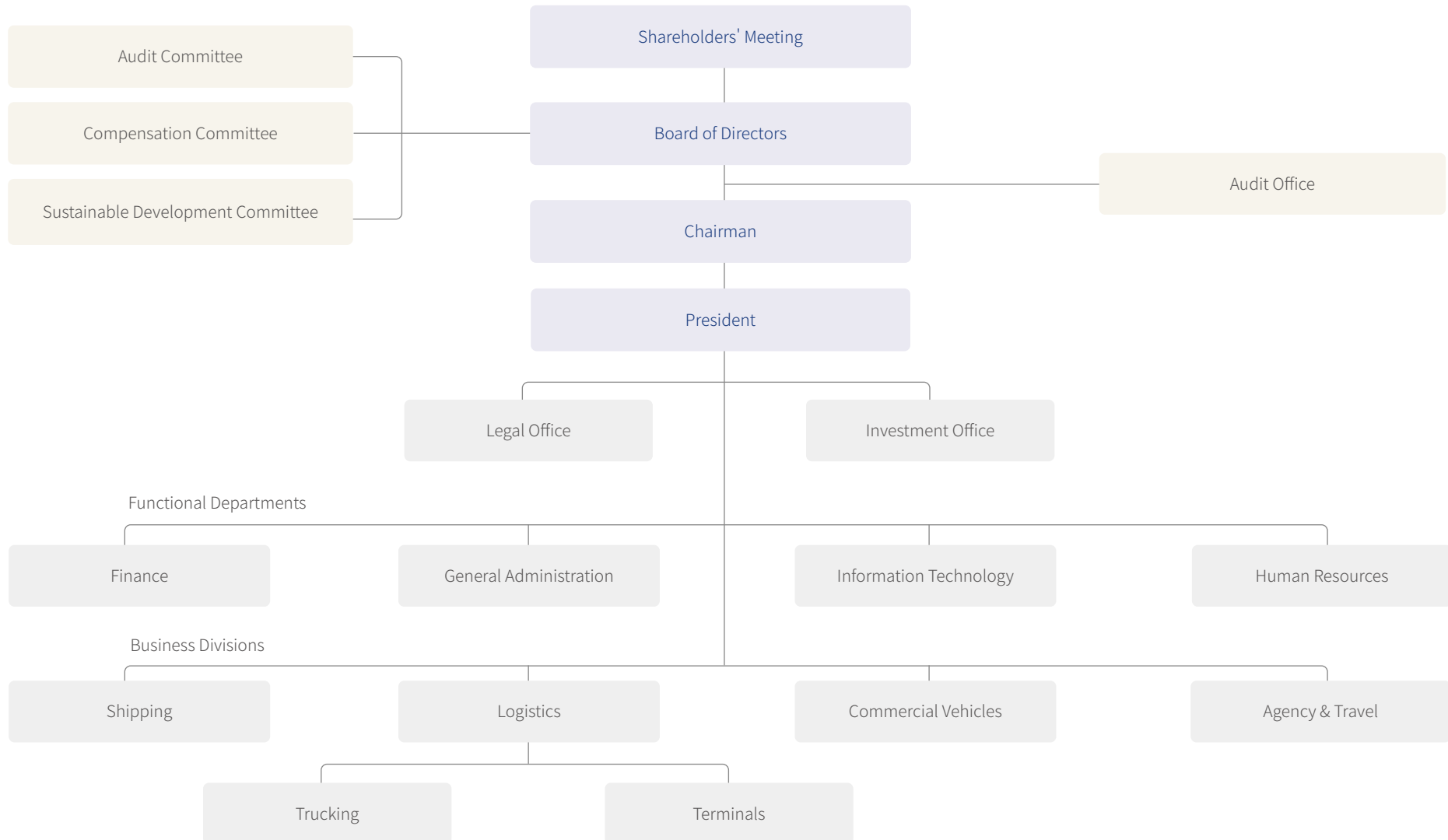
2. Main Businesses

Business Item	Name	Operating Base	Service Area	Business Operations
Shipping	Chinese Maritime Transport Ltd.	Taipei	Worldwide	<ul style="list-style-type: none"> Operates shipping agency Through overseas investment, we have established wholly-owned subsidiaries in Singapore and Hong Kong, with each subsidiary owning vessels and conducting shipping services. As of the end of 2023, we have a total of 12 vessels. Engages in the oil tanker venture with Global Energy Maritime Co., Ltd., a joint venture with CPC Corporation and U-Ming Marine, and maintains stable profits.
Logistics	CMT Logistics Co., Ltd.	Taoyuan, Taichung	Taiwan	<ul style="list-style-type: none"> Full container import and export services and storage CY/CFS services Reefer container services Container maintenance and repair services Logistics, warehousing, distribution, and management services
Trucking	Associated Transport Inc. (ATI)	Keelung, Taipei, Taoyuan, Taichung, Kaohsiung	Taiwan	<ul style="list-style-type: none"> Long- and short- haul inland container drayage Coordination of transportation for CFS and full container CY services Drayage service for shipside operation and Container movement between yards and different terminals Door to Door Service
Commercial Vehicle Sales	Associated Group Motors Corp.	Taipei, Taichung, Kaohsiung	Taiwan	<ul style="list-style-type: none"> Sales of commercial tractors Sales of auto parts Vehicle maintenance services
Agency & Travel	Taipei Branch, Chinese Maritime Transport Ltd.	Taipei	Cities in the Middle East, Africa, Europe, and Asia	<ul style="list-style-type: none"> Sales agent for Saudi Arabian Airlines Air cargo and passenger agency services Travel planning and reservation services for individual and group travel packages

3. Main Operating Bases in Taiwan



4. Organizational Structure



5. Initiatives and Public Participation

CMT Group actively participates in various industry-related public associations in Taiwan to learn about current industry trends and policies through these organizations and exchanges as well as shares practical experience and professional knowledge with other peers. Our Group will continue to uphold a spirit of ongoing refinement and consistently enhancing our capabilities and competitiveness. The public associations our group has participated in in recent years are listed in the following table.

Industry Associations, Other Membership Organizations, and National or International Advocacy Groups	Membership	Industry Associations, Other Membership Organizations, and National or International Advocacy Groups	Membership
Association of Shipping Services, R.O.C.	Director	Taiwan Truck Cargo Transportation Association	Member
Technical Committee, CR Classification Society	Technical committee member	BIMCO	Member
Classification Society (CR)	Board member	INTERCARGO	Member
China Maritime Institute	Director	RightShip	Member
American Bureau of Shipping	Member	Association of Cubs Industry, Taoyuan City	Member
American Bureau of Shipping Taiwan, Co., Ltd.	Technical committee member	Container Terminal & Transport Association, R.O.C.	Director, supervisor
National Association of Chinese Shipowners	Member	Taipei Freight Transport Trade Association (CMT)	Director
Taipei Shipowners' Association	Director/supervisor	Keelung Container Transport Business Association (Associated Transport Inc., Mao Wha Transport Ltd.)	Member
ROC National Association of Shipping Agencies	Supervisor	Taoyuan Container Transport Business Association (Pioneer Transport Ltd.)	Member
The Master Mariners' Association	Committee member	Taichung Container Transport Business Association (Prosperity Transport Ltd.)	Member
Chinese Maritime Research Institute	Director/supervisor	Kaohsiung Automobile Container Freight Transport Business Association (Huang Yune Transport Ltd.)	Member
Council of Maritime China	Member	Kaohsiung Automobile Container Freight Transport Business Association (Chang Shun Transport Ltd.)	Member
Keelung Container Transport Business Association	Member	The Motor Trader Association of R.O.C. (Taiwan)	Member
Taoyuan Container Transport Business Association	Member		
Truck Cargo Transportation Association of the R.O.C.	Member		

1.4 2023 Sustainable Results

E Environmental

- The Group launched GHG inventory plan in 2023.
- Two newly built energy-saving and eco-friendly bulk carriers that meet the IMO (International Maritime Organization) Phase 3 EEDI (Energy Efficiency Design Index) requirement were delivered.
- Implementation of hazardous material control on ships, complying with EU Ship Recycling Regulation (EU-SRR) and IMO Hong Kong Convention, and obtaining certificates issued by Classification Society.
- Installed the ballast water management system (BWMS) in accordance with the International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention) to prevent alien species from harming the port water environment.
- Installed an energy saving device for propulsion, used top-grade antifouling paint, regularly cleaned the hull, and cooperated with Classification Society on energy conservation research to improve the overall fuel efficiency of the fleet.
- Joined the eNotice platform for stock affairs to actively implement the paperless policy.
- The Logistics Department updated the forklifts, and each one can reduce carbon emissions by approximately 5,140kgCO₂.
- By using electronic SO, a total of 41,082 pieces of A4 paper were used annually, saving carbon emissions by 739.48kg/year.
- Reduced the output of plastic waste on each ship, averagely reducing as high as 50% of plastic waste.
- Trucking Department continued to purchase EU 6 tractors, electric tractors, and new operational equipment.
- Commercial Vehicle Sales Department introduced, sold, and promoted new energy tractor vehicles.

S Social

- The Group organized 6 sessions of anti-bullying and human rights awareness courses for supervisory and grassroots employees.
- The percentage of female supervisors at or above assistant manager level in our group is 26.9%.
- CMT held 4 labor-management meetings, with labor and management representatives accounting for 50% each.
- Conducted the annual performance appraisal on all employees of the Group, and the attainment rate reached 100%.
- A total of 539 person-times participated in the occupational safety and health training of the Group in 2023.
- Employee physical checkups were conducted in 2023, and the cost for each checkup was NT\$ 3,000, all covered by the company.
- The Taipei Headquarters obtained the Badge of Accredited Healthy Workplace.
- CMT supported the National Taiwan Ocean University Scholarship. Our scholarships to 16 students totaled NT\$ 320,000.
- Our group is a long-time supporter of Weici Charity Foundation, Cheng Hsin General Hospital, and education foundations to support public welfare activities. In 2023, the Group's cumulative donation amount reached NT\$ 3.5million. We also provided free meals to an estimated 1,600 people at Taipei City's Zhongzheng Social Welfare Center.

G Governance

- Established the Sustainable Development Committee in 2023.
- Board members received a total of 45 hours of training.
- The overall results of the board of directors' performance appraisal were good.
- In 2023, a newly appointed director completed training on integrity management and insider trading prevention.
- There were no legal cases related to anti-competitive practices, anti-trust, or monopolistic behaviors in 2023.
- No incidents of fines or penalties imposed by regulatory authorities due to major violations occurred in 2023.
- A total of 91 current employees participated in integrity management training courses.
- New employees signed the "Integrity Pledge", "Confidentiality Agreement", and "Information Security and Data Monitoring Management Consent Form", achieving a 100% compliance rate.
- There were no unqualified suppliers in the supplier evaluation.
- The services and products provided by the Group are all certified for safety standards or international management system standards.
- CMT, Trucking Department, and Commercial Vehicle Sales Department have all passed the ISO 9001:2015 standards.
- The Terminals Department obtained the AEO-Authorized Economic Operator Certificate.

Sustainable Development Goals (SDGs)



SDG3
Good health and well-being

5-4 Occupational Safety and Health
(Including Health Promotion)
5-5 Ship Safety



SDG8
Decent work and economic growth

5-2 Compensation and Benefits



SDG16
Peace, Justice, and Strong Institutions

3-2 Integrity Management



SDG4
Quality Education

5-3 Talent Cultivation
5-7 Social Prosperity



SDG12
Responsible consumption and production

3-6 Service and Product Quality Management



SDG17
Partnerships for the goals

3-5 Supply Chain Management



SDG5
Gender equality

5-6 Human Rights



SDG13
Climate Action

4-1 Climate Policy



SDG6
Clean Water and Sanitation

4-4 Water Resources Management



SDG14
Life Below Water

4-6 Biodiversity Management

Material Topics and Stakeholder Engagement

2.1 Stakeholder Engagement

2.2 Identification and Results of Material Topics



2.1 Stakeholder Engagement

CMT Group referred to the stakeholders of GRI Standards and ranked them based on the total scores of actual negative impacts, potential negative impacts, actual positive impacts, and potential positive impacts evaluated by external experts. Stakeholders with a total score greater than 10 points were identified as major stakeholders for our Group in 2023.

After discussions between external experts and the Group’s management, the six major stakeholders identified for the reporting period included “Employees and other workers”, “the Government”, “Shareholders and other investors”, “Suppliers (vendors, outsourcers, and contractors)”, Rating agencies and external verification entities”, and “Customers”.

Stakeholder Communication					
Stakeholder	Significance to the Group	Topic of Concerns	Communication Channels		2023 Effectiveness of Communication
Government	The Group strictly adheres to government laws and regulations and regularly review and track regulatory changes to ensure legal and compliant operations. In addition, we also actively engage in and support various programs promoted by the government.	<ul style="list-style-type: none"> Energy Emissions Waste Employment Labor/Management Relations Occupational Safety and Health Ship Safety Customer Health and Safety 	<ul style="list-style-type: none"> Official documents Regulatory and policy promotion meetings, briefings, or seminars Compliance Container yard -based Customs inspectors AEO application platform 	<ul style="list-style-type: none"> Occasionally Occasionally Regular regulatory review Instantly Once a year 	<ul style="list-style-type: none"> The Group did not have major violations of laws and regulations in 2023. The Group complies with laws and regulations and submits fire safety reports, risk assessment and other relevant documentation regularly. The Headquarters office obtained the Badge of Accredited Healthy Workplace The Terminals Department conducts independent monthly monitoring for red imported fire ants to prevent them from spreading through container movements and impacting the environment. During December, 2023, the Terminals Department underwent an inspection by the Environmental Protection Agency for Self-Management Mark for Clean Emissions from Construction Equipment. A total of 27 units were inspected, 26 were with gold mark and 1 with silver label.
Stakeholders and other investors	The shareholders and investors are essential to our operations and sustainable development. CMT treats its shareholders and other investors in a fair manner and provides information with integrity and transparency.	<ul style="list-style-type: none"> Economic Performance Anti-corruption Business Ethics 	<ul style="list-style-type: none"> Shareholders’ meetings Shareholder and investor hotline/mailbox Investor conference Official website investor relations announcement Market Observation Post System (MOPS) Financial reports Annual reports 	<ul style="list-style-type: none"> Once a year Instantly Once a quarter Instantly Instantly Once a quarter Once a year 	<ul style="list-style-type: none"> CMT held 1 shareholders’ meeting. CMT holds an investor conference every quarter, and a total of 4 online investor conferences were held to allow investors to understand the company’s operational status. CMT released 34 items of Material Information on MOPS. CMT releases the financial statement every quarter. CMT releases the consolidated revenue every month. Announce CMT’s Chinese and English versions of shareholders’ meeting handbook, annual reports, and minutes of proceedings for investors’ reference.

Stakeholder Communication

Stakeholder	Significance to the Group	Topic of Concerns	Communication Channels	2023 Effectiveness of Communication	
Suppliers (vendors, outsourcers, and contractors)	To fulfill its corporate social responsibility, the Group carefully selects upstream and downstream vendors to ensure the services provided do not negatively impact the environment or society. We strive to create a positive impact and develop a sustainable supply chain. Excellent suppliers can provide products or services that meet our value standards, which can help with the sustainable management of the company.	<ul style="list-style-type: none"> Supplier Environmental Assessment Supplier Social Assessment Occupational Safety and Health Employee Health and Safety Management Incident and Safety Management 	<ul style="list-style-type: none"> Supplier evaluation Visits Audits 	<ul style="list-style-type: none"> Once a year Occasionally Occasionally 	<ul style="list-style-type: none"> Conduct regular evaluation on a yearly basis and continue to have exchanges with supplier partners. Establish long-term cooperation with excellent suppliers based on supplier selection results. In 2023, a total of 83 suppliers were evaluated, all of which met the company's standards. Suppliers are required to commit to compliance with sustainability and environmental regulations and international standards as stipulated in the contract. When necessary, they must sign a contract organization agreement or environmental, health and safety responsibility declarations in accordance with environmental safety regulations and occupational safety and health laws.
Rating agencies and external verification entities	The evaluation results from rating agencies can help stakeholders gain an intuitive understanding of our management performance. We are dedicated to maintaining high governance quality and ensure the validity of certifications. Moreover, high scores in environmental, human rights, and governance aspects for our fleet positively impact the development of our ship leasing business.	<ul style="list-style-type: none"> Energy Emissions Waste Water and Effluents Ecological Impact Employment Labor/Management Relations Forced and Compulsory Labor Occupational Safety and Health Ship Safety 	<ul style="list-style-type: none"> Email Rating agency platform On-site inspection 	<ul style="list-style-type: none"> Occasionally Occasionally Once a year for some ships 	<ul style="list-style-type: none"> Corporate governance evaluation When the rating agencies ask for explanation, we respond promptly to maintain smooth communication and ensure a high rating. The following is the audit status of the company's inspection agencies: <ol style="list-style-type: none"> Lloyd's Register (LR): Once a year ISO: Audit once a year and verify every three years. The Group currently maintains the validity of three ISO 9001:2015 certificates. AEO: Self-inspection is conducted once a year, and currently, the Group's certificate remains valid. Each ship has a safety management certificate.☒

Stakeholder Communication

Stakeholder	Significance to the Group	Topic of Concerns	Communication Channels	2023 Effectiveness of Communication	
Customers	Our group strives to understand and address customer expectations by fully meeting their transportation requirements. We also formulate and implement strategies and plans effectively to ensure that we become the most reliable long-term partner for our customers.	<ul style="list-style-type: none"> Product Specifications Product Specifications Safety of Product Transportation Customer Service Quality Customer Privacy 	<ul style="list-style-type: none"> Telephone interview/response to service request Email Company website business information announcement In-person visit Invite customers to visit for guidance Establish the Customer Service Section, Maritime Business and Ship Management Section Customer satisfaction survey 	<ul style="list-style-type: none"> Instantly Instantly Occasionally Occasionally Instantly Daily Once a year 	<ul style="list-style-type: none"> Charterers (clients) have rated our fleet and operational efficiency very positively and are highly likely to maintain a long-term partnership. We have a dedicated department for customer service to conduct regular customer care calls and maintain communication to ensure high-quality service and earn client trust. Issues reported by customers are compiled by the internal service department and communicated to the company or suppliers for improvements. The Trucking Department has established vehicle safety standards to ensure the safety of the transportation services.
Employees and other workers	Employees are an indispensable part of the company's operations and development, and are a crucial component of the corporate culture. Internally, they influence the organizational atmosphere and efficiency, while externally, they represent the company's reputation and image. Our group values employee rights, focuses on enhancing employee competencies, and ensures harmonious labor relations through smooth communication channels so as to work together with our employees for a brighter future of the company.	<ul style="list-style-type: none"> Employment Labor/Management Relations Occupational Safety and Health Employee Health and Safety Incident and Safety Management Training and Education Diversity and Equal Opportunity Non-discrimination Forced and Compulsory Labor 	<ul style="list-style-type: none"> Labor-management meeting Human resources email Sexual harassment complaint hotline and email Occupational safety and health meeting Internal and external education and training Annual appraisal and employee interview communication Human resources contact information on the company website Free health check-ups for employees 	<ul style="list-style-type: none"> Once a quarter Instantly Instantly Once a quarter Occasionally Once a year Instantly Once a year 	<ul style="list-style-type: none"> In 2023, CMT held 4 labor-management meetings and occupational safety and health meetings. Established a standard procedure for handling complaints related to workplace misconduct to ensure a friendly work environment for all employees. Education and training: A total of 2,253 person-times participated in internal and external courses in 2023, with a total of 4,642 hours. CMT issued 4 important announcements in 2023, including 27 personnel announcements, 2 Welfare Committee announcements, and 7 education and training course announcements. Provided education and childcare subsidies to employees with school-age children under 12 years old. Provided non-statutory employee care programs through the Welfare Committee, such as employee travel, various festival allowances, health check-ups, etc.

2.2 Identification and Results of Material Topics

1. Identification Process of Material Topics

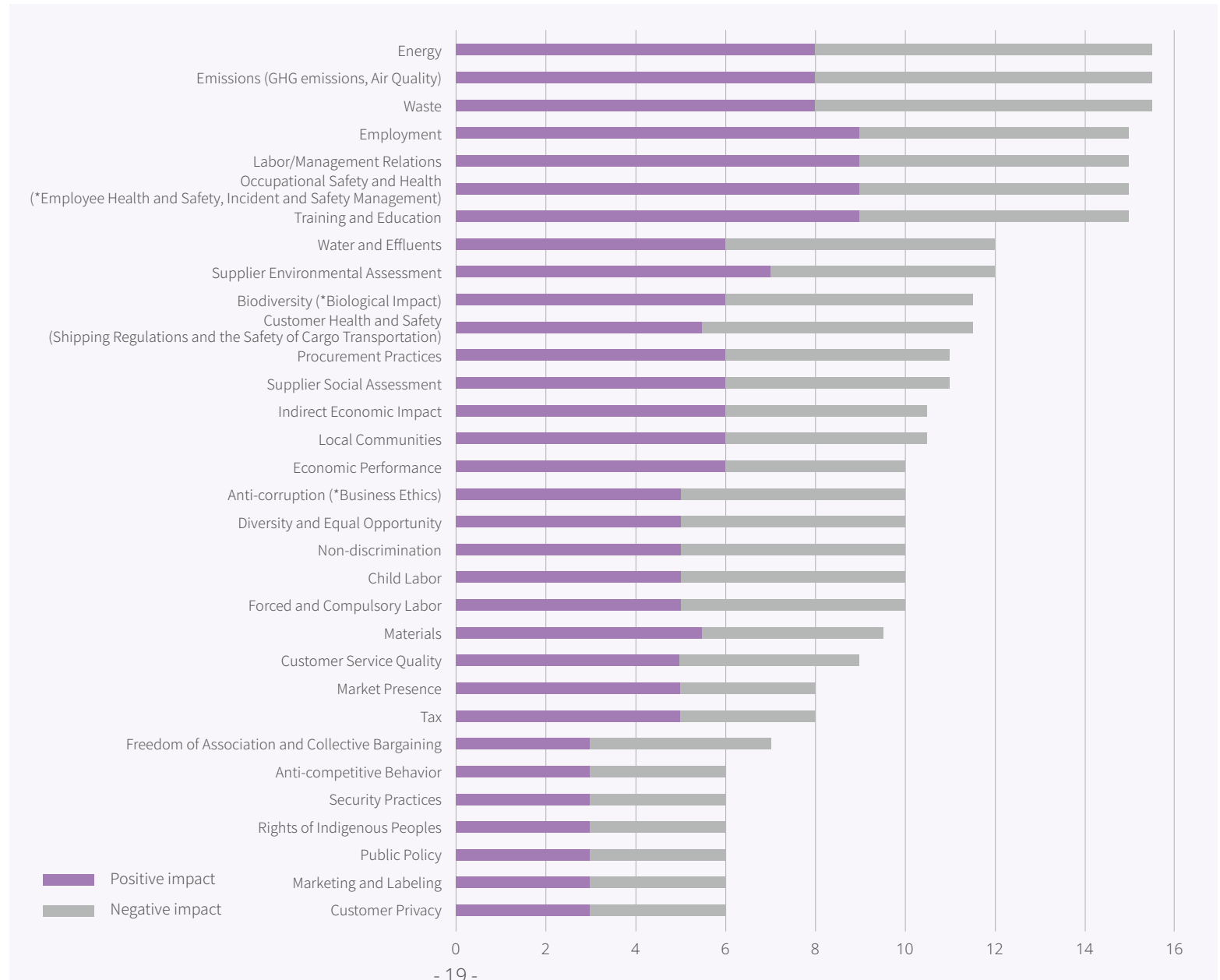
CMT Group identified the material topics for 2023 through the analysis of the Group’s operating activities, business relationships, and sustainability framework. In accordance with the management of GRI 3 Material Topics, we will effectively address stakeholders’ concerns.

To ensure the content of the Sustainability Report meets the needs of the stakeholders, we have adopted four major steps, namely “Understand the organization’s context”, “Identify actual and potential sustainability topics”, “Assess the significance of the impacts”, and “Disclosures on sustainability topics”. Through these steps, we gain a deep understanding of the potential positive and negative impacts of our operations, allowing us to establish management approaches, including measures to prevent and mitigate negative impacts or actively create positive contributions. The four steps of the overall material topic assessment process are detailed as follows.



2. Results of Material Topics Identification

Based on the four major steps, we identified 9 topics out of the 32 sustainability topics in 2023, including Energy, Emissions (GHG Emissions) (Air Quality), Waste, Employment, Labor-management Relations, Training and Education, Occupational Safety and Health (Employee Health and Safety, Incident and Safety Management), Ship Safety, Customer Health and Safety (Shipping Regulations and the Safety of Cargo Transportation), which were summarized into five material topics: Environmental Sustainability, Employee Sustainability, Occupational Safety and Health, Ship Safety, Services and Product Quality Management. Please see the list of material topics and each chapter for detailed management approaches.



3. Material Topics Management

3.1 Impact of Material Topics and Value Chain Relationship

Material Topic	Value Chain Boundaries						
	CMT Group	Employees	The Government	Shareholders and other investors	Suppliers (vendors, outsourcers, and contractors)	Rating agencies and external verification entities	Customers
Environmental Sustainability	●		○	○	○	○	○
Employee Sustainability	●	●					
Occupational Safety and Health	●	●	○		○	○	○
Ship Safety	●	●	○	○	●	●	●
Service and Product Quality Management	●			○		○	●

● Direct impact ○ Indirect impact



3.2 Description of Material Topics and Management Approaches

ESG- Environmental					
Material Topic	Corresponding sustainability standards (topics)	Impact on and Significance to the Group	Management Approaches and Policies	Metrics and Results	Corresponding Chapters
Environmental Sustainability	<ul style="list-style-type: none"> GRI302 Energy GRI305 Emission GRI306 Waste SASB GHG Emissions SASB Air Quality 	Climate change has become the most important environmental and economic issue. Reducing of energy consumption and costs and lowering carbon emissions are not only closely related to environmental protection but also factors that can impact the corporate image.	<ul style="list-style-type: none"> Introduce GHG inventory and calculation of energy consumption and emission data to control or carry out reduction measures. Ensure the company's compliance with international conventions and government laws and regulations. 	<ul style="list-style-type: none"> Introduce ISO 14064: 2018 GHG emission verification. Complete verification of Energy Efficiency Existing Index (EEXI). 	4. Environmental Protection Actions
ESG- Social					
Employee Sustainability	<ul style="list-style-type: none"> GRI 401 Employment GRI 402 Labor/ Management Relations GRI 404 Training and Education 	Employees are the most important assets of the Group and have a significant impact on the company. A good management mechanism can help attract and retain talents and enhance corporate competitiveness and operating efficiently. It can further promote the sustainable corporate development and social value creation.	<ul style="list-style-type: none"> Establish and implement human rights policies to ensure employees' labor rights and interests. Promote labor-management communication through regular labor-management meetings. Provide diverse educational training or subsidies to strengthen employees' skills. 	<ul style="list-style-type: none"> There were no penalties due to major labor incidents or inspections this year. 	5. A Friendly Workplace and Mutual Prosperity
Occupational Safety and Health	<ul style="list-style-type: none"> GRI 403 Occupational Health and Safety SASB Employee Health and Safety SASB Incident and Safety Management SASB Accident & Safety Management 	Employees are an indispensable main force of the company's operations. The Group is dedicated to creating a zero-disaster working environment to protect the safety and health of workers, thereby improving their work efficiency, taking the responsibility of caring for employees, and reaching sustainable development. Meanwhile, we also reduce the risks of the occurrence of occupational safety incidents to avoid being sanctioned by competent authorities.	<ul style="list-style-type: none"> Conduct education and training on a regular or occasional basis to improve safety awareness among employees. Continue to strengthen safety management in the working environment. 	<ul style="list-style-type: none"> The Company had no significant occupational injuries or illness reported this year. 	5. A Friendly Workplace and Mutual Prosperity
Ship Safety	<ul style="list-style-type: none"> GRI Custom Theme 	Ship safety can directly impact the safety and health of the crew members, the smooth and timely transport of bulk cargo, and environmental protection. The Group needs to oversee these aspects to ensure safe vessel operation, reduce risks, and maintain the great service quality and reputation.	<ul style="list-style-type: none"> Conduct external audit reviews on a regular basis. Conduct management review meetings on a regular basis. 	<ul style="list-style-type: none"> There were no significant vessel breakdowns or industrial safety incidents this year. 	5. A Friendly Workplace and Mutual Prosperity
ESG- Governance					
Service and Product Quality Management	<ul style="list-style-type: none"> GRI 416 Customer Health and Safety 	The operations of the Group, including maritime shipping, land transportation, terminal, and automotive sales, must comply with customer expectations and regulatory requirements to ensure the safe management and delivery of goods to prevent risks during storage and transport that could cause negative impact on the corporate image.	<ul style="list-style-type: none"> Establish an internal control system and ensure the effective implementation of it. Regular inspections of machinery and equipment are conducted to ensure compliance with relevant safety standards. 	<ul style="list-style-type: none"> There were no significant breaches of client regulations or legal requirements this year. 	3. Sustainable Governance

Sustainable Governance

3.1 Governance Structure of CMT

3.2 Ethical Management

3.3 Tax Management

3.4 Risk Management

3.5 Supply Chain Management

3.6 Service and Product Quality Management

3.7 Operating Results



3.1 Governance Structure of CMT

1. Board of Directors

1.1 Organization and Operations

The Board of Directors of CMT serves as the highest governance unit of the Company and attaches great importance to efficiency, diversity and professionalism. According to the provisions of the Company's Corporate Governance Best Practice Principles, board members shall possess professional abilities, including operational judgement, accounting and financial analysis, business management, crisis management, industry knowledge, global market perspective, leadership, and decision-making to ensure effective operations of the board of directors.

In accordance with the Company Act and the Articles of Incorporation of CMT, the board should consist of five to nine members, with no fewer than three independent directors. The election of directors follows a candidate nomination process. In

May 2022, a total of nine members of the 17th board of directors were elected in the shareholders' meeting in accordance with the law, including three independent directors, with a term of three years (2022/05/12~2025/05/11).

CMT board of directors meets every quarter to review matters submitted to the board. In 2023, the board of directors held four board meetings (the average attendance rate of directors was 94%) and deliberated on 20 cases. Each board meeting includes a follow-up report on the resolutions from the previous meeting. If any issues are not concluded, they are tracked and reported to the board in a timely manner. Major Company proposals are explained in detail by the relevant management departments based on the content. There is effective communication between the board members and the Company's management team, ensuring that the board members have a comprehensive understanding of the proposal details.

Moreover, to avoid conflict of interest, it is stipulated in Article 14 of the Procedures for Board of Directors Meeting that "The directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the Corporation, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter." In 2023, there were no incidents of directors not recusing themselves for that matter.

Please refer to the 2023 Annual Report and the website at (<https://cmt.tw/ch/board-of-directors/>) for the independence, diversity, and board attendance of CMT's Board of Directors.



1.2 Continuing Education and Training of the Board of Directors

To keep abreast of the trends of global business management and enhance corporate governance and risk response capabilities, board members are dedicated to improving their industry knowledge and corporate management experience, thereby strengthening the collective knowledge of the highest governance body through actively engagement in continuing education programs. In 2023, the board members collectively participated in 45 hours of professional development courses, with the contents covering corporate governance-related topics, including finance, risk management, business, commerce, legal issues, accounting, corporate social responsibility, and financial reporting obligations.

Course Category	Organizer	Title of Course	
<ul style="list-style-type: none"> • Corporate Governance • Sustainable Development • Information Security • AI Technology 	<ul style="list-style-type: none"> • Taiwan Corporate Governance Association • Greater China Financial and Economic Development Association • KPMG • Securities and Futures Institute • Taiwan Stock Exchange Corporation 	<ul style="list-style-type: none"> • How Should the Board of Directors Formulate ESG Sustainable Governance Strategies in 2023 • Fubon Insurance ESG and Cybersecurity Risk Management Conference • Corporate Mergers and Acquisitions Regulations and Practice- Case Study • Impact Alpha for SDGs & You • AI and Big Data: Challenges and Opportunities • ESG and Legal Compliance • 2023 Insider Trading Prevention Seminar 	<ul style="list-style-type: none"> • AI Application, Legal Issues and Auditing • New Challenge to Corporate Governance as ESG Knocking • Risks and Opportunities for business on Trends of climate change • Financial Report Evaluation for Non-financial Board Members • Protection of Trade Secrets • 2023 KPMG Leadership Forum: Business Opportunities and Challenges in the Net Zero Era

1.3 Board of Directors Performance Evaluation

To implement corporate governance, improve the functions of the board of directors, establish performance goals and strengthen the board's operating efficiency, the Company carries out evaluations of the board, board members, and the functional committees on a yearly basis. Evaluation questionnaires are used for self-assessment by board members for evaluation or by the corporate governance unit, and the assessment results are reported to the board of directors. The evaluation in 2023 included the level of participation in the Company operations, Improvement of the quality of the board of directors' decision making, Composition and structure of the board of directors, Continuing education of the directors, Legal compliance and Internal control. The overall results and individual assessment results were great, which was reported in the board meeting dated on March 14, 2024. Please see the 2023 Annual Report for detailed evaluation results.

2. Functional Committee

2.1 Audit Committee

CMT's Audit Committee was established on May 12, 2022, composed of all independent directors, and the term of office for committee members aligns with that of the independent directors. The Audit Committee convenes at least once every quarter to oversee the following items:

1. Fair presentation of the corporate financial statement;
2. The hiring (dismissal), Independence, and Performance of the certified public accountants (CPAs);
3. Effective implementation of the company's internal control;
4. Compliance with relevant laws and regulations;
5. Management of the existing and potential risks.

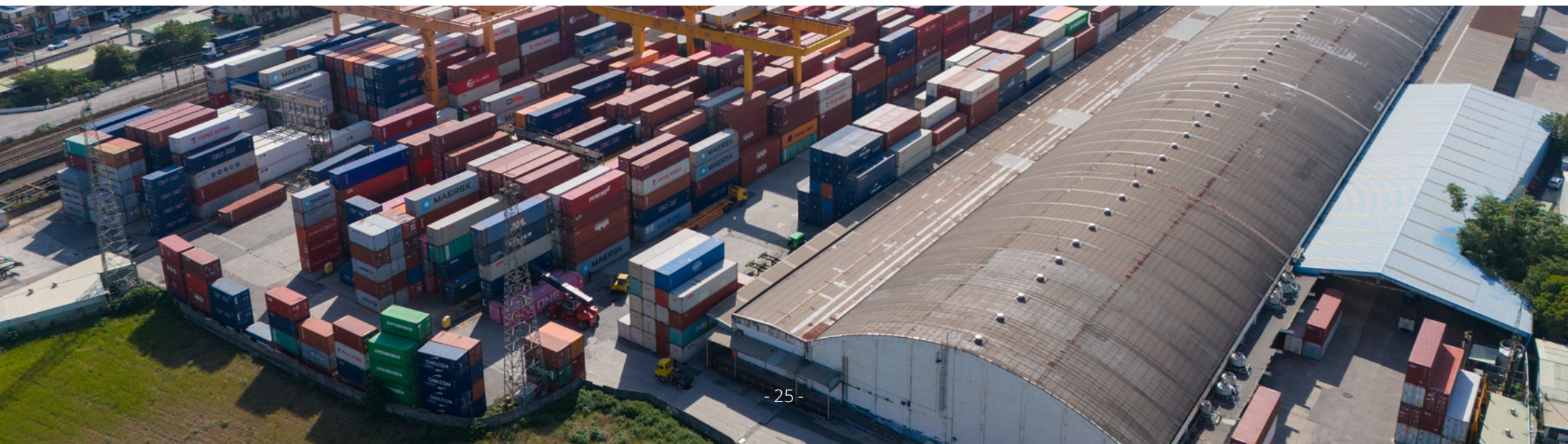
The first Audit Committee (with a term from May 12, 2022, to May 11, 2025) is composed of three members, one of whom serves as the convener. In 2023, the Committee held four meetings, with 100% attendance from all members. The discussions included individual and consolidated

financial statements, internal control effectiveness assessment and the issuance of internal control statements, the engagement and remuneration of the CPAs, as well as the anticipated non-assurance services the CPAs provide.

2.2 Compensation Committee

To improve corporate governance and strengthen the board's remuneration management functions to safeguard investor interest, the company established the Compensation Committee in 2011. The Committee convenes at least twice a year to evaluate the remuneration of directors and managers in accordance with the Compensation Committee Charter, and periodically review the performance evaluation of directors and managers, and policies, systems, standards, and structures for remuneration, which are submitted to the board of directors for discussion and reference for decision-making.

The 5th Compensation Committee (with a term from May 12, 2022, to May 11, 2025) is composed of three members appointed by the board of directors, one of whom serves as the convener. In 2023, the Committee held two meetings, with 100% attendance from all members.



Remuneration Policy for Directors and Managers

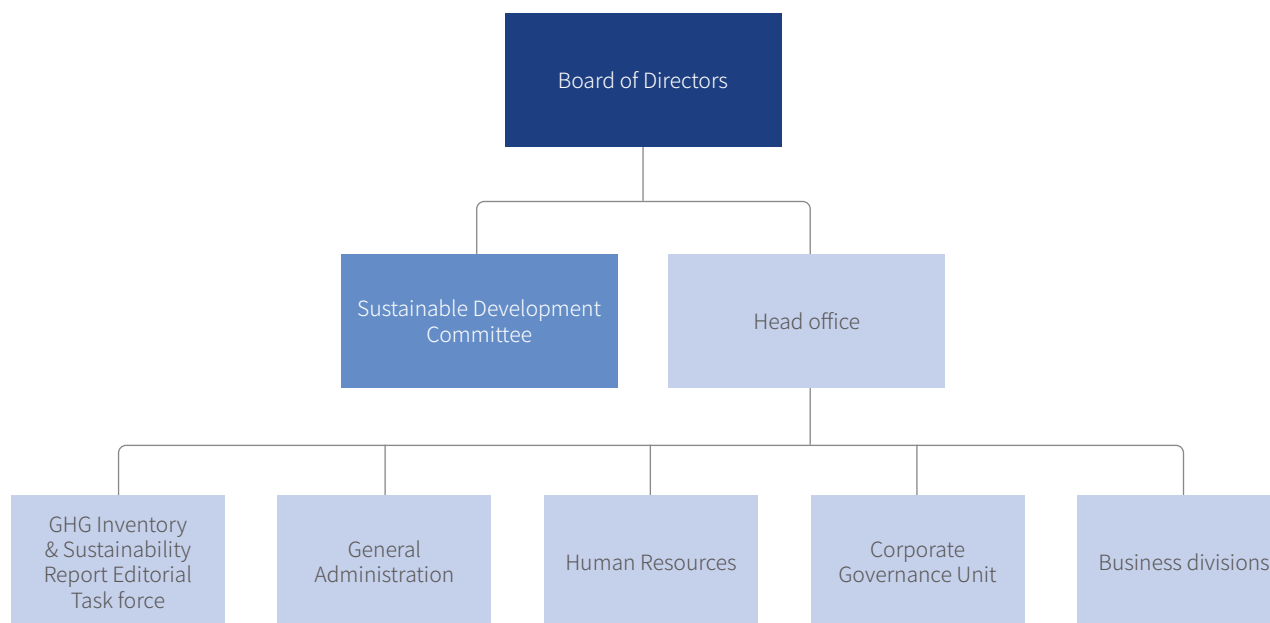
	Directors	Managers
Fixed compensation	Attendance fees for board meetings and fixed payment on a monthly basis	Receive fixed payment every month based on their professional expertise, responsibilities, and industry standards
Non-fixed compensation	It is stipulated in CMT's Articles of Incorporation that the Company shall distribute 0.5-2% of any surplus at the end of a fiscal year to employees and up to 2% to board directors. If the Company has accumulated losses, any year-end surplus is used to offset the losses. Remuneration to the president and vice president, including salary and bonuses, is determined by internal wage standards and responsibility scope, and adjusted using general wage standards.	The Company may also distribute variable performance bonuses to executive officers based on annual targets attainment status, profit, and collective and individual performance. Evaluation criteria include: <ul style="list-style-type: none"> Operational management and risk management control abilities Sales performance Implementation of and achievements in sustainable development Other special contributions Moral and ethical risks or major negative news reports

2.3 Sustainable Development Committee

To fulfill the corporate social responsibility and commit to sustainable management and development, the Company established the Sustainable Development Committee in 2023, consisting one director and two independent directors, with James S.C. Tai, the board director and president of the Company serving as the convener. The Committee convenes at least once a year, and the main responsibilities are to review sustainable development-related regulations, supervise the promotion and implementation of sustainable development-related work, and review sustainability reports.

The Head office of the Company is responsible for promoting sustainable development, with the president in charge of it, and supported by the General Administration, Human Resources, corporate governance units and various business departments.

The annual report is provided to the board of directors on the management of economic, environmental, social, and employee-related issues arising from the company's operational activities.



3.2 Ethical Management

The Company's board of directors approved and established the integrity management policies, such as the "The Ethical Corporate Management Best Practice Principles", "Code of Conduct", "Directions for the Code of Conduct", which are clearly disclosed on the company's official website. These policies outline the required code of conduct for employees to abide by when performing their duties, and the disciplinary measures for non-compliance.

The Head office of the company serves as the dedicated unit for promoting integrity in operations. Its main roles include aligning with legal regulations to ensure integrity through preventive measures, operational procedures, and behavioral guidelines, establishing oversight and counterbalancing mechanisms for business activities with higher risks of unethical behavior, assisting with policy advocacy and training, designing a whistleblowing procedure to ensure its effectiveness, supporting the board of directors and the management in monitoring and evaluation, and providing an annual report to the board of directors on the operational performance. We have established a robust accounting system and internal control system. In addition, audit plans are created according to internal risk assessment and executed accordingly. When implementing the annual audit plans, the Auditing Office includes sampling procedures to address risks of unethical behavior.

CMT actively implements the ethical policy and regularly reiterates the importance of integrity in internal meetings. Bribery and corruption are prohibited in interactions with clients, suppliers, and other stakeholders. We ensure effective communication through timely announcement of material information, strengthened internal audit procedures, and ongoing employee training.

We hold anti-corruption and ethical training for current employees on a yearly basis, and inform all Group members about regulations to prohibit insider trading and the code of conduct to ensure that they understand the required standards along with the consequences and risks of violations. In 2023, a total of 91 employees participated in either physical or on-line training. New employees have to sign the "Statement of Integrity" on their first day and complete orientation training that include information security, confidentiality, and ethical commitments while anti-corruption and anti-bribery policies are also publicized. The completion rate for new employees in 2023 reached 100%.

For our suppliers, all our supplier contracts include corporate social responsibility clauses covering ethical management and anti-corruption. We strive for consistent principles internally and externally to ensure our operations meet ethical and legal standards.

In addition, the Company also encourages employees to attend external seminars on insider trading prevention, anti-bribery, and ESG to expand relevant knowledge.

1. Regulatory Compliance

At CMT, the Corporate Governance Officer and the Legal Office assist the directors with the regulatory compliance, as well as the supervision of the regulatory compliance of all subsidiaries to ensure relevant operating activities are compliant with laws and regulations. In the risk management evaluation, a legal compliance risk control mechanism is also introduced to assist with the legal compliance risks that may be involved in businesses. Meanwhile, CMT also requires all subsidiaries to report all cases of non-compliance and penalties immediately, and the Legal Office and the Auditing Office urge subsidiaries to propose and complete improvement projects to strengthen the corporate governance system.

In 2023, the Group did not have any legal cases concerning anti-competitive behavior, anti-trust, or monopolistic practices.

In 2023, the Group was not subjected to any regulatory fines or penalties due to major violations.

2. Anti-corruption Management

CMT Group adopts a zero-tolerance policy toward corruption, prohibiting any actions that sacrifice company interests for personal gain. The company communicates and promotes anti-corruption policies through internal email notifications, official website announcements, and education and training. Based on applicable laws and regulations, the company has established an internal control system that includes Ethical Corporate Management Best Practice Principles. The effectiveness of this system is assessed and self-checked, with an additional audit conducted by the Audit Office.

To safeguard the rights and interests of shareholders, CMT has established Code of Conduct to prohibit insiders from using undisclosed information for improper gain. Upon assuming their roles, new directors and managers are informed of relevant regulations that insiders must abide by. CMT conducts internal and external educational programs at least once a year for directors, managers, and relevant personnel to prevent insider trading.

The Corporate Governance Officer also continues to take relevant courses and attended TWSE's Insider Trading Prevention Briefing in 2023 to effectively understand relevant risks and preventive measures. When a new director takes office, anti-corruption and ethical management publicity is conducted verbally or in writing (email), and relevant laws and company regulations are also provided. The contents include analysis of the constituent elements of insider trading, the scope of major insider trading information, regulatory objects, and confidentiality operations to allow the directors to understand their risks. In 2023, one new director was appointed, and the Corporate Governance Officer has completed necessary briefing for the new director.

3. Intellectual Property Rights Management

The Group adopted a revised internal control system in 2022, incorporating the management of intellectual property rights (IPR). The Audit Office conducts the audits in accordance with the internal control system. In addition, there set an internal trademark database in the company, and reviews and updates of information of equipment licenses are regularly conducted. Currently, there are 10 valid trademarks, and we will continue to expand the categories of protected products.

The Group requires its suppliers to obtain original factory certificates/license or guarantee not to infringe the rights of others when signing contracts with external suppliers. Suppliers must sign a confidentiality agreement or include confidentiality clauses in the contracts. As for the management of internal business secrets, when entering the company, employees have to sign the

Confidentiality Commitment and the Information Security and Data Monitoring and Management Consent to ensure the security of the Company data. In 2023, a total of 22 new employees within the Group signed these documents.

4. Whistleblowing Procedures

The Group actively follows domestic and international laws and regulations, and company rules and policies to safeguard the interests of internal and external stakeholders, fulfil our corporate responsibility, and prevent dishonest and illegal behavior. If anyone identifies any illegal activities that might violate company regulations, policies, or other laws, thereby risking damage to the rights and interests of themselves or others, he or she may raise concerns in accordance with CMT's "Code of Conduct", "Directions for the Code of Conduct".

Complaint email: stakeholder@agcmt.com.tw

3.3 Tax Management

The Group strictly complies with the Company Act, Securities Transaction Tax Act, Income Tax Act, Value-added and Non-value-added Business Tax Act, and other relevant tax laws. Tax matters are handled by the accounting unit of the Finance Department. All the financial reports are verified and certified by CPAs.

CMT's Tax Policy	
Principle of regulatory compliance	Comply with tax regulations and legislative spirit, correctly declare and pay tax, and prepare supporting documents.
Principle of comprehensive decision-making	Pay attention to the changes in local and international tax laws, comprehensively assess the impact, and set up response strategies.
Principle of information transparency	Regularly disclose tax information through public channels such as the financial reports and annual reports to ensure the transparency of information.
Principle of proactive communication	Maintain open and honest communication with tax collection authorities to help improve the tax environment and system.
Principle of rational tax planning	Use legal and transparent tax incentives and do not use tax planning that violates the law.
Principle of rational structuring	The corporate structure and transaction arrangements are in line with the economic substance, and special arrangements are not used for tax avoidance.
Principle of risk management	Assess relevant risks and adopt appropriate strategies when making and implementing tax decisions.
Principle of business substance	Transactions between related parties are in line with economic substance, and decision-makers bear risks and receive reasonable rewards.
Principle of normal business transactions	The prices and terms of related party transactions should be comparable to those of similar transactions between non-related parties.

Please visit our official website for relevant information in annual reports and financial reports.

Annual reports	https://cmt.tw/annual-report/
Financial reports	https://cmt.tw/financial-reports/

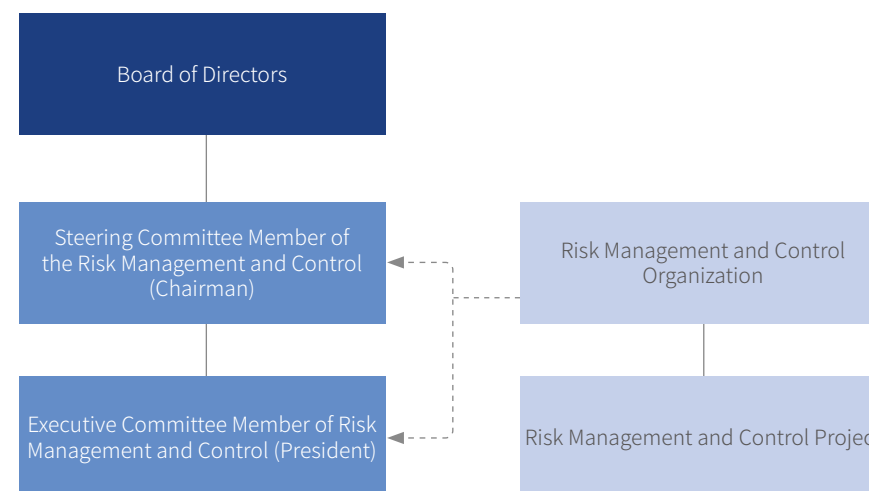
3.4 Risk Management

1. Risk Management and Control Policy

In accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, CMT's Corporate Governance Best Practice Principles, as well as the concept of ESG, supplemented by the strict implementation of the internal control system, CMT's risk management and control organization is composed of cross-departmental members and reports on its operations to the board of directors once a year. Risk management and control include Decision-making risk, Legal risk, Investment risk, Exchange rates and liquidity risk, Market risk, Operational risks in shipping, Cybersecurity risk, and Climate change risk.

CMT Board of Directors serves as the highest governance unit on risk issues, and is in charge of supervising the establishment and implementation of relevant policies. The Company also set up the Risk Management Policy, with the chairman serving as the steering committee member and the president the executive member. It is organized in a cross-departmental format to develop various risk management mechanisms. Risk management is overseen by the Audit Committee and reports on its operations to the board of directors are conducted at least once a year.

Organizational Structure of Risk Management



2. Information Security Management

The Group has established Risk Management Policy that was submitted to and approved by the board of directors, with cybersecurity risk included in the scope of risk management and control. Our Information Technology (IT) Department is in charge of cybersecurity management. In addition to regular weekly meetings, information management meetings are also held on a quarterly basis. Currently, there are an information security officer and staff member at CMT to review the information system operations of every unit and subsidiary of the Group. Cybersecurity inspections are also included in the annual audit plans and reported to the board of directors every year.

The implementation of information security management this year is detailed in the table below.

Implementation of Information Security Management	
Review firewall configuration	<ul style="list-style-type: none"> Regularly update firewall functions. As of 2023, the firewall includes features of intrusion prevention, antivirus, anti-botnet, URL filtering, and reporting.
Review network activity	<ul style="list-style-type: none"> Unauthorized software installation on internal company devices is prohibited, and external communication programs are restricted to prevent leakage of internal documents through other means. Arrange yearly social engineering drills and strengthen publicity to enhance employees' awareness of cybersecurity. Data transmissions between various liaison offices are encrypted through VPN to avoid data leakage.
Network and server security monitoring	<ul style="list-style-type: none"> Increase the system management authority account locking to avoid unauthorized access and tampering, thereby enhancing system security. In addition, the monitoring mechanism is introduced, and when the system data is modified, email notifications to administrators are immediately sent.
Establishment of host fault tolerance mechanism and off-site storage	<ul style="list-style-type: none"> Set up the real-time backup mechanism: Perform annual disaster recovery drills to ensure the real-time backup systems are functioning well. Currently, a Business Continuity Planning (BCP) process is in progress to ensure that systems can continue steady operation and maintain data integrity in the event of a disaster. Document preservation: The system automatically duplicates and backs up critical data on a regular basis.
Internal control system	<ul style="list-style-type: none"> The revised internal control system was approved in 2022, which incorporates new controls for cybersecurity inspections.

Resources Allocated to Cybersecurity Management	
Establishment of a secure network system	<ul style="list-style-type: none"> Network firewall defense and management, domain management, network topology, antivirus software management, data transmission encryption
Execution of monitoring plans	<ul style="list-style-type: none"> Real-time network and host monitoring, daily network security monitoring, weekly server security monitoring, monthly/quarterly user account and permissions monitoring on servers
Review of safety standards	<ul style="list-style-type: none"> Firewall configuration standards, router configuration standards
Backup plan	<ul style="list-style-type: none"> Establish backup management procedures and backup system maintenance plan.
Information security assessment	<ul style="list-style-type: none"> Annual assessment of current information security status and implementation of hardware and software enhancements
Talent training	<ul style="list-style-type: none"> Information security talent training
Employee information security training, and guidance	<ul style="list-style-type: none"> It is all the employee's responsibility to understand cybersecurity from types of information security incidents, information security threats and sources, potential risks in the computing environment, internet-based threats, to security risks associated with instant messaging software.

To safeguard the confidentiality, integrity, and availability of information assets and ensure business continuity, the IT Department implements various control measures to manage the likelihood and impact of cybersecurity risks to minimize potential impacts. We assess the risk levels for information processing equipment, information processing procedures, threats to information system management, and issues related to inadequate protection of system vulnerabilities. In addition, the risk impact/urgency of risk treatment/ available resources are also evaluated to determine an acceptable risk level, so as to further develop, implement, and review a risk management plan based on the evaluation to ensure effective risk handling.

3.5 Supply Chain Management

Our operational drive comes from our comprehension and response to challenges, needs, and goals of our global partners, employees, and suppliers. We are dedicated to ongoing innovation and the expansion of our service portfolio, striving to meet the diverse needs of businesses and stakeholders in the future.

1. Supply Chain



2. Supplier Management Procedures

- **New supplier selection:** Evaluation is made based on supplier quality capabilities/ delivery lead time/ operational conditions/ service team capabilities/ sustainable governance and other aspects. Cooperating trucking companies involved in container transportation must be certified according to our ISO 9001 quality management system. Suppliers must adhere to the international procurement control procedures of each company. Suppliers with environmental management and occupational health and safety management system certifications, or have excellent corporate governance evaluation results will be prioritized in the selection process.
- **Supplier commitment:** Contracts between the Company and the supplier should be based on mutual trust and benefit. The contracts should include provisions on labor rights, occupational health and safety, environmental sustainability, and a pledge for ethical business practices. Any form of bribery, corruption, or other illegal or inappropriate business conduct is strictly forbidden. The supplier must respect and protect intellectual property rights to uphold fair trade practices.
- **Supplier evaluation:** Each company will conduct annual assessments of suppliers/ subcontractors based on their established assessment criteria. Suppliers will be selected based on these evaluations to ensure that the quality, delivery schedules, and services provided meet the Company's standards. Suppliers with poor ratings will face procurement suspension or disqualification from being a certified supplier.

3. Supplier Evaluation

The Group carries out supplier evaluation on a yearly basis and may also conduct intermittent audits as required. Evaluation methods depend on the supplier's nature and include self-assessment surveys and evaluation forms filled out by the requesting unit. Evaluations are conducted on the following aspects and issues.



Environmental aspect

Management of waste generation, management of energy and water conservation information, and records of environmental violations;



Social aspect

Assessment of labor conditions, provision of labor education and training, protests, discrimination and harassment cases;



Economic aspect

Suppliers' financial status, supply quality, delivery lead time for stock, price competitiveness, and coordination effectiveness;

Evaluation ratings are divided into three categories: 80 points and more (Excellent Suppliers), 60-79 points (Qualified Suppliers), and 60 points and lower (Non-qualified Suppliers).

Suppliers' compliance with our Group's evaluation criteria, as well as their performance in areas such as environmental sustainability, quality enhancement, cost reduction, and delivery reliability will be key factors in future procurement decisions.

Suppliers must conform to each company's internal procurement control procedures. Those with environmental management and occupational health and safety management system certifications, or have excellent corporate governance evaluation results will be prioritized in the selection process.

The Group requires suppliers with low scores to take corrective actions. If these suppliers continue to fall short of the required standards, the company will cease procurement from them or cancel their qualified supplier status.

Implementation status of supplier evaluation in 2023

In 2023, our Group continued to promote and incorporate corporate social responsibility (CSR) clauses in contracts with suppliers, including aspects of confidentiality, intellectual property protection, ethical business practices, labor rights, occupational health and safety, environmental sustainability, and non-sanctioned status.

This year, 80% of the supplier evaluations were sampled, with all achieving top performance ratings. No suppliers were discontinued or had their cooperation with the company terminated due to the evaluations.

3.6 Service and Product Quality Management

The Group has always emphasized the importance of service and product equality, strictly adhering to legal and international standards. Through the establishment of internal control systems and rigorous management, we work to reduce potential risks, safeguard the best interests of our customers and partners, uphold our company's reputation, and promote sustainable development.

Services and Products	Strategies	Results
Shipping Agency	<ol style="list-style-type: none"> 1. Ship availability reaches 85% and higher throughout the year; 2. The off-hire time due to failure of mechanical equipment is less than 7 days; 3. Zero ship detention; 4. Zero occurrence of pollution incidents; 5. Customer satisfaction reaches 27 points and higher. 	<ol style="list-style-type: none"> 1. The ship availability rate achieved 95% and higher throughout the year; 2. The off-hire time due to failure of mechanical equipment was less than 1 day; 3. Zero ship detention; 4. Zero occurrence of pollution incidents; 5. Customer satisfaction reached 40 points (out of 45 points).
Container Freight Station	<p>Short-term goal</p> <ol style="list-style-type: none"> 1. Ensure that relevant employees receive necessary safety training and education and understand safety procedures and operating standards. 2. Establish regular safety monitoring and inspection mechanisms to ensure safe operation of facilities and equipment. 3. Develop an emergency response plan. <p>Medium-term Goal</p> <ol style="list-style-type: none"> 1. Increase employees' attention to safety and encourage them to actively participate in safety management and improvement. 2. Establish a continuous improvement mechanism to regularly evaluate the effectiveness of safety management measures. 3. Comply with relevant laws, regulations, and standards to ensure the container loading, unloading, and storage process all meet safety requirements. <p>Long-term goal</p> <ol style="list-style-type: none"> 1. Introduce advanced monitoring and safety technologies to improve safety and efficiency of containers, cargo handling, and storage process. 2. Continuously improve employees' safety awareness and professional skills to cope with the increasingly complex freight environment. 	<ol style="list-style-type: none"> 1. Machinery operators received relevant safety training and education and obtained technical certificates: 100% compliant. 2. Monthly evaluation of employee work quality: 100% implementation. 3. Monthly/daily machine tool operation inspection: 100% implemented. 4. Customer feedback: No feedback. 5. Daily inspection of dangerous containers: 100% implemented. 6. An emergency response plan has been formulated, covering measures for various scenarios such as windstorms, floods, earthquakes, fires, hazardous material leaks, smuggling, theft, traffic incidents, cargo handling anomalies, unauthorized access, and intrusions into the workplace. Emergency drills are conducted every six months with the self-defense group, incorporating relevant scenarios from the response plan into the drills. 7. Incident investigation and cause analysis: The Container Department has completed investigations and cause analyses for 9 incidents, while the Warehousing Department completed those for 6 incidents.

Services and Products	Strategies	Results
Trucking	<p>Short-term Plan</p> <ol style="list-style-type: none"> To provide better container transportation services, our Group continues to implement a replacement plan to introduce the latest EU 6 tractors to replace old diesel ones. This plan is designated to strengthen organizational management and improve efficiency. In addition, we also plan to incorporate electric tractors to establish an electric vehicle fleet. To improve the efficiency of inland transportation operations and reduce the rising costs of business, we are adjusting some business strategies, revitalizing company talent, and continuously developing and implementing various plans. <p>Long-term Plan</p> <p>In addition to providing more comprehensive services through the integration of warehousing and logistics operations with affiliated companies, we also develop an online platform with an aim to facilitate collaboration within the industry, balance market supply and demand, and shift the competitive dynamics between industry peers and clients.</p>	<p>We are committed to providing safe and timely service quality, and have adopted digital operations and an eco-friendly fleet that has increasingly gained market recognition. After the stabilization of our customer base, we will adjust our services gradually in accordance with our customer requirements.</p>
Commercial Vehicles	<ol style="list-style-type: none"> We have introduced 35-ton EU 6 tractors to provide customers with high cost-performance value and enhanced safety. In the future, we will continue to introduce 18.5-ton medium-duty trucks and 26-ton heavy-duty trucks, delivering high-quality and low-emission vehicles to meet market demands. Our ultimate goal is to shift to fully electric vehicles in order to meet the country's net-zero emission policy. 	<p>All the vehicles sold have passed the safety certification of the Vehicle Safety Certification Center (VSCC) and the Automotive Research & Testing Center (ARTC) and comply with the requirements of various traffic regulatory requirements. All vehicles are equipped with the highest safety standards, ensuring that all vehicles sold offer the highest level of protection while in use. In addition to fulfilling the repair tasks requested by the customer, the maintenance unit is required to proactively inspect other components and check for potential issues. The vehicle can only be handed over after the plant manager performs a final check and confirms that the vehicle is in proper working condition.</p>

Mr. John Y.K. Peng, honorary chairman of CMT, had an early insight into the future global vehicle electrification trend. In 1997, he actively participated in the electric commercial vehicle project with Beijing Institute of Technology, becoming the first Taiwanese businessman to invest in the development and manufacturing of electric commercial vehicles.



Statistics on the Group's services and products that have obtained safety certification and international management system projects

Name of product or service	Safety Regulations/ International Management System Certification	Proportion of products or services customers have evaluated (%)
Capesize bulk fleet management and bulk cargo transportation	<ul style="list-style-type: none"> • Certified by the International Safety Management (ISM) Code, International Ship and Port Facility Security (ISPS) Code, and Maritime Labour Convention (MLC) • Passed ISO 9001:2015 certification 	100
Container terminals and bonded warehouses	<ul style="list-style-type: none"> • Authorized Economic Operator (AEO) 	100
Inland container transport services	<ul style="list-style-type: none"> • Passed ISO 9001:2015 certification 	100
35-ton Dongfeng Tractor Truck (Flagship Edition, Classic Edition)	<ul style="list-style-type: none"> • Passed ISO 9001:2015 certification • The products comply with various vehicle safety inspection standards of VSCC and ARTC 	100

Note: Percentage = (Total amount of products or services provided to customers that have been evaluated / Total amount of products and services provided to customers) * 100.

3.7 Operating Results

In 2023, CMT Group recorded consolidated revenues of NT\$4.01 billion, net operating income of NT\$374 million, and earnings per share of NT\$1.66. The major operating revenue came from Shipping, accounting for 59% of total operating revenue, followed by Trucking's 27% and Logistics' 12%; the rest came from Agency and Other Revenue.

The overall performance of the Group in the past three years is shown in the following table.

CMT Group's Three-Year Operating Performance Overview

Unit: NT\$ thousand

Item/Year	2021	2022	2023
Operating Revenue	3,553,782	4,409,999	4,014,892
Operating Cost	2,779,417	3,024,721	3,157,517
Gross Profit	774,365	1,385,278	857,375
Operating Income	353,987	929,203	374,274
Non-operating Income (Expenses)	759,013	(88,010)	58,289
Net Income (Loss) Before Tax	1,113,000	841,193	432,563
Net Income (Loss) for the Year	1,031,008	757,971	323,868
Total Comprehensive Income (Loss) for the Year	969,456	1,752,811	368,249
Earning Per Share (NT\$)	5.27	3.88	1.66

Environmental Protection Actions

4.1 Climate Policy

4.2 Energy and GHG Management

4.3 Air Pollutant Emission Management

4.4 Water Resources Management

4.5 Waste Management

4.6 Biodiversity Management



4.1 Climate Policy

1. Task Force on Climate-Related Financial Disclosures (TCFD)

The growing attention to climate change issues in the international market will have a profound impact on business operations. In response to the evolving policy requirements and sustainable development trends, CMT has conducted a thorough assessment of the opportunities and risks posed by climate change based on the framework of the Task Force on Climate-Related Financial Disclosures (TCFD). We have set phased sustainability targets and implemented relevant measures to enhance corporate resilience while fulfilling our sustainability responsibilities.



Governance — The organization's governance of climate-related risks and opportunities

Strategy — The actual and potential impacts of climate-related risks and opportunities on the organization's operations, strategy, and financial planning

Risk Management — The organization's processes for identification, assessment, and control of climate-related risks

Metrics and Objectives — Metrics and objectives established to assess and manage climate-related risks and opportunities

2. Climate Change Governance Unit

CMT Board of Directors serve as the highest governance unit of climate change risk issues and is in charge of the supervision of the establishment of relevant policies and implementation results. CMT also set up the Risk Management Policy, with the chairman serving as the steering committee member and the president the executive member. It is organized in a cross-departmental format to develop various risk management mechanisms. Risk management is overseen by the Audit Committee and reports on its operations to the board of directors are conducted at least once a year.

Climate Change Governance Process Flowchart



3. Climate Change Strategies

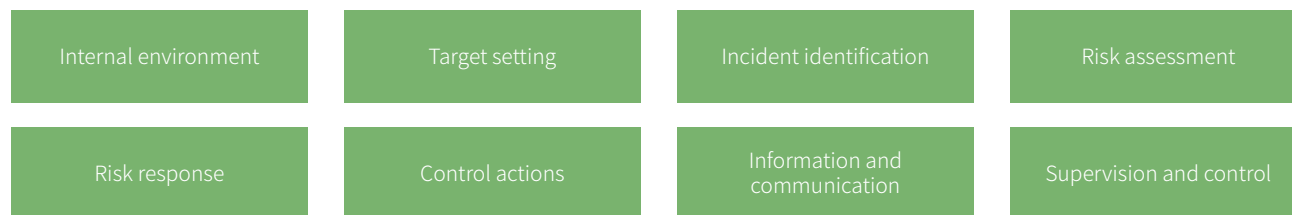
The Group has conducted an analysis of the risks and opportunities arising from climate change based on the TCFD guidelines, covering the three major businesses: maritime shipping, inland trucking and terminals. By analyzing the likelihood, impact level, and temporal scale of various risks and opportunities, and incorporating the potential financial impacts, and the risks and opportunities identified for TNC Group are as follows.

Type	Item	Description	Strategies	Potential Financial Impact
Transition Risks	Policy and Legal Risk	<p>Short- and Medium-term</p> <p>IMO Marine Environmental Protection Committee (IMO MEPC) started to implement the Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) in 2023, which will result in an increase in navigation costs of ships, thereby increasing the operating costs.</p> <p>Long-term</p> <p>In response to the global net-zero trend and Taiwan's 2050 Net Zero target, countries are planning to strengthen environmental regulations and implement measures such as carbon fees and carbon tariffs to enhance GHG emission management. To comply with these standards, the Company's operational costs may increase.</p>	<p>The Group has adopted various measures to reduce the operational impact on the natural environment.</p> <p>In maritime shipping</p> <ol style="list-style-type: none"> The affiliated vessels have completed the EEXI verification for the entire fleet in accordance with the existing EEXI requirements, and measures are being planned to improve the energy efficiency of the ships. For the CII, the Ship Energy Efficiency Management Plan (SEEMP) for the entire fleet has been established as prescribed by law to make continuous monitoring of the CII of ships. As for the fuel sulfur content, all vessels comply with regulatory requirements and continue to use low-sulfur fuel as specified in the MARPOL convention. We use high-end anti-fouling paint on ships and routinely clean shell plating. The Group works with classification societies on energy efficiency research, with more than 90% of its vessels equipped with energy-saving devices to improve energy efficiency. To enhance waste and plastic reduction policy, the Group has improved the onboard drinking water supply system and provided incentives for waste reduction on ships. <p>Inland trucking and terminals</p> <p>Regarding tractors and forklifts, in addition to introducing the latest electric tractors and electric forklifts, the Group continues to successively purchase new vehicles meeting the latest environmental standards for the replacement plan.</p> <p>Office</p> <p>Energy-saving measures we have implemented include a switch to energy-efficient lighting, fewer tube lights, turning off electronics that are not in use, thermostat controls during the summer, waste paper recycling, trash sorting, waste reduction, and fewer printouts.</p>	Increased operating costs, higher capital expenditures, and premature asset decommissioning
	Market Risk	<p>The effects of climate change on the market are becoming more profound, as demand for traditional high-carbon emission services and products continue to drop in response to global carbon management requirements. On the other hand, the pressure for sustainable supply chain is growing, resulting in shifts in supply and demand structures. Companies should incorporate climate risks and opportunities into their decision-making processes to align with market expectations and reduce business impacts.</p>	<p>The Group continues to work on management strategies and equipment improvements by using low-sulfur fuel for vessel, optimizing routes with meteorological navigation, and installing energy-saving devices to boost the performance of existing vessels. In addition, there are plans to build new vessels equipped with high-efficient diesel engines and energy-saving designs to align with market needs. In terms of inland trucking and terminals, we continue to purchase eco-friendly vehicles to replace old ones in a timely manner.</p>	Decreased operating revenue, increased operating costs, and increased capital expenditures

Type	Item	Description	Strategies	Potential Financial Impact
Physical Risks	Extreme Climate Event	Short- and Medium-term Climate change may result in more frequent occurrences of extreme weather events like typhoons, floods, and droughts, with their impact areas expanding, which could potentially cause delays in shipping and damage to equipment.	The Group has incorporated emergency handling into its risk management and control policy. According to the Company's emergency response plan, a task-specific emergency response team will be informed. When the situation is evaluated and it is deemed essential to take immediate risk response actions, the president will convene a task force and serve as the commander-in-chief (or designate a representative). The organization of the emergency response team can include a secretariat, media relations team, technical team, support team, and administrative team as need for specific tasks. To effectively handle on-site situations, a field response team can be deployed if necessary. Moreover, the Group insures relevant properties against potential losses from extreme weather risks to transfer risk and reduce possible losses for the Company.	Increased operating costs, reduced operating revenue
	Climate Model Changes	Long-term Long-term changes in climate patterns leads to rising sea levels, which may make current ports non-operational or result in the relocation of facilities, and may change shipping routes.	Attention is paid to relevant information and news from time to time, and if any risks are identified, we will immediately plan alternative routes and ports.	Increased operating costs
Opportunities	Resource Efficiency	The Company's operating costs can be directly reduced by improving energy efficiency, which can also contribute to the mitigation of global warming and reduction of GHG emissions.	Energy-saving devices have been installed in the vessels of the Group's fleet, and the eco-friendly and electric vehicles for tractors and forklifts have been introduced to gradually reduce the GHG emission intensity year by year.	Changes in the increase and decrease of the operating cost, increased operating revenue
	Products and Services	To respond to global trends for sustainability and build a sustainable supply chain, businesses and customers will include environmental performance in their supplier management criteria. Providing low GHG-emitting products and services will enhance the Company's competitiveness.	The Group will continue to promote sustainability and energy conservation, monitor new environmental technologies and alternative energy, and introduce energy-saving products, such as the electric vehicles, as well as services with low GHG emission intensity. We will collaborate with customers to create a climate-resilient sustainable supply chain.	Increased operating revenue

4. Risk and Opportunity Management

The president of CMT convenes relevant departments for the discussion and development of a feasible risk management and control mechanism. Based on the current capital structure and business model while taking into account the Company's corporate strategy and revenue targets, the Company's risk appetite is periodically assessed. The Company develop strategies to address risks based on the results obtained from the analysis of specific risks according to the risk management procedures. The Company adopts and maintains an effective risk management and internal control system to safeguard its assets. To achieve the strategic business objectives while managing the operational risks, the Company's risk profile is determined by the background of identified business opportunities and potential losses. The Company's main risk strategies are to mitigate, reduce, transfer, and accept risks. The enterprise risk management processes and activities are integrated into the core governance framework, which include the following management activities.



5. Metrics and Goals

The Group will conduct a GHG inventory soon to clarify the various emission sources from the business activities, followed by the assessment of opportunities and efficiency to set improvement targets. GHG inventory will not only be compliant with regulatory requirements but also in the long term reduce GHG emissions intensity and mitigate risks posed by extreme weather. The goals of the Group are as follows.



Maritime shipping

In accordance with International Maritime Organization requirements for annual reduction, our emissions target decreases every year. Our baseline year is 2019, and our short- and long-term emissions targets are:

Short- and Medium-term goal: 2023 to 2026: A Carbon Intensity Indicator (CII) reduction of 2% year-on-year from 2019 levels;

Long-term goal: Targets will be set based on new IMO requirements



Inland trucking and terminals

The Group will continue to purchase EU 6 tractors, electric tractors, and new machinery and equipment. In addition to phasing out old equipment, we also actively promote energy-saving driving behaviors to reduce energy consumption and also encourage our employees to practice sorting to implement resource recycling.

6. Basics of Carbon Pricing

Currently, the Group has not yet established an internal carbon pricing policy. We will continue to pay close attention to the carbon fee standards set by relevant policies and regulations, and also stay informed about the trends in carbon emission controls from international, governmental, and market perspectives for us to adjust our business strategies in response to potential changes in the future.

7. GHG Inventory Plan

The Group introduced the GHG inventory plan in 2023, and the scope of inventory covers the parent company CMT and its subsidiaries, including CMT Logistics Co., Associated Transport Inc., Associated Group Motors Corp., etc. An external verification will be conducted in 2024 to ensure the accuracy and credibility of the inventory data. The Group will continue to pay attention to ISO 14064-1 released by the International Organization for Standardization (ISO), the GHG Protocol jointly issued by the World Business Council Sustainable Development (WBCSD) and World Resources Institute (WRI), and the related regulatory developments for the planning and establishment of a complete GHG inventory mechanism.

4.2 Energy and GHG Management

The Group introduced a GHG inventory program in 2023 to have a more comprehensive understanding of and reduce the environmental impacts of the Group operations.

1. Energy-related Emissions

The energy consumption for the Group in 2023 is shown in the following table.

Quantitative Indicator	Unit	2023
Electricity usage	KWh/year	2,788,135.5
	GJ	10,037.2878
Gasoline usage	L/year	27,674.7
	GJ	903.7738
Diesel usage	L/year	10,452,607.2
	GJ	367,608.9969
Total energy usage	GJ	378,550.0585
Organization-specific metric	NT\$ million of revenue	4,015
Energy density	GJ/ NT\$ million of revenue	94.28

Note:

- Scope of inventory: CMT Group
- The calorific value of electricity is converted to 1kWh=0.0036GJ.
- Source of conversion coefficient: Fuel calorific values were calculated based on the Table of Unit Calorific Values of Energy Products announced by the Energy Administration, MOEA, with the gasoline at 7,800 kcal/L and diesel at 8,400 kcal/L.
- The organization-specific metric is consolidated revenue in NT\$ million.
- The 2023 emission results were based on the 14064-1: 2018 GHG inventory standard and were verified by a third party.

2. Greenhouse Gases Management

The Group introduced GHG inventory in 2023. According to the inventory results, the total GHG emissions in 2023 reached 277,885.6871 mtCO₂e, of which Scope 1 was 28,664.3494 mtCO₂e, Scope 2 was 1,352.8123 mtCO₂e, and Scope 3 was 247,868.5254 mtCO₂e.

In the face of the challenges of global climate change and environmental degradation, we will continue to promote energy conservation and reduction of GHG emissions. With the development of environmental sustainability as the main axis, we actively respond to government environmental policies and fulfill our responsibility as a corporate citizen.

The following table shows the GHG emissions of the Group in 2023

Quantitative Indicator	Unit	2023
Scope 1: Direct GHG emissions	mtCO ₂ e	28,410.1296
Scope 2: Indirect GHG emissions	mtCO ₂ e	1,377.3389
Scope 3: Other indirect GHG emissions	mtCO ₂ e	367,577.6348
Total emissions	mtCO ₂ e	397,365.1033
Organization-specific metric	NT\$ million of revenue	4,015
GHG emission intensity	mtCO ₂ e/ NT\$ million of revenue	98.97

Notes:

- Scope of GHG inventory: CMT Group
- The organization-specific metric is consolidated revenue in NT\$ million.
- Scope 1 refers to direct emissions from sources owned or controlled by the Group, including stationary combustion, mobile combustion emissions, industrial processes, and direct fugitive emissions from man-made systems. The carbon emissions were calculated based on the GWP values announced by the Ministry of Environment's IPCC.
- Scope 2 refers to indirect emissions from energy consumption, such as purchased electricity. The carbon emissions from purchased electricity were based on the carbon emission factor announced by the Energy Administration, MOEA. The 2023 electricity carbon emission factor= 0.494 kgCO₂e/kWh.
- Scope 3 refers to other indirect emissions, including disposal of solid and liquid waste, fuel, energy-related activities (excluding Category 1 and 2), and downstream leased assets.
- Types of GHG emissions: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), sulfur hexafluoride (SF₆).
- The 2023 emissions results for the bases in Taiwan were based on the GHG inventory conducted in accordance with the ISO 14064-1:2018 GHG inventory standards.

3. Energy Saving Actions

The impacts of global climate change are becoming increasingly significant, with energy consumption and GHG emissions as the key factors. The Group has been upholding the principle of sustainability, and the Group prioritizes the introduction of the latest technologies, upgrades to energy policies and high-efficient energy usage to reduce fuel consumption and GHG emissions, thereby enhancing overall environmental benefit.

3.1 Maritime Shipping

CMT has been dedicated to the sustainable development of the shipping industry. In addition to the delivery of two newly built energy-saving and eco-friendly bulk carriers that meet the IMO (International Maritime Organization) Phase 3 EEDI (Energy Efficiency Design Index) requirement, we also take the following measures to improve the overall fuel efficiency of the fleet, which not only helps reduce the operating costs, but also effectively protects the environment.

In 2023, the carbon intensity of CMT's fleet dropped from 2.34 tonCO₂/DWTnm to 2.29 tonCO₂/DWTnm, a decrease of 2.1%. We will continue to promote technological innovation and environmental protection measures to further improve the energy efficiency of the fleet as it continues to grow to do our part for global environmental protection.

CMT's Energy-saving Actions

Install energy-saving devices	Energy-saving devices are installed in existing vessels to improve ship propulsion efficiency.
Regular monitor equipment	Regularly monitor the condition of the diesel engines and generators, replace critical energy-consumption spare parts, reduce and control the vessel's fuel consumption and ensure the optimal operation of the ship's machinery.
Reduce hull resistance	We also monitor and maintain low hull resistance at all times. All vessels are coated with self-polishing anti-fouling paint, and we keep track of marine biofouling on the hulls for timely cleaning as needed.
Comply with international regulations	The monitoring, management and reporting plan for GHG emissions of the ships has been developed in accordance with the carbon emission management regulations of IMO and EU, and GHG emission data, which are certified by the classification society with a statement of compliance or document of compliance, are regularly reported.
Navigate at reduced speed	Limit the main engine shaft horsepower and lower the engine speed (ShaPoLi/EPL) to further reduce energy consumption by sailing at reduced speed.
Use meteorological navigation	Use meteorological navigation services to achieve safe and energy-saving route planning.



3.2 Inland Trucking

In terms of Inland transportation, we spent more than NT\$ 100 million to purchase 32 eco-friendly tractors in 2023. In addition to the latest EU 6 tractors, we also introduced the very first electric tractor in Taiwan, demonstrating our determination to environmental protection. Furthermore, through regular vehicle maintenance, pre-departure preparations, and attention to driving behaviors, we ensure that vehicles operate at optimal conditions to reduce GHG emissions during transport, ensuring both operational efficiency and environmental protection.

Energy-saving Measures in Inland Trucking

Item	Description	Implementation Status
Vehicle updates and maintenance	Vehicle maintenance	Clean or maintain parts and equipment in a timely manner to improve performance and combustion efficiency.
	Use original manufacturer-recommended lubricants	Use lubricating oil with the appropriate viscosity recommended by the original manufacturer to save usage and also reduce friction during engine operation.
	Replace old vehicles	Select new model of eco-friendly vehicles, use energy-saving tires and other eco-friendly components, and lead the industry by utilizing electric tractors.
Pre-departure preparation	Check vehicle condition	Inspect the condition of the vehicle before departure (such as oil levels, tire pressure, etc.) and reduce unnecessary load to prevent excessive fuel consumption or vehicle wear.
	Plan optimal routes and departure times	Use maps, satellite navigation, or traffic updates to confirm traffic information, plan routes in advance, and avoid congested roads and peak hours.
Driving behavior	Energy-efficient and safe driving habits	Promote energy-saving and safe driving habits, such as avoiding idling the engine, refraining from sudden acceleration, and turning off the engine when parked, to reduce unnecessary energy consumption.
	Fleet management system	A fleet management system is adopted to improve dispatch efficiency and implement fuel consumption management.

3.3 Terminals

In terms of terminals, a total of 14 electric forklifts have been purchased for cargo loading and unloading since 2018 to effectively reduce diesel consumption and carbon emissions. At the same

time, the environmental concepts are promoted and implemented in administrative processes to achieve environmental protection and maximize the efficiency.

Energy-saving Measures and Methods for Terminals

Item	Description	Implementation Status
Replacement of equipment	Purchase electric forklifts	Each electric forklift can save carbon emissions by about 2.57kgCO ₂ compared with diesel ones on average. If used for 2,000 hours a year, it can reduce carbon emissions by about 5,140kgCO ₂ , equivalent to the reduction of the use of 1,972 liters of diesel.
	Replace with new energy-saving lamps	Calculated based on the electricity carbon emission factor of 0.495 in 2022, the new energy-saving lamps can reduce carbon emissions by about 43kgCO ₂ for every hour of use. If used for 2,000 hours a year, the annual reduction of carbon emissions can reach 86,000kgCO ₂ , equivalent to the reduction of 174,000 kWh of electricity consumption.
	Paperless system for incoming shipment notification	Each sales order (SO) form uses a piece of A4 paper. Calculated on the annual basis, the consumption of paper is approximately 41,082 pieces. The carbon emission of a piece of A4 paper is 18 grams, so the annual reduction of carbon emissions can reach 739.48kg/year.

3.4 The Office

The Group is steadily reducing carbon emissions generated during operations through various energy-saving and carbon reduction efforts in the office to make a meaningful contribution to environmental sustainability.

Energy-saving Actions

Equipment replacement	Continue to replace lighting, air conditioning, and other equipment with government-approved energy-efficient products to improve energy efficiency.
Carpooling system for business trips	Carry out transportation planning according to the business trip locations of the day, and encourage carpooling or use of public transportation.
Paperless operations	Minimize paper usage in the administrative processes and encourage the use of digital documents. Implement the eNotice platform for shareholder notifications to actively adopt paperless practices.
Improve work efficiency	Implement centralized management of power and air conditioning, schedule regular shutdowns after office hours, and encourage employees to prioritize work efficiency.

4.3 Air Pollutant Emission Management

To ensure compliancy with the emission standard set by IMO’s MARPOL and other local environmental regulations, CMT group uses qualified main engines and generator systems.

In terms of nitrogen oxides (NOx), the entire fleet has complied with IMO Tier I and Tier II emission standards. Meanwhile, newly built vessels are equipped with advanced exhaust treatment systems (SCR) to ensure that NOx emissions meet IMO Tier III standards.

For sulfur oxides (SOx), we use Very Low Sulfur Fuel Oil (VLSFO) and Ultra Low Sulfur Fuel Oil (ULSFO) to meet the international convention requirements that mandate

SOx emissions be less than 0.5%*m/m*. In contrast to other companies that install scrubbers and use high-sulfur fuel (>0.5%), our Group believes that directly using low-sulfur fuel better aligns with our standards. This method prevents the release of strong acids, neutralizing agents, and residues from scrubbers into the ocean, thereby safeguarding marine ecology and water environments.

Regarding the management of ozone-depleting substances (ODS), the Group abides by the IMO requirements. Currently, there is no relevant equipment that needs to be listed and managed, so there is no generation volume, input volume, and output volume.

2023 Air Pollutant Emission Status

Type of Source	Emission	Unit
Nitrogen oxides (NOx)	6,210	Metric tons
Sulfur oxides (Sox)	1,037	Metric tons
Particulate matter (PM10)	476	Metric tons

Note: The scope of Statistical data is limited to the fleet. The Group’s air pollutant emissions were estimated based on the emission coefficients. The emission coefficients and calculation methods were derived from IMO’s 4th Greenhouse gas study 2020.



4.4 Water Resources Management

The Group has paid long-term attention to water conservation and environmental protection issues. In terms of water-saving programs, we start by fully implementing water-saving practices in daily life to maximize the benefits of available water resources.

2023 Water Resource Usage Status	
Water intake (million liters)	10.84
Displacement (million liters)	10.84
Annual revenue (NT\$ million)	4,015
Water density (Displacement/annual revenue)	0.0027

Note:

- The Group is not in the manufacturing sector and does not have significant water resource consumption or large volumes of wastewater discharge. The data mainly comes from daily usage in offices and facilities, including drinking dispensers and restrooms. Water used by vessels mainly comes from seawater desalination, and we currently do not have statistics on water intake volume.
- The organization-specific metric is the annual revenue from the consolidated financial statements.

Water Sources and Water Conservation Actions of the Group

	Location and risk assessment	Tap water source	Energy conservation actions
Headquarters and operation offices	The operating bases are located in Keelung, Taipei, Taoyuan, Taichung, and Kaohsiung. The water resource risk has been assessed as moderate to low risk.	Keelung: Xinshan Reservoir Taipei: Feitsui Reservoir Taoyuan: Shimen Reservoir Taichung: Liyutan Reservoir Kaohsiung: Fengshan Reservoir	Replace old pipelines to reduce waste of water resources caused by leaks. Toilet equipment was replaced with water-saving ones. Replace faucets with sensor-operated water-saving ones or adjust the flow valves. Promote water conservation awareness among employees.
Seagoing ships	The operational locations of the vessels vary, and they all vessels are equipped with water production capabilities to generate portable/potable water from seawater. The risk level of water resources utilization has been assessed as low risk.	Oceans or rivers	Domestic sewage is processed by a sewage treatment plant to ensure the discharged wastewater meets local environmental requirements for water bodies. Ballast water from the vessels is treated through a ballast water management system (BWMS) to prevent from containing foreign species and bacteria from impacting the water environment.

4.5 Waste Management

The Group adheres to the philosophy of environmental protection by implementing different waste management processes for different types of waste. Whether at sea or on land, we strive to minimize waste generation to effectively prevent potential environmental pollution.

Our Group's environmental protection measures and actions are compliant with local laws and MARPOL regulations. In the future, we will continue our commitment to environmental protection and promotion of more green practices to contribute to the sustainable development of the global environment.

2023 Waste Management Status

Waste composition	Hazardous/ Non-harmful hazardous	Off-site		
		Waste generation (ton)	Unit	Treatment Method
Item				
Domestic waster	Non-harmful hazardous	49.08	ton	Incineration (excluding energy recovery)
Scrap metal/ scrap iron	Non-harmful hazardous	30.19	ton	Recycling for reuse
Waste pallets	Non-harmful hazardous	12.78	ton	Incineration (excluding energy recovery)
Waste engine oil	Non-harmful hazardous	43,033.10	ton	Other recycling operations
Waste tires	Non-harmful hazardous	460	ton	Other recycling operations

Note:

1. Scope of disclosure of waste statistics: CMT Group
2. Domestic waste is collected and removed twice a month; scrap metal/scrap iron and waste pallets are collected and removed every three months; waste engine oil is collected and removed every two months.

Source of Waste	Type of Waste	Treatment Method	Management Measures
Ships	Plastic waste	Incineration or sent to qualified onshore facilities for disposal	Require suppliers' commitment to reduce the use of plastic packaging and to recover and recycle waste whenever possible. To promote plastic reduction activities among crew members, particularly by minimizing the use of bottled water, the Group has established a high-quality drinking water supply system on board and rewards efforts to reduce waste to significantly reduce the generation of plastic waste, preventing it from becoming marine debris. The results have been extremely significant since its implementation, with the average output of plastic waste per ship reduced by as much as 50%.
	Dock repair waste	Recycle and reuse at the shipyard	Require suppliers to reduce plastic or to use recyclable packaging to reduce the amount of waste generated during shipyard repairs.
	Waste oil sludge	Other recycling operations	Engage compliant onshore disposal facilities in various countries to assist with waste removal. This ensures compliance with national regulations and environmental standards and at the same time minimizing the risk of secondary pollution to local communities and marine environment at docking ports.
Office	Domestic waste	Incineration (excluding energy recovery)	The waste will be removed by a qualified third-party waste management company and sent to public or private disposal agencies for processing.
Facilities	Waste pallets	Incineration (excluding energy recovery)	All wooden pallets for internal use have been replaced with metal ones, which not only increases the number of uses of pallets, but also reduces the amount of wood used.
	Scrap metal, scrap iron	Recycling for reuse	Handled by a qualified third-party company for waste removal, ensuring resource reuse through recycling and remanufacturing.
	Waste tires and waste engine oil	Other recycling operations	The waste will be removed by a qualified third-party waste management company and sent to public or private disposal agencies for processing.

4.6 Biodiversity Management

To maintain the biodiversity of the sea and prevent the negative impact of alien species on the marine ecology during ship operations, our fleet adheres to the International Convention for the Prevention of Pollution from Ships (MARPOL) and carries out a series of important environmental protection measures.

First of all, the entire fleet uses self-polishing anti-fouling paint, a specialized coating that can effectively prevent the attachment of marine organisms while providing long-lasting durability, reducing the need for frequent repainting. This measure not only helps maintain the cleanliness of the hull but also prevents foreign marine species from attaching to it, thereby lessening the impact on local vulnerable marine ecosystems. In addition, we also require manufacturers to provide antifouling paints free from tributyltin (TBT) ingredients to avoid damage to the marine environment caused by the high toxicity of organotin compounds and their resistance to degradation in the environment.

Secondly, the Ballast Water Treatment System (BWTS) fully installed in the fleet of CMT Group uses its advanced filtration and sterilization technology to effectively remove bacteria, microorganisms, and marine organisms during the ballast process, ensuring that the quality of discharged water meets the international standards and radically reduce our ecological footprint. This not only meets the strict IMO standards, but also highlights our commitment to protecting the biodiversity of the marine environment.

Moreover, when traveling along the U.S. East Coast, we comply with the local laws by reducing the ship's speed to below 10 knots to prevent collision with the North Atlantic right whales.

Through these continuous efforts, we not only fulfill our corporate social responsibility while complying with relevant laws and regulations, but also demonstrate our responsibility for and commitment to the balance of marine ecology and our proactive involvement.



A Friendly Workplace and Mutual Prosperity

5.1 Manpower Structure

5.2 Compensation and Benefits

5.3 Talent Cultivation

5.4 Occupational Safety and Health (Including Health Promotion)

5.5 Ship Safety

5.6 Human Rights

5.7 Social Prosperity



5.1 Manpower Structure

Employees are the most important assets of our Group and have a significant impact on the Company. They not only improve the business competitiveness and operational efficiency but also facilitate the sustainable development and social value creation. Hence, the Group attaches great importance to and actively invests in various aspects of employee sustainability to ensure long-term prosperity and growth.

The scope of the following data includes the headquarters location and major operating subsidiaries, with the number of employees as of December 31, 2023.

By Gender and Nationality

Gender	Nationality	Number of full-time employees	Ratio (%)
Female	ROC	94	29.94
	Foreign	0	0
Male	ROC	220	70.06
	Foreign	0	0
Total		314	100

A. The Group has no employees with other genders, undisclosed genders, or without guaranteed working hours.

B. Employees: Individuals who have an employment relationship with the organization in accordance with national laws or relevant applicable requirements (it refers to employees enrolled in labor insurance in Taiwan).

In 2023, there were a total of 611 non-employee workers whose work and/or work locations were controlled by the Group, including outsourced seafarers, dispatched workers from labor agencies, and contracted workers. Their main responsibilities included on-board operations, environmental cleaning, container repair and cleaning, and food services.

In 2023, the Group had 72 senior executives holding the positions of assistant managers and above, with about 26.4% being female executives.

By Gender and Age

Gender	Nationality	Number of people	Ratio (%)
Female	Under 30 years old	13	4.14
	30-50 years old	48	15.29
	Over 50 years old	33	10.51
Male	Under 30 years old	18	5.73
	30-50 years old	108	34.39
	Over 50 years old	94	29.94
Total		314	100



Group New Hires Rate

Gender	Age\Item	Number of new recruits	Gender age ration (%)
Female	Under 30 years old	4	17.39
	30-50 years old	3	13.04
	Over 50 years old	1	4.35
Male	Under 30 years old	3	13.04
	30-50 years old	8	34.79
	Over 50 years old	4	17.39
Total number of new employee hires			23
Total number of employees			314
Rate of new employee hires			7.32

Note:

1. Rate of new male/female employee hires of the age group = the number of new male/female employee hires of the age group of the current year/ the total number of new employee hires of the year.
2. Rate of new employee hires = the number of new employee hires of the current year/ the total number of employees at the operating bases at the end of the current year.

Group turnover rate (including retirement)

Gender	Age\Item	Number of employee turnover	Gender age percentage (%)
Female	Under 30 years old	2	10.53
	30-50 years old	3	15.78
	Over 50 years old	6	31.58
Male	Under 30 years old	0	0
	30-50 years old	2	10.53
	Over 50 years old	6	31.58
Total number of employee turnover			19
Total number of employees			314
Total turnover rate			6.05

Note:

1. The turnover rate of male (female) employees of the age group = the number of male (female) leavers of the current year/ the total number of leavers of the year.
2. The total employment rate of left employees= the number of leavers of the current year/ the total number of employees at the operating bases at the end of the current year.

The Company shall provide advance notice in accordance with the Labor Standards Act if it terminates the contract due to significant operational changes or employee incompetence. Where an employee has worked continuously for more than three months but less than one year, the notice shall be given ten days in advance; where an employee has worked continuously for more than one year but less than three years, the notice shall be given twenty days in advance; where an employee has worked continuously for more than three years, the notice shall be given thirty days in advance.

5.2 Compensation and Benefits

1. Performance Evaluation

The Group carries out the performance evaluation on a yearly basis in accordance with the standards set by the parent Company, which include criteria for performance rating and the average of total bonuses. Performance grades are detailed down to 0.1 month, with calculations made proportionately for those with less than one year of service or on leave without pay. Employees who pass the performance evaluation are eligible for relevant corresponding incentives and promotion opportunities. The assessment participation rate reaches 100%.

Statistics of Performance Evaluation of the Group

	Managerial position	Non-managerial position	Direct personnel	Indirect personnel
Proportion of male employees receiving appraisals (%)	100	100	100	0.00
Proportion of female employees receiving appraisals (%)	100	100	100	0.00

Note: Managerial positions refer to those at the level of assistant manager and above, excluding new employees with less than 6 months of service, where there were only direct personnel, no indirect ones.

2. Employee Benefit and Protection

The Group respects the employees' legal rights to freedom of assembly and association, by dedicating to providing smooth labor-management communication channels, including labor-management meetings and annual employee interviews, the Group could integrate all resources and work together towards common goals. CMT holds labor-management meetings on a regular basis, and during the reporting period, a total of 4 labor-management meetings were held, with labor and management representatives accounting for 50% each, compliant with relevant regulatory requirements. The topics covered in the labor-management meetings included attendance, prevention of sexual harassment, information security, anti-epidemic measures and so on.

In addition to engaging with employees through labor-management meetings and annual employee interviews, the Group recognizes the effort and dedication the employees contribute to the Company. We have established the Employee Welfare Committee in accordance with law to coordinate employee welfare matters and provide excellent benefits as a way to express our appreciation to their contributions. The following table details the employee benefits provided by the Group.

Employee Welfare Measures

Welfare subsidies	Marriage, childbirth, bereavement, hospitalization, disability, birthday celebrations, etc.
Education subsidies	Children's education, books, etc.
Annual party	The Group holds a spring banquet every year (we distributed cash instead during the epidemic).
Bonus system	The year-end bonus is distributed annually, along with the performance bonus based on the operational outcomes of each division and individual contributions.
Leisure and recreation	Employees are offered an annual travel subsidy of NT\$ 5,000 to encourage them to achieve a healthy work-life balance through traveling.
Annual physical check-up	The Company organizes annual check-ups for all employees, with a total of NT\$3,000 per person fully covered by the Company. Employees can seek health education and consultations or personal interviews offered during the on-site medical services to address their individual health concerns.
Group insurance	The Company provides additional group insurance for its employees, which includes 8 types of coverage such as life insurance, accident insurance, and medical insurance.
Other benefits	Recognition of senior employees with 10 and 20 years of service. Holiday benefits for festivals such as the Lunar New Year, Dragon Boat Festival, Mid-autumn Festival, Ghost Festival, and Labor Day. Retirement gifts. Emergency relief funds.

2.1 Parental Benefits

The Group attaches great importance to the rights and interests of employees and provides them with a supportive working environment. In 2023, the number of employees were entitled to parental leave was 12, and that who actually took parental leave was 2, 1 employee have returned to work, and 1 employee will return to work in the next year. In addition, the Group provides employees with childcare and education subsidy of NT\$ 1,500 per person per month. We value the employees' family needs and actively support the policy of parental leave to support our employees to reach a balance between their work and family lives. The following table shows the information regarding the Group's parental leave situation in 2023.

	Female	Male
Number of employees were entitled to parental leave of the current year	5	7
Number of employees took parental leave of the current year	2	0
Number of employees who plan to return to work after the parental leave of the year	1	0
Total number of employees that returned to work after parental leave ended of the current year	1	0
Total number of employees that returned to work after parental leave ended in the previous year	0	0
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work in the previous year	0	0
Return to work rate	100%	N/A
Retention rate	N/A	N/A

2.2 Employee Retirement System and Implementation Status

The Group handles employee retirement related affairs in accordance with the Labor Standards Act and the Labor Pension Act. To ensure that our employees can work with peace of mind and make their contributions without concerns about life after retirement, the Group has established a retirement policy under which the retirement benefits are fully funded by the Group. We show our ongoing support for retired employees by presenting them with a commemorative retirement ring at the time of retirement and inviting retired employees to join the Company's spring banquet to express our appreciation.

The Group's implementation of the Labor Standards Act and the Labor Pension Act

Labor Standards Act	For employees subject to the old pension system, the Group allocates 2%-15% of employees' wages into our designated Bank of Taiwan pension reserve account every month. In accordance with the provisions of the Labor Standards Act, the contribution difference estimated at the end of the year is deposited before the end of March of the following year for the use of employee pension payments, which is overseen by the Labor Pension Reserves Supervision Committee. Currently, the balance of the pension reserve account is over NT\$ 27 million.
Labor Pension Act	The Group cooperates with the implementation of Labor Pension Act (new system) and allocates 6% of each employee's monthly wages to the labor pension personal account at Bureau of Labor Insurance.

2.3 Compensation and Benefits

The ratios of the Group's regular salary adjustment range from 3% to 5% to ensure that employee salaries can be adjusted with changes in the market and the Company performance, thereby motivating employees to continue to create value for the Company. For new employees (including new graduates), the average starting salary is approximately NT\$ 40,000, which is 1.52 times higher than the regulatory minimum wage. We hope to recruit more talents to join the CMT Family with good salary.

The Group ensures that every employee receives equitable compensation without discrimination due to gender. When determining the starting salary for the grassroots employees, we make assessment based on the employees' previous experience and skills rather than on gender differences.

We attach great importance to employees' personal abilities and contributions, and make salary adjustment and provide promotion opportunities based on their work performance and the professional skills to ensure that the remuneration is fair, reasonable, and consistent with employees' contributions. Therefore, there may exist some differences in salary ratios between different job positions, which are mainly based on differences in job requirements and individual abilities. The Group will continuously maintain and improve the fairness of remuneration to ensure that all employees can receive rewards accordingly for their own contributions to the Company, thereby to promote consistent development as well as success.

5.3 Talent Cultivation

The Group attaches great importance to employee education and training. The parent company and its subsidiaries are actively engaged in training programs to enhance personnel quality and improve their skills and knowledge. Details concerning education and training in both the parent companies and its subsidiaries are as follows.

The Group provided both physical and online courses to help our associates make use of their spare time for learning. The content of the internal training covered prevention of workplace bullying, fire control, contract review, prevention of insider trading, and confidentiality. External courses included information, Occupational Safety and Health and other relevant subjects. To improve employee competence and strengthen their necessary professional knowledge and skills, CMT provides subsidies for employees enrolled in master's degree programs or higher.

In 2023, the Group had a cumulative number of 2,253 participants in internal and external education and training sessions, with 4,642 hours of training in total.

Education and training Program

Professional skill training	To improve employee competency and strengthen essential professional knowledge and skills, the Group implements on-the-job training to improve employees' expertise, technical skills, and management knowledge to build a talent pool while promoting corporate operational policies and revised management regulations to facilitate effective decision-making.
Orientation training for new employees	Training for new employees is a primary task for our Group. We provide tailored programs for new employees and continue to check on their learning and adaptation progress and provide consultation and guidance as needed.
Professional certification training	Certification relevant to employee positions have to be obtained through training with established time requirements (such as certifications for occupational safety and health personnel, auditing, and other professional licenses).
Occupational safety and health training	To protect employee safety and health, the Company routinely provides on-site medical services and engages professional external instructors to conduct occupational safety and health training.



5.4 Occupational Safety and Health (Including Health Promotion)

The Company adheres to the principles of “Integrity, Professionalism, and Passion”, with “Safety, Health, and Sustainable Development” as the operational goal. We implement risk management and make continuous improvement to ensure sustainable management and fulfillment of social responsibility. We uphold our obligations and corporate responsibility, identify risks and opportunities, implement risk management, encourage consultation and discussion, facilitate full participation, protect work safety, prevent occupational diseases and commit to make continuous improvement to ensure sustainable management of the Company. All management decisions and implementations must comply with occupational safety and health regulations, and thorough risk assessment must be carried out. In addition, tiered management should be implemented to reduce the likelihood of hazards.

This Company adopting the policy of “Ensuring Safety for Everyone, Benefiting Everyone at CMT” actively listens to employee opinions, and encourages participation from all employees in order to provides a safe and healthy working environment protecting the health of our employees. Through the establishment of the Occupational Safety and Health Committee and the appointment of personnel with professional occupational safety and health certifications, we can oversee workplace safety and ensure that all employees and workers can work in a safe environment.

	Number of people included in the management system	Total number	Ratio
Employee	62	62	100%
Non-employee workers whose work and/or work locations were controlled by the Company	244	244	100%

Note1: The scope of disclosure is limited to the Company's employees and Non-employee workers whose work and/or work locations were controlled by the Company.

Note2: The Non-employee workers of the Company are crew members for international routes. The occupational safety and health aspects are governed by international conventions, such as the Safety of Life at Sea Convention (SOLAS) and the Maritime Labor Convention (MLC).

Note3: The employees and non-employee workers of subsidiaries are managed in accordance with the subsidiary's occupational safety and health system.

The Occupational Safety and Health Committee of CMT consists of two representatives from the management to be in charge of the overall management of the meetings while the three labor representatives make suggestions on the safety and health policies formulated by the management, and also review, coordinate, and recommend safety and health-related matters. The two occupational safety and health personnel are responsible for the establishment, planning, supervising, and promotion of safety and health management matters while guiding relevant departments in implementation. The occupational safety and health management review meeting is convened once a year for the discussion, coordination, planning and decision making of occupational safety and health-related issues with the management to implement employee participation, consultation, and communication. If the incident discussed is a time-sensitive issue, the item can be incorporated into the Occupational Safety and Health Committee meeting for review. The number of people covered by the occupational safety and health measures in the Company is 62 employees.



Hazard Identification and Risk Assessment

The Company conducts hazard identification, occupational health and safety risk and opportunity assessments, and the identification of applicable laws and other regulations to determine corresponding risks and opportunities, coupled with the preparation of emergency response plans and control measures. This process takes into account technical feasibility, financial aspects, operational aspects, and business needs, while also considers priority of improvements such as elimination, substitution, engineering controls, warning labels, management controls, hardware, or personal protective equipment to effectively improve or control the planning and assessment of the actions.

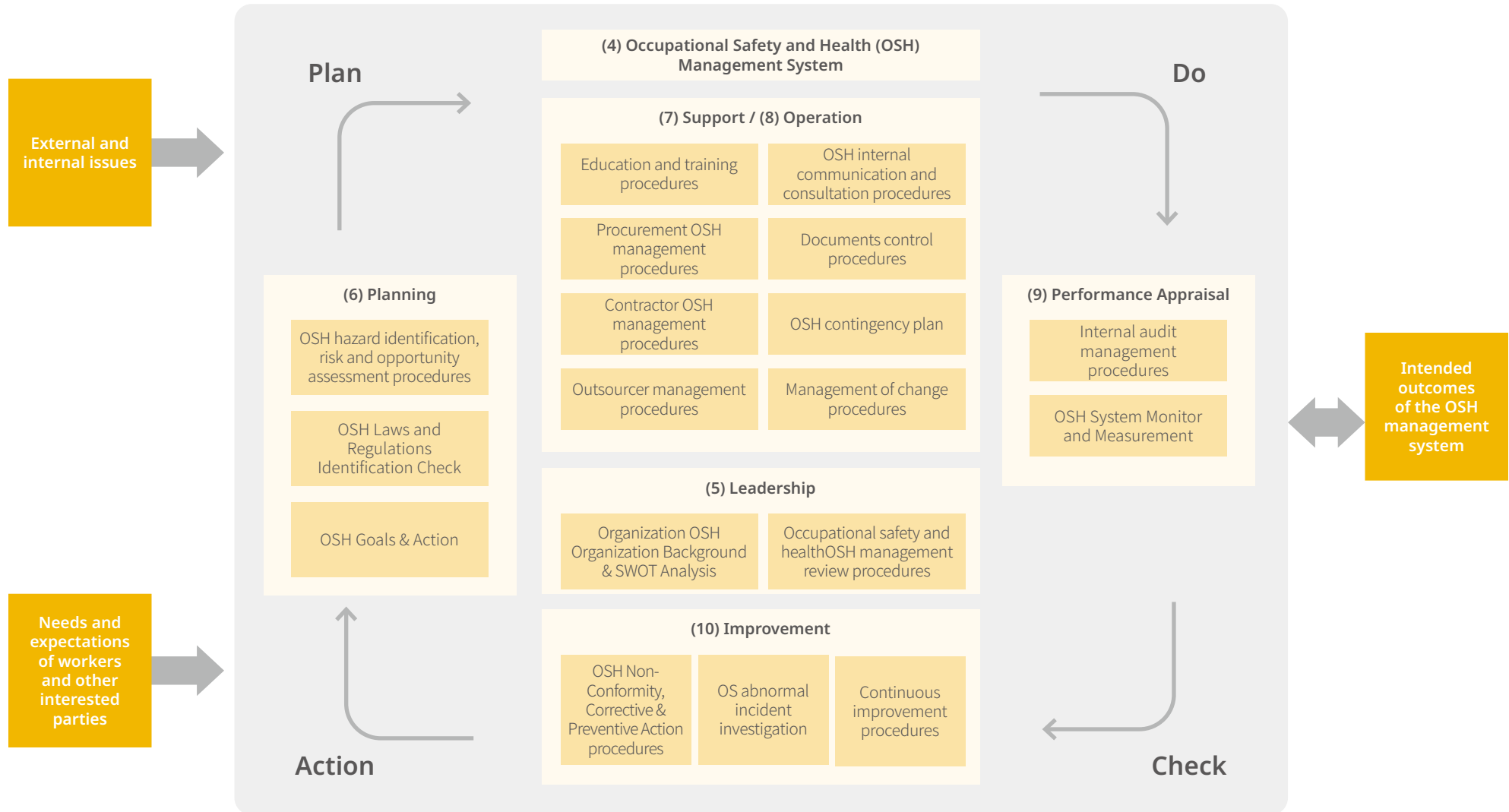
We implement control over the following items to ensure the prevention of hazard and risks.

1. Routine and non-routine activities in work areas, processes, installations, technical equipment, operating procedures and work organization.
2. The activities of all people entering the workplace within the unit, including workers, contractors, visitors, and other persons near the workplace that may affect the activities.
3. The infrastructure, equipment, materials that are used in the unit and physical conditions of the workplace.
4. External hazards and emergencies having adverse safety and health impact on the personnel of the Group.
5. Any applicable legal requirements related to risk assessment and the implementation of necessary control measures, covering the scope of work areas, design of work organization, etc.

In the event of investigation of a serious accident, occupational safety and health personnel shall report to the competent authority and convene a “Major Incident Review Meeting”, with the agenda covering the sequence of events, cause analysis, immediate response actions, and strategies to prevent recurrence. Furthermore, an Occupational Safety and Health Abnormal Incident Investigation Form should be issued after the incident and submitted to the responsible department for completion. The incidents mentioned above include general and serious events. For false alarms, the responsible parties can decide whether to issue a False Alarm Incident Investigation Report. The responsible department should complete the Occupational Safety and Health Abnormal Incident Investigation Form or the False Alarm Incident Investigation Report within five working days after receiving them. When implementing corrective and preventive measures, consideration should be given to the need for adding or amending objectives, targets, management plans, or control documents, and employee education and training should be provided.



Architectural diagram of occupational safety and health management system



Occupational Safety and Health Education and Training

The Group regularly conducts occupational safety and health-related training every year to reduce the incidence of occupational accidents. In 2023, the cumulative number of participants in the Group’s occupational safety and health training was 539. The table below shows the statistics of the Group’s occupational safety and health training in 2023.

Category of training items	Number of trainees (person-time)
Prevention of workplace violence	197
Firefighting education and training	249
Occupational safety training	35
General and certification training of occupational safety and health	58
Cumulative number	539

Health care programs implemented by the Group

Health Care	<p>Arrange annual health check-ups, provide monthly on-site medical services, appoint first aid personnel, promote occupational disease prevention, and offer occupational safety and health education information from time to time.</p> <p>Promote health promotion programs: set AEDs, first aid kits, and related health promotion activities.</p> <p>Offer telehealth services for crew members working on ships to ensure assistance is available when needed.</p>
Workplace Safety	<p>Identify and improve workplace hazards, appoint occupational safety and health personnel, develop an automatic inspection plan (for elevators, low-voltage electricity, generators), arrange education and training for new employees, regularly arrange occupational safety education and training, formulate emergency response drill plans, and sign a contract consultative organization with contractors and take necessary measures to prevent occupational accidents. We promote the Prevention Plan for Unlawful Infringement in the Performance of Duties and Workplace Sexual Harassment Prevention and Complaint and Disciplinary Measures, while declaring a zero-tolerance policy for workplace bullying.</p>
Mental Health	<p>Promote mutual care and support among employees, encourage them to promptly check it on and care for colleagues showing signs of distress, and provide channels for assistance.</p>
Maternal Care	<p>Provide employees health education and counseling services during pregnancy and after childbirth, and grant leave and subsidies as prescribed.</p>

Occupational Accidents Situations

In 2023, the Company reported no cases of occupational injuries or diseases among employees and non-employee workers. In the future, we will continue our efforts to ensure the ongoing safety of the workplace.

Employee Health Care

The Company not only concerns about the occupational health and safety of all employees, we also pay great importance to employees’ health conditions and emphasize a culture of health and safety to create a fundamentally safety working environment, promote the physical and mental well-being of employees and contractors so as to achieve work-life balance.

The table below shows the current health care projects implemented within the Company.



5.5 Ship Safety

CMT operates a fleet of Capesize bulk carriers under the highest safety standards, and has established a “Safety First, Environmental Protection Foremost” policy. We are dedicated to utilizing digital tools to manage vessel operations to meet safety, security, environmental, and efficiency objectives established by the International Maritime Organization (IMO). We consistently execute fleet management and conduct regular management review meetings to evaluate fleet performance and collect improvement suggestions in accordance with the requirements of the International Safety Management Code (ISM Code). Every year, we undergo external audits by classification

societies. To further improve the quality of ship management, CMT introduced ISO 9001:2015 quality management system in 2023 and set four major goals: fleet utilization, vessel machinery reliability, regulatory compliance and environmental protection, and customer feedback.

The performance of the four quality goals in 2023 is as follows.

1. Fleet Utilization

- The ship availability was over 95% throughout the year;

2. Vessel Machinery Reliability

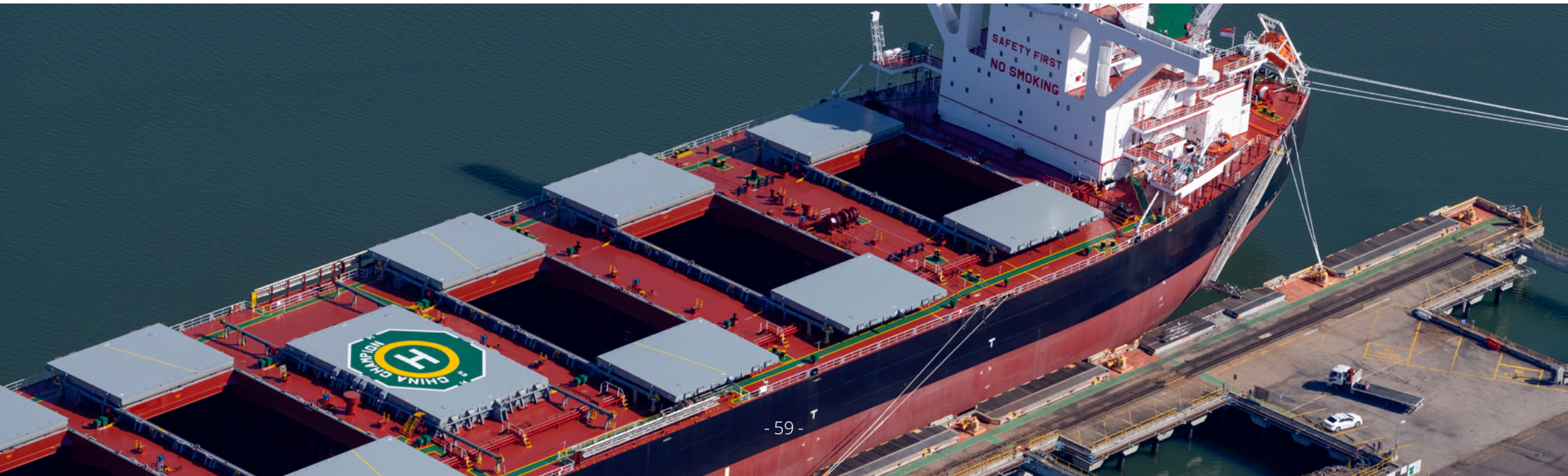
- The off-hire time due to failure of mechanical equipment was less than one day;

3. Regulatory Compliance

- Zero ship arrest;
- Zero occurrence of pollution incidents;

4. Customer Feedback

- Customer satisfaction reached 40points (out of 45 points).



5.6 Human Rights

To live up to our corporate social responsibility and protect the basic human rights of employees and stakeholders, the Group adheres to international human rights covenants including the United Nations' Universal Declaration of Human Rights, Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, Maritime Labour Convention, Convention on the Rights of Persons with Disabilities, Convention on the Elimination of All Forms of Discrimination Against Women, Convention on the Rights of the Child. We are also compliant with Taiwan's Labor Standards Act, Act of Gender Equality in Employment, Employment Service Act, and other relevant laws. We are committed to treating all personnel equally with respect, implementing a diversity and inclusion policy to eliminate any form of human rights violations.

We update the Human Rights Policy on a regular basis in accordance with government regulations and policies and conduct publicity. In 2023, a total of six sessions of anti-bullying and other human rights awareness courses for supervisors and grassroots employees were conducted.

The Group's human rights policy and implementation details are shown in the table below.

The Group's human rights policy and implementation details

Item	Implementation details
Labor rights	The Group respects labor rights and prohibits all forms of child labor, human trafficking, and forced labor, and we ensure that the working hours, overtime, and remuneration are compliant with local laws and regulations. We also protect employees' rights to freely form associations and join various organizations. The Group forbids the use of deception, restriction of movement, violence, intimidation, threat, confiscation of identifications, salary deductions, or debt labor to force or coerce any unwilling individuals into labor.
Diversity and anti-discrimination	Our Group conducts recruitment, selection, hiring, dispatch, performance appraisal, promotions, education and training, and welfare programs without discrimination based on ethnicity, race, class, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, appearance, physical features, disabilities, zodiac sign, blood type, or union membership. We aim to create a diverse and inclusive work environment that encourages exchanges of opinions, values team members, and ensures that all individuals feel respected and supported, thereby eliminating all forms of discrimination, harassment, and violence.
Prevention of sexual harassment	It is the Company's basic responsibility to provide safety measures and create a pleasant and harmonious work environment. Our Group strictly prohibits any occurrence of sexual harassment and takes appropriate measures in accordance with regulations related to the Workplace Sexual Harassment Prevention and Complaint and Disciplinary Measures.
Labor-management relations	To coordinate labor-management relations, promote collaboration between the labor and management, improve work efficiency, and prevent potential labor issues, the Company convenes labor-management meetings on a regular basis. The meetings consist of equal number of representatives from both sides to facilitate smooth communication.
Occupational safety and health	Our Group adheres to the principle of "Ensuring Safety for Everyone,, Benefiting Everyone at CMT" in the creation of a safe and healthy working environment, and continues to improve the occupational safety and health management system to lower the risks of occupational accidents and protect the physical and mental well-being of our employees.
Personal data protection	Our Group abides by the personal data protection laws and regulations and has established a robust information security management system to ensure the proper management of data collection, processing, and usage for employees and stakeholders to prevent data theft, alteration, damage, loss, or leakage.
Education and training	We plan to human rights protection education and training to promote the principles of respect, inclusivity, freedom, equality, and justice to avoid bias, eliminate discrimination, and further promote the practice of social responsibility.
Compliant channels	We have set up clear and accessible compliant channels and ensure the complaint process is equitable for all parties involved.

In 2023, there were no incidents of discrimination, employment of child labor, forced overtime labor, or infringement of indigenous peoples.

Unlawful Infringement

CMT has established Prevention Plan for Unlawful Infringement in the Performance of Duties. All employees of the Group are responsible for assisting in and maintaining a work free from unlawful infringements. Anyone who witnesses or becomes aware of such incidents should immediately inform the HR Department, dial the employee grievance hotline, or raise the issue during quarterly labor-management meetings. We also encourage our employees to actively report any incidents of assault or intimidation. In 2023, the president implemented policies to prevent sexual harassment in the workplace and unlawful conduct in the performance of duties. We also continue the revision and announcement of Workplace Sexual Harassment Prevention and Complaint and Disciplinary Measures to protect employees from the threat of sexual harassment, establish a friendly workplace, and enhance the awareness of gender equality among supervisors and employees.

5.7 Social Prosperity

CMT and its subsidiaries uphold the spirit of sustainable management, and has been operating with integrity over the years. We not only provide employees with a stable and healthy environment for growth, but also maximize shareholder value while fulfilling our corporate social responsibility. In addition to actively promoting public welfare, paying attention to youth development and caring for the disadvantaged, the Group also hopes that these charitable initiatives will enhance social awareness and motivate more companies to participate, creating a virtuous cycle in society.

Supporting Maritime Talent

CMT established a scholarship system in 2021, which was implemented from the first semester of the 2021 academic year. The scholarship system was established during COVID-19 pandemic, and the award ceremony was temporarily deferred for the protection of the health of participants. As the

National Taiwan Ocean University (NTOU) presented the Certificate of Appreciation to CMT.



pandemic eased in 2023, the members of the Company were able to visit National Ocean University to have exchanges. The purpose of the scholarship is to reduce the economic burden on the students' families, allowing them to focus more on their studies without worrying about their living expenses, thereby fostering more talent in the shipping industry. During the 2021-2023 academic years, we have granted scholarships to 16 students in total, with the amount of NT\$320,000.

The scholarships not only create a worry-free learning environment for students, but also motivate them to work hard in their studies. This support is more than just financial assistance, it is a recognition of the student's academic and holistic development. By providing scholarships, we convey to students that their hard-work and talent can be seen and valued, and thereby encouraging them to engage more positively in academic pursuits.

CMT president, Mr. James S.C. Tai with the teachers and students in NTOU after the seminar.



Caring for Society

Our group is a long-time supporter of Weici Charity Foundation, and is committed to caring for social welfare organizations, helping the disadvantaged families and individuals, and supporting various public welfare activities. The foundation makes donations to Social Affairs Bureaus and families suffering from poverty and illness, and also supports activities such as Taipei Medical University's medical volunteer club's volunteer services on outlying islands in summer and winter, meal assistance and meal donations during Lunar New Year provided by Taipei City Government's Social Affairs Bureau and so on, with a total amount of NT\$ 3.5 million.

In addition, the Group also actively supports farmers in Taitung by purchasing locally cultivated custard apples, which not only shows our attention to quality but also the support for local agriculture. This initiative not only helps with the protection of agricultural ecosystem locally, but also provides stable sources of income for the farmers. In the production process of agricultural products, our Group prioritizes employee welfare, ensuring that both farmers and the employees receive proper care. This approach not only enables customers to enjoy fresh and healthy food but also promotes the local economic development, achieving a win-win situation for both society and the environment.



Appendix

- I. GRI Sustainability Reporting Standards (GRI Standards) Chart

- II. Sustainability Disclosure Topics and Metrics (SASB) Comparison Table

- III. Climate-Related Information

- IV. Group-related Certifications

- V. Assurance Report



Appendix I: GRI Sustainability Reporting Standards (GRI Standards) Chart

Chinese Maritime Transport Ltd has reported in accordance with the GRI Standards for the period of January 1, 2023 through December 31, 2023. Data is referenced according to the GRI Content index.

GRI 1 used GRI 1: Foundation 2021

Applicable GRI Sector Standard(s) N/A

GRI2 General Disclosures

GRI Standard	GRI Code	GRI Disclosure	Corresponding Chapter	Page Nr.	Omissions & Remarks
1. The Organization and its Reporting Practices					
GRI 2: General Disclosures 2021	2-1	Organizational details	1.3 Overview of CMT	7	
	2-2	Entities included in the organization's sustainability reporting	1.1 About this Report	4	
	2-3	Reporting period, frequency and contact point	1.1 About this Report	4	
	2-4	Restatements of information	1.1 About this Report	4	
	2-5	External assurance / confirmation	1.1 About this Report	4	
2. Activities and Workers					
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	1.3 Overview of CMT	7	
	2-7	Employees	5.1 Manpower Structure	50	
	2-8	Workers who are not employees	5.1 Manpower Structure	50	

GRI Standard	GRI Code	GRI Disclosure	Corresponding Chapter	Page Nr.	Omissions & Remarks
3. Governance					
GRI 2: General Disclosures 2021	2-9	Governance Structure and composition	3.1 Governance Structure of CMT	23	
	2-10	Nomination and selection of the highest governance body	3.1 Governance Structure of CMT	23	
	2-11	Chair of the highest governance body	3.1 Governance Structure of CMT	23	
	2-12	Role of the highest governance body in overseeing the management of impacts	3.1 Governance Structure of CMT	23	
	2-13	Delegation of responsibility for managing impacts	3.1 Governance Structure of CMT	23	
	2-14	Role of the highest governance body in sustainability reporting	3.1 Governance Structure of CMT	23	
	2-15	Conflicts of interest	3.1 Governance Structure of CMT	23	
	2-16	Communication of critical concerns	3.1 Governance Structure of CMT	23	
	2-17	Collective knowledge of the highest governance body	3.1 Governance Structure of CMT	23	
	2-18	Evaluation of the performance of the highest governance body	3.1 Governance Structure of CMT	23	
	2-19	Remuneration policies	3.1 Governance Structure of CMT	23	
	2-20	Process to determine remuneration	3.1 Governance Structure of CMT	23	
2-21	Annual total compensation ratio	-	-	-	Not disclosed due to confidentiality agreements.
4. Strategy, Policies and Practices					
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	1.2 Message from the Chairman	6	

GRI Standard	GRI Code	GRI Disclosure	Corresponding Chapter	Page Nr.	Omissions & Remarks
	2-23	Policy commitments	3.2 Integrity Management 5.6 Human Rights	27 60	
	2-24	Embedding policy commitments	3.2 Integrity Management	27	
	2-25	Processes to remediate negative impacts	3.2 Integrity Management	27	
	2-26	Mechanisms for seeking advice and raising concerns	2.1 Stakeholder Engagement	15	
	2-27	Compliance with laws and regulations	3.2 Integrity Management	27	
	2-28	Membership associations	1.3 Overview of CMT	7	
5. Stakeholder Engagement					
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	2.1 Stakeholder Engagement	15	
	2-30	Collective bargaining agreements	-		Not applicable. Our employees have not established a union and do not have a collective bargaining agreement. However, the labor-management meetings are held on a quarterly basis.

GRI 3 List of Material Topics

GRI Standard	GRI Code	GRI Disclosure	Corresponding Chapter	Page Nr.	Omissions & Remarks
GRI 3: Material Topics 2021	3-1	Process to determine material topics	2.2 Identification and Results of Material Topics	18	
	3-2	List of material topics	2.2 Identification and Results of Material Topics	18	
	3-3	Management of material topics	2.2 Identification and Results of Material Topics	18	

GRI Standard	GRI Code	GRI Disclosure	Corresponding Chapter	Page Nr.	Omissions & Remarks
Environmental Sustainability					
GRI 302: Energy 2016	302-1	Energy consumption within the organization	4.2 Energy and GHG Management	42	
	302-2	Energy consumption outside of the organization	4.2 Energy and GHG Management	42	
	302-3	Energy intensity	4.2 Energy and GHG Management	42	
	302-4	Reduction of energy consumption	4.2 Energy and GHG Management	42	
	302-5	Reductions in energy requirements of products and services	4.2 Energy and GHG Management	42	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.2 Energy and GHG Management	42	
	305-2	Energy indirect (Scope 2) GHG emissions	4.2 Energy and GHG Management	42	
	305-3	Other indirect (Scope 3) GHG emissions	4.2 Energy and GHG Management	42	
	305-4	GHG emissions intensity	4.2 Energy and GHG Management	42	
	305-5	Reduction of GHG emissions	4.2 Energy and GHG Management	42	
	305-6	Emissions of ozone-depleting substances (ODS)	N/A		The information has not been obtained yet.
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	4.3 Air pollutant Emission Management	45	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	4.5 Waste Management	47	
	306-2	Management of significant waste-related impacts	4.5 Waste Management	47	
	306-3	Waste generated	4.5 Waste Management	47	
	306-4	Waste diverted from disposal	4.5 Waste Management	47	
	306-5	Waste directed to disposal	4.5 Waste Management	47	

GRI Standard	GRI Code	GRI Disclosure	Corresponding Chapter	Page Nr.	Omissions & Remarks
Social Sustainability					
GRI 401: Labor/Management 2016	401-1	New employee hires and employee turnover	5.1 Manpower Structure	50	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2 Employee Benefit and Protection	52	
	401-3	Parental leave	5.2 Employee Benefit and Protection	52	
GRI 402: Labor/Management 2016	402-1	Minimum notice periods regarding operational changes	5.2 Employee Benefit and Protection	52	
GRI 403: Health and Safety 2018	403-1	Occupational health and safety management system	5.4 Occupational Safety and Health (Including Health Promotion)	55	
	403-2	Hazard identification, risk assessment, and incident investigation	5.4 Occupational Safety and Health (Including Health Promotion)	55	
	403-3	Occupational health services	5.4 Occupational Safety and Health (Including Health Promotion)	55	
	403-4	Worker participation, consultation, and communication on occupational health and safety	5.4 Occupational Safety and Health (Including Health Promotion)	55	
	403-5	Worker training on occupational health and safety	5.4 Occupational Safety and Health (Including Health Promotion)	55	
	403-6	Promotion of worker health	5.4 Occupational Safety and Health (Including Health Promotion)	55	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.5 Supply Chain Management	31	
	403-8	Workers covered by an occupational health and safety management system	5.4 Occupational Safety and Health (Including Health Promotion)	55	
	403-9	Work-related injuries	5.4 Occupational Safety and Health (Including Health Promotion)	55	
	403-10	Work-related ill health	5.4 Occupational Safety and Health (Including Health Promotion)	55	

GRI Standard	GRI Code	GRI Disclosure	Corresponding Chapter	Page Nr.	Omissions & Remarks
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	5.3 Talent Cultivation	54	
	404-2	Programs for upgrading employee skills and transition assistance programs	5.3 Talent Cultivation	54	
	404-3	Percentage of employees receiving regular performance and career development reviews	5.3 Talent Cultivation	54	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	3.6 Service and Product Quality Management	33	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.6 Service and Product Quality Management	33	
Self-defined Topic	GRI Code	GRI Disclosure	Corresponding Chapter	Page Nr.	Omissions & Remarks
Ship Safety					
GRI 3 Management Policy	3-3	Management of material topics	5.5 Ship Safety	59	

Appendix II: Sustainability Disclosure Topics and Metrics (SASB) Comparison Table

Industry Specific Index: Transport- Marine Transport

Topic	Code	Metric	Unit of Measure	Category	Corresponding Chapter
Greenhouse Gas Emissions	TR-MT-110A.1	Gross global Scope 1 emissions	Metric tons (t) CO ₂ -e	Scope 1 emissions of CMT's bulk fleet was 629.1867 metric tons of CO ₂ e. The fleet is entirely leased and not self-operated, so the fleet's GHG emissions belong to Scope 3.	Environmental Protection Actions
	TR-MT-110A.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	N/A	In the short-term, we will continue to promote measures to improve energy efficiency, such as assessment of the modification of energy-saving devices. For the medium- and long-term GHG emission reductions, we will use the IMO's GHG reduction goals, with 2008 as the base year, and reduce the GHG emissions by 40% by 2030 and by 70% by 2050 compared with the level of the base year. The goals will be adjusted accordingly as needed in accordance with the latest regulations.	Environmental Protection Actions
	TR-MT-110A.3	(1) Total energy consumed (2) percentage heavy fuel oil (3) percentage renewable	Gigajoules (GJ), Percentage (%)	Total energy consumed for CMT's bulk fleet was 1,229.6022 GJ Percentage of heavy Fuel oil: 98.9% Percentage of renewable energy: 0%	Environmental Protection Actions
	TR-MT-110A.4	Average Energy Efficiency Design Index (EEDI) for new ships	Grams of CO ₂ per ton-nautical mile	1.993	Environmental Protection Actions
Air Quality	TR-MT-120A.1	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O) (2) SO _x (3) particulate matter (PM10)	Metric tons (t)	NO _x : 6,210 SO _x : 1,037 PM10: 476	Environmental Protection Actions
Ecological Impacts	TR-MT-160A.1	Shipping duration in marine protected areas or areas of protected conservation status	Number of travel days	Not compiled yet.	Environmental Protection Actions

Topic	Code	Metric	Unit of Measure	Category	Corresponding Chapter
	TR-MT-160A.2	Percentage of fleet implementing ballast water (1) exchange and (2) treatment	Percentage (%)	100 100	Environmental Protection Actions
	TR-MT-160A.3	(1) Number and (2) aggregate volume of spills and releases to the environment	Number, Cubic meters (m ³)	There were no incidents of spills or releases to the environment within the Group.	Environmental Protection Actions
Workforce Health & Safety	TR-MT-320A.1	Lost time incident rate (LTIR)	Rate	0	A Friendly Workplace and Mutual Prosperity
Business Ethics	TR-MT-510A.1	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number	In 2023, the Group's fleet did not call at the ports that have the 20 lowest rankings in Transparency International's Corruption Perception Index.	Sustainable Governance
	TR-MT-510A.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Reporting currency	There were no legal proceedings associated with bribery or corruption in the Group.	Sustainable Governance
Accident & Safety Management	TR-MT-540A.1	(1) Number of marine casualties (2) percentage classified as very serious	Number, Percentage (%)	Number of marine casualties: 0 Percentage classified as very serious: 0%	A Friendly Workplace and Mutual Prosperity
	TR-MT-540A.2	Number of Conditions of Class or Recommendations	Number	0	A Friendly Workplace and Mutual Prosperity
	TR-MT-540A.3	Number of port state control (1) deficiencies and (2) detentions	Number	Number of deficiencies: 34 Number of detentions: 0	A Friendly Workplace and Mutual Prosperity

Activity Metric

Activity Metric	Code	Unit Of Measure	Category	Corresponding Chapter	Page Nr.
Number of shipboard employees	TR-MT-000.A	Number	The number of shipboard employees totaled 244.	A Friendly Workplace and Mutual Prosperity	50
Total distance travelled by vessels	TR-MT-000.B	Nautical miles (nm)	719,853		
Operating days	TR-MT-000.C	Days	4,299		
Deadweight tonnage	TR-MT-000.D	Thousand deadweight tons	2,307		
Number of vessels in total shipping fleet	TR-MT-000.E	Number	12 vessels of Capesize bulk carriers	About this Report	8
Number of vessel port calls	TR-MT-000.F	Number	340 times		
Twenty-foot equivalent unit (TEU) capacity	TR-MT-000.G	TEU	Not applicable		

Appendix III: Climate-Related Information

Implementation of climate-related information

Project	Implementation Status
<p>1. How do the company's board and management oversee and manage climate-related risks and opportunities?</p>	<p>Our board is the Company's highest authority on climate-related risk management. The board supervises the drafting, execution, and results of relevant policies. We also have a Risk Management Policy in place. Our interdepartmental risk management team is headed by our chair, with our president serving as the chief executive of the team. The team meets regularly to discuss, formulate and evaluate risk management and control policies. Our Audit Committee is responsible for risk management oversight. The board is briefed on risk management at least once a year</p>
<p>2. How do the climate risks and opportunities identified by the company affect its operations, strategies, and finances in the short, medium and long term?</p>	<p>The Company identifies climate-related risks and opportunities in accordance with Task Force on Climate-Related Financial Disclosures (TCFD) guidelines. These disclosures include the probability of various risks and opportunities occurring; the level of impact; how long the impact could last; and financial impact on the company's shipping, trucking, and warehouse logistics businesses. We have identified the following types of risk:</p> <ol style="list-style-type: none"> 1. Political and regulatory risk 2. Market risk 3. Extreme weather events 4. Climate model changes 5. Resource use efficiency 6. Products and services
<p>3. What is the financial impact of extreme weather events and transformative actions?</p>	<p>These risks and opportunities were identified through improved sustainability awareness and the impact of environmental protection and energy conservation demands on international standards and market competition. We will see higher operating costs and capital expenditures in the short and medium terms from these and the decommissioning of assets earlier than originally planned. In the long term, the launch of our planned low-greenhouse gas emission services will boost our competitiveness and operating income. We will address the risks and opportunities listed above through management measures and equipment replacement. We have implemented various changes and upgraded equipment to improve the energy efficiency of our ships, including switching to low-sulfur fuel, optimizing routes with meteorological navigation and installing energy-saving equipment. Future additions to our fleet will have high-efficiency diesel engines and energy-saving designs to meet market demand. In trucking and warehousing, we are in the process of phasing out older equipment in favor of environmentally friendly vehicles and new energy-efficient equipment. We have also switched to energy-efficient light tubes in all of our offices and periodically remind employees about our energy conservation, waste sorting and recycling, and "think before you print" policies, which are aimed at achieving our environmental goals while reducing operating costs. In accordance with our emergency response plan, an emergency response task force is convened if an extreme weather-related emergency occurs. When a situation requiring immediate response or action arises, the company's president or their proxy is the designated commander of the task force. Depending on the requirements of a specific mission, the task force may consist of a secretariat team, public relations team, technical team, support team, and administrative team. An on-site response team may also be dispatched if needed. The Company has also insured relevant assets against extreme weather-related risk to transfer risk and reduce potential losses.</p>

Project	Implementation Status
4. How are climate risk identification, assessment, and management integrated into the company's overall risk management system?	The president of the Company convenes meetings with relevant departments to discuss and formulate feasible risk management mechanisms. We regularly reevaluate our risk orientation against our capital structure, business model, corporate strategies and revenue targets. The results achieved from the assessment of specific risks in accordance with risk management procedures are used to formulate risk response strategies.
5. Does the company have a transition plan for managing climate-related risk? If so, what is the plan and what are the indicators and targets used to identify and manage physical and transition risk?	None
6. Does the company have a transition plan for managing climate-related risk? If so, what is the plan and what are the indicators and targets used to identify and manage physical and transition risk?	None
7. Does the company use internal carbon pricing as a planning tool? If so, what is, the basis for price setting?	None
8. Has the company set climate-related targets? If so, what are the activities covered, scope of greenhouse gas emissions, planning horizon, and progress achieved each year? If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, what are the sources and quantities of carbon credits or RECs to be offset?	Please refer to below Table Greenhouse gas reduction targets, strategies and specific action plan.
9. What are the results of the company's greenhouse gas inventory and assurance status? What are its reduction targets, reduction strategy, and concrete action plan?	

The Company's Greenhouse Gas Inventory and Assurance Status in the Last Two Years

1-1 Greenhouse gas inventory information

Specify the emission (ton CO₂e), density (ton CO₂e/ million yuan) and data coverage of greenhouse gases in the last two years

The Company uses ISO 14064-1 as the basis for our greenhouse gas inventory. The scope of the inventory includes the Capesize fleets, container transport tractors, and warehouse logistics equipment of all consolidated entities, and measures direct emissions (Scope 1) and indirect energy emissions (Scope 2). (Note 1) (Note 2) .

Scope 1: Direct Emissions:

2022: 29,667.27 tons of CO₂

2023: 28,410.13 tons of CO₂

Scope 2: Indirect Energy Emissions

2022: 1,810.28 tons of CO₂

2023: 1,377.34 tons of CO₂

Scope 3: Other indirect emissions (Note 3)

2022: 303,103.09 tons of CO₂

2023: 367,577.63 tons of CO₂

Carbon Emission Intensity (Scope 1 and 2; Note 4)

2022: 7.14 tons CO₂e/ NT\$ 1 million

2023: 7.42 tons CO₂e/ NT\$ 1 million

Note 1: Direct emissions (Scope 1) are produced by sources owned or controlled by the company. Indirect energy emissions (Scope 2) are produced by electricity, heat, or steam. Other indirect emissions (Scope 3) are produced by company activities originating from non-company owned or controlled sources (e.g. emissions produced by our fleet during a customer's lease period).

Note 2: Data coverage for Scope 1 and Scope 2 emissions complies with Article 10-2 of Regulations Governing Information to be Published in Annual Reports of Public Companies. Information on other indirect emissions is voluntarily disclosed

Note 3: The difference between the direct emissions figure listed here and the number previously reported for 2022 is due to our fleet operating under time charter agreements, with operational logistics, fueling, and expenses arranged and borne by charterers. The difference is now categorized as Scope 3 (other indirect emissions). CNS/ISO 14064-1 defines Scope 5 emissions as indirect upstream and downstream emissions associated with a company's activities or "value chain" emissions.

Note 4: Emission intensity is the ratio of emission volume to every NT\$1 million of revenue.

Note 5: Scope 1 and 2 in the 2022 GHG inventory data were the results of the Group's own inventory, and have not yet been verified by a third party.

1-2 Greenhouse gas assurance information

A specification of the assurance situation in the last two years, including the assurance scope, assurance institutions, assurance criteria and assurance opinions.

The annual carbon dioxide equivalent data for the bulk carrier fleet has been certified by the American Bureau of Shipping (ABS) in accordance with international conventions, resulting in the issuance of a statement of Compliance (SoC). Additionally, the carbon dioxide equivalent for routes within the European Union has been validated in accordance with local regulations, leading to the issuance of Document of Compliance (DoC) by ABS.

The fuel emission data for container tractors and warehouse logistics equipment are based on the Company's internal inventory and have not yet been verified.

Greenhouse gas reduction targets, strategies and specific action plans

State the base year of greenhouse gas reduction and its data, reduction targets, strategies, specific action plans and the achievement of reduction targets.

The Group will conduct a GHG inventory soon to clarify the various emission sources from the business activities, followed by the assessment of opportunities and efficiency to set improvement targets. This will not only be compliant with regulatory requirements but also reduce GHG emissions intensity in the long term and mitigate risks posed by extreme weather.

Maritime shipping: The Group's emission reduction targets align with the IMO requirements for annual reduction. The 2019 emission levels are used as the baseline for the establishment of the following goals.

From 2023 to 2026, the Carbon Intensity Indicator (CII) to be reduced by 2% every year compared with the 2019 level.

The long-term goals are developed in accordance with the latest requirements of IMO.

The Group continuously monitors the carbon emission data of the fleet and conducts regular maintenance to ensure the efficiency of ship machinery and prevent hull fouling. In addition to installing energy-saving equipment and devices, and hiring external professional routing companies to provide optimal routing, the Group has also introduced an intelligent vessel monitoring system to precisely track vessel energy consumption.

Inland trucking and terminals: The Company will continue to pay attention to the development of the green energy industry and the advancement of new operational equipment technologies. In terms of inland trucking, the Group will phase out old vehicles and introduce new EU6 tractors and electric tractors. In addition, we also actively promote energy-saving driving behaviors to reduce energy consumption and also encourage our employees to practice sorting to implement resource recycling. As for terminals, our Group will successively introduce energy-saving tools and equipment, such as the latest eco-friendly vehicles and electronic forklifts to reduce GHG emissions while lowering the maintenance costs.

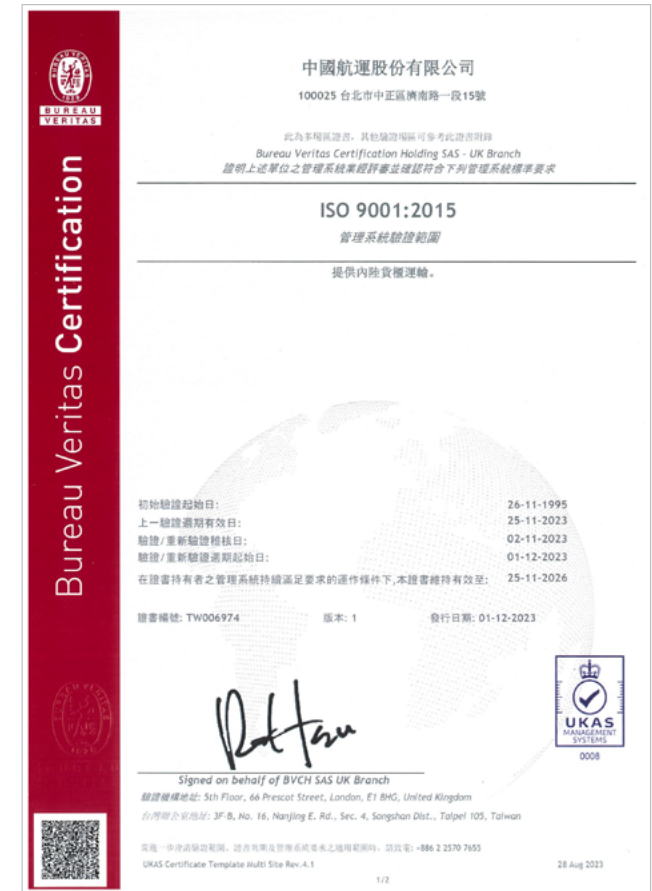
Appendix IV: Group-related Certifications



中國航運 ISO 9001 2015



中航物流 - 安全認證優質企業 (AEO) 證書



偉聯運輸 ISO 9001 2015



航偉汽車 ISO 9001 2015



中航 - 健康職場認證標章 - 健康啟動

Appendix V: Assurance Report

Independent Limited Assurance Report

To Chinese Maritime Transport Ltd.:

We were engaged by Chinese Maritime Transport ("CMT") to provide limited assurance over the selected information attached ("the Subject Matter Information") on the 2023 Sustainability Report of CMT ("the Report") for the year ended December 31, 2023.

Applicable Criteria of the Subject Matter Information

CMT shall prepare the Subject Matter Information in accordance with Global Reporting Initiative Standards ("GRI Standards") issued by Global Sustainability Standards Board and the Sustainability Accounting Standards for Marine Transportation Industry issued by Sustainability Accounting Standards Board ("SASB") as set forth in Appendix I.

Management's Responsibilities

CMT is responsible for determining its objectives with respect to sustainable development performance and reporting, including the identification of stakeholders and material aspects, and using the applicable criteria to fairly prepare and present the Subject Matter Information. CMT is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We performed our work in accordance with the Standard on Assurance Engagements TWSAE3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation in Taiwan and to issue a limited assurance conclusion on whether the Subject Matter Information is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the internal control over the design or implementation of the Report.

Independence and Standards on Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

Summary of Work Performed

As stated in applicable criteria of the Subject Matter Information paragraph, our main work on the selected information included:

- Reading the Report of CMT;
- Inquiries with responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the Subject Matter Information.
- On the basis of the understanding obtained mentioned above, perform analytical procedures on the Subject Matter Information and if necessary, inspect related documents to gather sufficient and appropriate evidence in a limited assurance engagement.

The work described above is based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Subject Matter Information, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis of our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

The Report for the year ended December 31, 2023 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of CMT. Therefore, the different stakeholders may have different interpretations of such information.

Conclusion

Based on the work we have performed and the evidence we have obtained, as described above, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been properly prepared, in all material aspects, in accordance with the applicable criteria.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied after the issuance date of this report.

The engagement partners on the assurance resulting in this independent auditors' report are Huang, Yu-Ting and Chien, Szu-Chuan.

KPMG

Taipei, Taiwan (Republic of China)
Dec 5, 2024

Notes to readers

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.

Appendix I : Summary of the Subject Matter Information

No.	Corresponding Section	Subject Matter Information			Applicable Criteria	
		2023 Air Pollutant Emission Status				
1	4.3 Air Pollutant Emission Management	Type of source	Emission	Unit	GRI305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	
		Nitrogen oxides (NOx)	6,210	Metric tons		
		Sulfur oxides (SOx)	1,037	Metric tons		
		Particulate matter (PM10)	476	Metric tons		
Note: The scope of Statistical data is limited to the fleet. The Group's air pollutant emissions were estimated based on the emission coefficients. The emission coefficients and calculation methods were derived from IMO's 4 th Greenhouse gas study 2020.						
2	5.1 Manpower Structure	Group New Hires Rate			GRI401-1 New employee hires and employee turnover	
		Statistics on the new hires rate of the Group				
		Gender	Age/Item	Number of new employee hires		Gender age percentage (%)
		Female	Under 30 years old	4		17.39
			30-50 years old	3		13.04
			Over 50 years old	1		4.35
		Male	Under 30 years old	3		13.04
			30-50 years old	8		34.79
			Over 50 years old	4		17.39
		Total number of new employee hires		23		
Total number of employees		314				
Rate of new employee hires (%)		7.32				
Notes:						
1. Rate of new male/female employee hires of the age group = the number of new male/female employee hires of the age group of the current year/ the total number of new employee hires of the year.						
2. Rate of new employee hires = the number of new employee hires of the current year/ the total number of employees at the operating bases at the end of the current year.						

No.	Corresponding Section	Subject Matter Information	Applicable Criteria																																				
		<p>■ Group turnover rate (including retirement)</p> <p>Statistics on the turnover rate of the Group</p> <table border="1"> <thead> <tr> <th>Gender</th> <th>Age/Item</th> <th>Number of employee turnover</th> <th>Gender age percentage (%)</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Female</td> <td>Under 30 years old</td> <td>2</td> <td>10.53</td> </tr> <tr> <td>30-50 years old</td> <td>3</td> <td>15.78</td> </tr> <tr> <td>Over 50 years old</td> <td>6</td> <td>31.58</td> </tr> <tr> <td rowspan="3">Male</td> <td>Under 30 years old</td> <td>0</td> <td>0</td> </tr> <tr> <td>30-50 years old</td> <td>2</td> <td>10.53</td> </tr> <tr> <td>Over 50 years old</td> <td>6</td> <td>31.58</td> </tr> <tr> <td colspan="2">Total number of employee turnover</td> <td colspan="2">19</td> </tr> <tr> <td colspan="2">Total number of employees</td> <td colspan="2">314</td> </tr> <tr> <td colspan="2">Rate of employee turnover (%)</td> <td colspan="2">6.05</td> </tr> </tbody> </table> <p>Note: 1. Rate of male/female employee turnover of the age group = the number of male/female employee turnover of the current year/ the total number of employee turnover of the year. 2. Rate of employee turnover = the number of employee turnover of the current year/ the total number of employees at the operating bases at the end of the current year.</p>	Gender	Age/Item	Number of employee turnover	Gender age percentage (%)	Female	Under 30 years old	2	10.53	30-50 years old	3	15.78	Over 50 years old	6	31.58	Male	Under 30 years old	0	0	30-50 years old	2	10.53	Over 50 years old	6	31.58	Total number of employee turnover		19		Total number of employees		314		Rate of employee turnover (%)		6.05		
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No.	Corresponding Section	Subject Matter Information	Applicable Criteria																											
3	5.2 Compensation and Benefits	<p>■ The Group attaches great importance to the rights and interests of employees and provides them with a supportive working environment. In 2023, the number of employees were entitled to parental leave was 12, and that who actually took parental leave was 2, 1 employee have returned to work, and 1 employee will return to work in the next year. In addition, the Group provides employees with childcare and education subsidy of NTS 1,500 per person per month. We value the employees' family needs and actively support the policy of parental leave to support our employees to reach a balance between their work and family lives. The following table shows the information regarding the Group's parental leave situation in 2023.</p> <table border="1"> <thead> <tr> <th></th> <th>Female</th> <th>Male</th> </tr> </thead> <tbody> <tr> <td>Number of employees were entitled to parental leave of the current year</td> <td>5</td> <td>7</td> </tr> <tr> <td>Number of employees took parental leave of the current year</td> <td>2</td> <td>0</td> </tr> <tr> <td>Number of employees who plan to return to work after the parental leave of the year</td> <td>1</td> <td>0</td> </tr> <tr> <td>Total number of employees that returned to work after parental leave ended of the current year</td> <td>1</td> <td>0</td> </tr> <tr> <td>Total number of employees that returned to work after parental leave ended in the previous year</td> <td>0</td> <td>0</td> </tr> <tr> <td>Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work in the previous year</td> <td>0</td> <td>0</td> </tr> <tr> <td>Return to work rate</td> <td>100%</td> <td>N/A</td> </tr> <tr> <td>Retention rate</td> <td>N/A</td> <td>N/A</td> </tr> </tbody> </table>		Female	Male	Number of employees were entitled to parental leave of the current year	5	7	Number of employees took parental leave of the current year	2	0	Number of employees who plan to return to work after the parental leave of the year	1	0	Total number of employees that returned to work after parental leave ended of the current year	1	0	Total number of employees that returned to work after parental leave ended in the previous year	0	0	Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work in the previous year	0	0	Return to work rate	100%	N/A	Retention rate	N/A	N/A	GRI 401-3 Parental leave
	Female	Male																												
Number of employees were entitled to parental leave of the current year	5	7																												
Number of employees took parental leave of the current year	2	0																												
Number of employees who plan to return to work after the parental leave of the year	1	0																												
Total number of employees that returned to work after parental leave ended of the current year	1	0																												
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Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work in the previous year	0	0																												
Return to work rate	100%	N/A																												
Retention rate	N/A	N/A																												
4	5.4 Occupational Safety and Health (Including Health Promotion)	<p>■ The Company adheres to the principles of "Integrity, Professionalism, and Passion", with "Safety, Health, and Sustainable Development" as the operational goal. We implement risk management and make continuous improvement to ensure sustainable management and fulfillment of social responsibility. We uphold our obligations and corporate responsibility, identify risks and opportunities, implement risk management, encourage consultation and discussion, facilitate full participation, protect work safety, prevent occupational diseases and</p>	GRI 403-9 Work-related injuries																											

No.	Corresponding Section	Subject Matter Information	Applicable Criteria
		<p>commit to make continuous improvement to ensure sustainable management of the Company. All management decisions and implementations must comply with occupational safety and health regulations, and thorough risk assessment must be carried out. In addition, tiered management should be implemented to reduce the likelihood of hazards.</p> <ul style="list-style-type: none"> Hazard Identification and Risk Assessment The Company conducts hazard identification, occupational health and safety risk and opportunity assessments, and the identification of applicable laws and other regulations to determine corresponding risks and opportunities, coupled with the preparation of emergency response plans and control measures. This process takes into account technical feasibility, financial aspects, operational aspects, and business needs, while also considers priority of improvements such as elimination, substitution, engineering controls, warning labels, management controls, hardware, or personal protective equipment to effectively improve or control the planning and assessment of the actions. We implement control over the following items to ensure the prevention of hazard and risks. Routine and non-routine activities in work areas, processes, installations, technical equipment, operating procedures and work organization. The activities of all people entering the workplace within the unit, including workers, contractors, visitors, and other persons near the workplace that may affect the activities. The infrastructure, equipment, materials that are used in the unit and physical conditions of the workplace. External hazards and emergencies having adverse safety and health impact on the personnel of the Group. Any applicable legal requirements related to risk assessment and the implementation of necessary control measures, covering the scope of work areas, design of work organization, etc. In the event of investigation of a serious accident, occupational safety and health personnel shall report to the competent authority and convene a "Major Incident Review Meeting", with the agenda covering the sequence of events, cause analysis, immediate response actions, and strategies to prevent recurrence. Furthermore, an Occupational Safety and Health Abnormal Incident Investigation Form should be issued after the incident and submitted to the responsible department for completion. The incidents mentioned above 	

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No.	Corresponding Section	Subject Matter Information	Applicable Criteria
		<p>include general and serious events. For false alarms, the responsible parties can decide whether to issue a False Alarm Incident Investigation Report. The responsible department should complete the Occupational Safety and Health Abnormal Incident Investigation Form or the False Alarm Incident Investigation Report within five working days after receiving them. When implementing corrective and preventive measures, consideration should be given to the need for adding or amending objectives, targets, management plans, or control documents, and employee education and training should be provided.</p> <ul style="list-style-type: none"> Occupational Accidents Situations In 2023, the Company reported no cases of occupational injuries or diseases among employees and non-employee workers. 	
5	Appendix II : Sustainability Disclosure Topics and Metrics (SASB) Comparison Table	<ul style="list-style-type: none"> There were no incidents of spills or releases to the environment within the Group. 	SASB TR-MT-160A.3 (1) Number and (2) aggregate volume of spills and releases to the environment

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