

## Promotion of Sustainable Development

2024.05.31

Evaluation Criteria	Implementation (Note 1)			Deviation and Reason
	Y	N	Summary Description (Note 2)	
1.Has the company established a sustainable development governance framework and designated personnel to oversee implementation? Has the company's board authorized senior management to implement the plan under board supervision?	V		<p>The Company's Sustainable Development Best Practice Principles (originally named Corporate Social Responsibility Best Practice Principles) was approved by the board on May 11, 2016.</p> <p>The president of the Company leads our sustainable development implementation team, with support from relevant departments. The team monitors economic, environmental, social and labor issues arising from company operations and sets relevant targets and execution plans based on international sustainable development policies and guidelines. The team briefs the board on sustainable development implementation once a year. In 2023, the briefing took place on Nov. 9.</p> <p>Our sustainable development practices provide maximum flexibility and responsiveness. These practices include implementing corporate governance, developing a sustainable environment, protecting social welfare, providing material disclosures, and monitoring domestic and international guidelines. We have commissioned a consulting firm to assist with the preparation of a sustainability report. We also started tracking our greenhouse gas emissions before tracking became mandatory. The board is briefed on implementation quarterly.</p> <p>On March 20, 2023, the board approved the establishment of a sustainable development committee to supervise the implementation of the initiatives described</p>	No Deviation

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			above. The committee reports directly to the board.	
2. Does the company assess operational risk from environmental, social, and governance issues in accordance with the materiality principle, and does it have relevant risk management policies in place? (Note 2)	V		<p>The Company's operational risk disclosure scope covers our performance in sustainable development at our primary operating locations from January to December 2023. The risk assessment scope and boundaries cover our three main businesses – shipping, trucking, and container terminals – and our subsidiaries. The board is our highest risk management and control authority. Our Risk Management Policy was approved by the board on Dec. 8, 2020.</p> <p>Our president oversees our interdepartmental risk management and control team, which regularly evaluates our risk orientation based on our existing capital structure, business model, corporate strategies and revenue targets. To formulate risk response strategies, the team follows relevant procedures in analyzing the outcomes of specific risks taken. The team reports to the board once a year.</p> <p>Our Audit Committee shares responsibility for managing and controlling both existing and potential risk. The committee has a dedicated team that conducts analysis based on the materiality principle; communicates with internal and external stakeholders; and evaluates major ESG (environmental, social, and corporate governance) issues through data review and analysis.</p> <p>The board was briefed on the implementation of risk management and control measures in occupational safety and</p>	No Deviation

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			health, legal affairs and cybersecurity on Nov. 9, 2023.	
<p>3.Environmental Issues</p> <p>(1) Does the company have industry-appropriate environmental management policies?</p>	V		<p>The Company closely monitors the impact our fleet has on the environment and climate change. Per the International Convention for the Prevention of Pollution from Ships (MARPOL) and European Union regulations, we:</p> <p>--continuously track emissions from our fleet in accordance with the International Maritime Organization Fuel Oil Data Collection System and EU/UK Monitoring, Reporting and Verification System.</p> <p>--maintain an inventory of hazardous materials. Our purchase management guidelines ensure no asbestos-containing materials are used and limit use of heavy metals and other hazardous materials. We are compliant with the EU Ship Recycling Regulation (EU-SRR) and Hong Kong Convention, and are classification society-certified.</p> <p>--have installed ballast water treatment systems on our ships in accordance with the International Convention for the Control and Management of Ships' Ballast Water and Sediments. This convention prevents harmful and invasive aquatic organisms from spreading between regions.</p> <p>--strictly prohibit overboard disposal of plastic waste in accordance with international marine environment protection laws. We have also installed new water filtration systems on ships and switched to</p>	No Deviation

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			eco-friendly trash bags. In addition, we ask our crews to minimize consumption of bottled water, other plastic products and plastic packaging. Since these measures were implemented, average plastic waste volume per ship has fallen dramatically, decreasing over 50% from 2021 to 2022 and a further 15% from 2022 to 2023.	
(2)What does the company do to improve energy efficiency, and does it use renewable materials to minimize its environmental footprint?	V		<p>The Company has adopted numerous measures to minimize our environmental footprint.</p> <p>--On ships: Energy-saving devices have been installed on ships to improve energy efficiency. We use high-end anti-fouling paint on ships and routinely clean shell plating. To reduce plastic waste, we have installed high-end water filtration systems on ships. We also ask suppliers to reduce packaging, encourage crews to reuse containers and padding materials, and incentivize waste reduction.</p> <p>--In trucking and container terminals: We actively implement energy- and carbon-reduction measures, including replacing older diesel-powered tractors with energy-efficient, eco-friendly sixth-generation models. Our phase-out of older vehicles will include the introduction of pure electric vehicles and electric stackers to improve energy efficiency and reduce our carbon footprint.</p> <p>--In the field and offices: Energy-saving measures we have implemented include a switch to energy-efficient lighting, fewer tube lights, turning off electronics that are</p>	No Deviation

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			not in use, thermostat controls during the summer, waste paper recycling, trash sorting, waste reduction, and fewer printouts.	
(3) Has the company assessed potential present and future climate change-related risk and opportunities, and has it adopted climate-related countermeasures?	V		<p><b>Shipping:</b> With international and domestic regulations becoming stricter by the day, fleet operators are under pressure to reduce greenhouse gas emissions and pollution. This means higher risk from higher operating costs. The Company has 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. We will also replace older vessels with high-efficiency diesel vessels with energy-saving designs in a timely manner. We closely monitor regulatory changes and proactively implement countermeasures to mitigate operational risk.</p> <p><b>Trucking and container terminals:</b> The Company is replacing tractors and stackers with new vehicles and equipment that meet new environmental standards.</p>	No Deviation
(4) Did the company track its greenhouse gas emissions, water consumption, and waste volume in the last two years, and does it have management policies to reduce greenhouse gas	V		<p>The following data covers the Company's consolidated entities including shipping, trucking, warehouse logistics, and commercial vehicle subsidiaries:</p> <p>Greenhouse gas emissions: Information on the Company's greenhouse gas inventory and assurance status in the last two fiscal years can be found on the</p>	No Deviation

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emissions, water consumption and waste generation?			<p>Company's website-ESG report.</p> <p>Field and office water consumption: 2022: 16,769 m<sup>3</sup> 2023: 10,840 m<sup>3</sup></p> <p>Recyclable waste: Scrap iron and hardware 2022: 19,040 kg 2023: 30,190 kg</p> <p>Used engine oil 2022: 34,990 L 2023: 54,152 L</p> <p>The Company contracts a certified waste disposal company to process general waste. Annual waste volume: 2022: 124 tons 2023: 70 tons</p> <p>Further information on our waste reduction policies and verification status can be found on the Company's annual report - Climate-Related Information of TWSE/TPEX Listed Company.</p>	
<p>4.Social Issues</p> <p>(1) Does the company have management policies and procedures in accordance with relevant laws, regulations, and international human rights conventions?</p>	V		<p>To live up to our corporate social responsibility and protect the basic human rights of employees and stakeholders, the Company adheres to international human rights covenants including the United Nations' Universal Declaration of Human Rights, Guiding Principles on Business and Human Rights, Convention on the Rights of Persons with Disabilities, Convention on the Elimination of All Forms of Discrimination</p>	No Deviation

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			<p>Against Women, Convention on the Rights of the Child; and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and Maritime Labour Convention.</p> <p>We are also compliant with Taiwan's Labor Standards Act, Act of Gender Equality in Employment, Employment Service Act, and other relevant laws. Information on the implementation of our Human Rights Policy can be found on our website. We provide a safe, healthy working environment through management principles that promote diversity and tolerance, fair wage and benefit evaluations, and freedom from discrimination. We also hold quarterly labor-management meetings and occupational safety and health committee meetings to ensure employee and stakeholder rights are protected.</p> <p>In 2023, we revised and implemented a program to prevent unlawful infringement in the workplace, along with our "Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace." We did not have any cases of discrimination, child labor or forced labor in 2023 and we were not fined or penalized for any labor violations. In 2023, employees of the consolidated company attended a total of 2,788 person-hours of training and education in human rights and occupational health and safety.</p>	
(2) Does the company have and has it implemented reasonable	V		Employee welfare information can be found on in the "Labor Relations" (5.5) section of the Company's annual report. The	No Deviation

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employee welfare measures (including salary, paid time off, and other benefits), and do employee salaries reasonably reflect performance and achievements?			<p>Company adjusts wages annually based on operating performance, and performance bonuses are distributed based on annual profit. On average, performance bonuses in 2023 were comparable to 2022.</p> <p>On the workplace diversity and equality front, women make up 50% of our employees and account for 26.4% of senior management (assistant manager and above).</p>	
(3) Does the company provide employees with a safe and healthy work environment? Does it provide regular safety and health training for employees?	V		<p>The Company closely monitors occupational health and safety and received its government-issued “Badge of Accredited Healthy Workplace” on Dec. 22, 2023.</p> <p>In accordance with our occupational health and safety management system, our employees undergo regular disaster prevention training.</p> <p>Company properties including offices and plants are inspected and maintained three times a day in the morning, afternoon and evening. This includes regular disinfection, machinery safety inspections, and fire safety testing. Employees are periodically reminded to follow operating procedures to keep themselves safe.</p> <p>The Company provides employees with premium annual physical exams and health consultation services with medical professionals. Company properties are equipped with automated external defibrillators (AED).</p> <p>In 2023, employees of the consolidated company attended a total of 2,788 person-hours of human rights and occupational health and safety training.</p> <p>The consolidated company did not have</p>	No Deviation



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			<p>any workplace accidents or injuries in 2023, but we will continue to strengthen workplace safety and operational safety awareness.</p> <p>The consolidated company did not have any fires or related injuries in 2023. We have an autonomous fire prevention team established under the guidance of fire bureau instructors. Designated representatives from every department undergo regular fire prevention and safety training. We also hold periodic fire drills.</p>	
(4) Does the company offer career development and training programs for employees?	V		<p>The Company's rotational transfer system provides employees with training opportunities that develop their professional skills. We encourage employees to enroll in career development and business English programs. In 2023, 2,253 employee person-times of the consolidated company attended 4,642 hours of internal and external professional training, including new employee training and continuing education.</p>	No Deviation
(5) Is the company compliant with laws, regulations and international standards on customer health and safety, privacy, marketing preferences and labeling? Does the company have consumer protection policies and SOPs for handling consumer	V		<p>The Company's shipping, trucking, and warehouse logistics operations are compliant with, respectively, the International Safety Management Code, Regulations for Automobile Transportation Operators, and Regulations Governing the Customs Management of Container Terminals.</p> <p>Customer rights are protected by corporate policies including our Ethical Management Guidelines and Code of Conduct. Stakeholders can file grievances via a dedicated contact section on our website.</p>	No Deviation

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and customer complaints?		V	As we are not engaged in design, production, manufacturing or sales, consumer policies are not applicable.	
(6) Does the company have supplier management policies requiring supplier compliance with environmental and occupational safety regulations, and labor and human rights standards? How have these policies been implemented?	V		<p>Information on the Company's supplier management policies and implementation can be found on our website. We ask our suppliers to complete self-evaluations on product quality, delivery, operations and sustainability once a year. The evaluations help us better understand suppliers' environmental, social and governance performance so we can make informed decisions on which suppliers to work with. This is one way we uphold environmental protection and labor rights.</p> <p>In 2023, our procurement and use units conducted a supplier quality system evaluation via sampling and asked suppliers to complete either a self-evaluation questionnaire or organizational evaluation based on the characteristics of their operations. Suppliers were evaluated on quality, price, delivery time, organizational structure and management, sustainability, etc. Sampling rate in 2023 was 80%, with scores of "excellent" across the board. We therefore did not terminate any supplier contracts in the year.</p>	See Summary Description
5. Does the company follow international reporting standards and guidelines in the preparation of its sustainability report and		V	The Company has not yet published a sustainability report but we will follow international reporting standards and guidelines when we do.	See Summary Description

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other non-financial disclosures? Has the veracity of the information in said report(s) been verified by a third-party certification body?				
<p>6.Deviation(s) from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies due to the Company having its own sustainable development best practice principles: None</p> <p>7.Other material information that would help the public better understand the company's implementation of sustainable development practices: Information on the implementation of the Company's corporate social responsibility and community outreach programs can be found on our website. We are deeply committed to sustainable business practices and have operated with integrity since our inception. By fulfilling our social responsibility, we provide employees with a stable and healthy environment for personal growth while maximizing shareholder value.</p> <p>We are active in philanthropy, particularly in the areas of youth development and community outreach to the disadvantaged. We hope our programs raise awareness on the importance of community outreach, thereby encouraging more businesses to do their part and contribute to creating a virtuous cycle in society.</p> <p>Our group is a long-time supporter of Weici Charity Foundation, a social outreach and welfare organization providing assistance to underprivileged families and individuals. The foundation participates in many charitable activities, and provides financial and material aid to social affairs bureaus and households in need, whether the need comes from poverty or ill health. It also supports Taipei Medical University's summer and winter volunteer medical missions on offshore islands, the Taipei City Department of Social Welfare's meal program, and Chinese New Year holiday meals. Additionally, we demonstrate our commitment to social and public welfare through donations to Cheng Hsin General Hospital and education foundations. In 2023, our group's cumulative donations totaled NT\$3.5 million and we provided free meals to an estimated 1,600 people at Taipei City's Zhongzheng Social Welfare Center.</p> <p>Chinese Maritime Transport Scholarships was established the Chinese Maritime Transport</p>				

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<p>Scholarship Fund in 2021. The program shares the people-oriented and employee-centric management philosophy that has helped our company thrive. Scholarships decrease the economic burden on families, and allow students to focus on their studies without worrying about their living expenses or having to work while going to school. The program plays a crucial role in cultivating talent in the shipping industry. Our scholarships to 16 students (four students per term) totaled NT\$320,000 during the 2022-2023 academic year.</p>				