YANG MING
YANG MING MARINE TRANSPORT CORP.

SUSTAINABILITY REPORT
2024

YANG MING delivers GOOD for life

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Carrying the World, Steady Navigation

In 2024, the global container industry added approximately 3 million TEU of new capacity, with supply growth exceeding demand growth. However, factors such as vessels rerouting due to the Red Sea crisis and congestion at major ports consumed excess tonnage. Meanwhile, Asia's emerging economies performed exceptionally well, driving global economic growth. Yang Ming continued to adjust route layouts and fleet deployment in response to market changes, actively seizing market opportunities throughout 2024 to achieve outstanding operational performance.

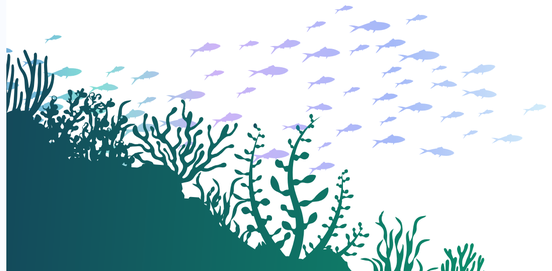
Looking back at 2024, we deepened alliance cooperation and optimized route competitiveness through the innovative Premier Alliance route structure, which will continue to provide customers with a comprehensive route network for the next five years. We also purchased long-term chartered vessels to stabilize the ship resources needed for operations, establishing a milestone for Yang Ming's self-owned fleet management entering the 10,000+ TEU class and initiating ship deployment planning to meet fleet renewal and business development needs.

In response to climate change challenges, we actively implemented various energy-saving and emission reduction measures to fulfill our environmental protection commitments. This included adding biofuel at all feasible supply ports along routes for various vessel types, using a total of 61,238 tons throughout 2024, achieving approximately 37,000 tons of greenhouse gas emission reductions compared to conventional fuels. We also conducted our first group-wide greenhouse gas inventory as a foundation for further emission reductions in the future. We also spared no effort in building workplace psychological support systems, providing diverse employee education and training programs and health care measures under our people-centered philosophy. In terms of overall performance in environment, corporate governance, and labor rights, Yang Ming received recognition in 2024 including EcoVadis Silver Rating from the global corporate sustainability rating platform, Taiwan Corporate Sustainability Awards(TCSA) - Top 100 Model Enterprises for Sustainability in Taiwan, National Excellence Healthy Workplace - Health Care Award, and Happy Enterprise Gold Award.

However, we are well aware that sustainable operation challenges are becoming increasingly severe, as competition in market vessel scale economies never ceases, and global economic development continues to face risks from geo-economic confrontation, frequent extreme weather events, and the rapidly increasing intensity of international emission reduction regulations. With the vision of "becoming the preferred choice for global merchants and a transportation group with key influence," while facing numerous operational uncertainties, we continue to focus on the steady development of our core container transportation business, striving for operational scale growth that aligns with trends in global trade demand, economic development, and supply chain ecosystems, while leveraging advantageous market momentum and expanding our customer base.

We actively encourage all employees to demonstrate creativity and vitality, embrace new thinking, simplify business processes through digital tools and strengthen customer service, further promoting digital transformation in the shipping industry. We utilize AI intelligence to implement shipping safety management, ensuring the safety of personnel, daily vessel operations, and cargo transportation. Facing the arduous challenge of greenhouse gas emission reduction, we pragmatically improve the energy efficiency of our operating fleet and continue to develop new energy deployment, creating new value for Yang Ming services through green competitiveness and diversified investment. We also consistently adhere to integrity as our foundation, implementing discipline and corporate governance, emphasizing employee welfare and occupational safety to ensure every employee can work in a safe and healthy environment. We will also continue to shoulder responsibilities for talent cultivation and community welfare, establishing roots in maritime education and practicing marine environmental protection and maritime cultural heritage.

Driven by our corporate mission to "provide sustainable and excellent transportation services, bringing value to customers and welfare to humanity," we launched a new generation ship deployment plan in 2024 to ensure core competitiveness in our main business. In coordination with international environmental regulations, we are reviewing and planning the use of new energy sources, gradually implementing our 2050 net-zero goal, supplemented by continuously improving digital service processes. We aim to meet customer needs with high-quality and energy-saving transportation services while continuing to create economic value for shareholders, laying the foundation for Yang Ming's sustainable shipping.



Chairman

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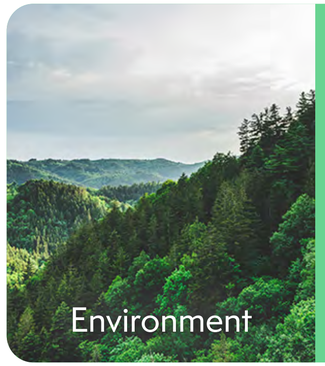
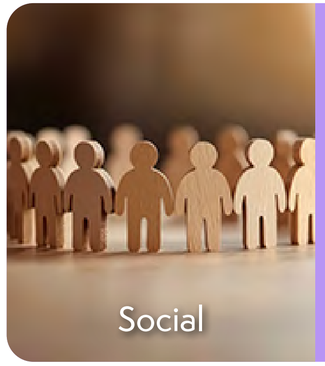
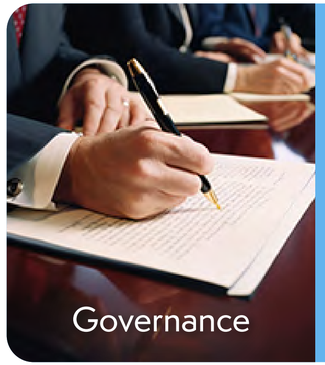


- Carbon intensity in 2024 decreased significantly by **62.74%** compared to 2008.
- Total usage of **61,238 tons** of biofuel, achieving approximately an **18.11%** reduction in emission compared to conventional fuels.
- Purchased **658** renewable energy certificates in 2024, using a total of **658,000 kWh** of renewable energy through green electricity transfer.
- **100%** of owned vessels have completed ballast water system installation.
- New container manufacturing uses water-based paint, reducing **1,051.8 tons** of volatile organic compounds(VOC).
- Organized beach cleanup activities at **12** global operational locations, with a total of **461 participants**, successfully cleaning **2.354 tons** of marine waste.
- Partnered with The Society of Wilderness to conduct invasive species removal activities at Wugu Wetland, New Taipei City, and Yuanzhonggang Wetland, Kaohsiung, with **101** colleagues and family members participating, successfully removing **92 kg** of Mikania micrantha and **200** Leucaena leucocephala plants.
- Promoted various digital paperless initiatives, reducing approximately **5.3593 tons** of CO_2e.



- Conducted human rights policy education training online courses and tests for all onshore employees. Statistics show that **1,493 people** completed the course with a test pass rate of **99.93%**.
- The Keelung Container Yard participated in the "Keelung Port Safety and Health Family," hoping to improve port operation safety standards through family operations to achieve **zero disasters** in "port transportation," "container handling," and "civil construction," reducing occupational disasters and enhancing port safety and disaster prevention capabilities to protect worker safety.
- **44** maritime and marine engineering interns from three maritime universities.
- Social participation investment of **NT$49,306,923**.
- Flea market sold **876** charity sale items with total charity sale revenue of **NT$384,255**, donated to **8** charitable organizations.
- Organized **34** industry lectures and recruitment briefings, recruiting **130** seafarers (excluding student interns).
- Conducted **165** competency training course sessions for officers and ratings.



- In terms of holding an investor conference every quarter and publishing major information in English in real-time, the achievement rate was **100%**. The annual general meeting was held in a physical manner, with video conferencing as an option for participants.
- Participated in Taiwan Corporate Sustainability Awards(TCSA) for **4 consecutive years**, winning the Top 100 Model Enterprises for Sustainability in Taiwan for the 3rd time and the Corporate Sustainability Report Awards - Transportation Industry Class 1 Platinum Award for the 2nd time.
- Board of Directors received positive recognition in leadership style, risk management, and whistleblower system independence through external evaluation.
- Total continuing education hours for directors and independent directors reached **153 hours**, **1.28 times** the legal requirement.
- No litigation cases involving corruption occurred, and no major regulatory violation penalties occurred in environmental and social aspects.
- Zero container overboard and container collapse incidents, **zero errors** in special cargo safety control, and **0** serious shipping-related accidents.
- No property loss incidents caused by cybersecurity in 2024.

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Environment E

- Since 2016, Yang Ming continuously participated in the "Protecting Blue Whales & Blue Skies" Program led by the National Oceanic and Atmospheric Administration (NOAA), **receiving the highest recognition Sapphire Award for 2 consecutive years**.
- Port of Long Beach-Green Flag Certificate 2023.
- Won the **Blue Circle Awards** from Vancouver Fraser Port Authority for the **8th** time.
- Won the 4th TSAA Taiwan Sustainability Action Awards - SDG04 Sustainable Ocean and Reading Program - **Bronze Level** in 2024.
- Selected as an Excellent Private Enterprise for Green Procurement by the Bureau of Environmental Protection, Keelung City for **four consecutive years**.
- BICEPS **Level B**.
- Participated in CDP Climate Change Program questionnaire and received **B rating** for **3 consecutive years**.
- Won the **first prize** in the "Maritime and Port Big Data Creative Application Competition".

Social S

- First-time participation in the Taipei Golden Eagle Microfilm Festival organized by Taiwan Institute for Sustainable Energy (TAISE), winning the highest award Best Annual Sustainability Microfilm Award and Sustainability Microfilm **Bronze Award**.
- Received Sports Enterprise Certification from the Sports Administration, Ministry of Education for 2024.
- Obtained Healthy Workplace - **Health Promotion Certification** from the Ministry of Health and Welfare for **3 consecutive years**.
- Received recognition from the **Ministry of Labor with the Work-Life Balance Award** - Family-Friendly Group.
- Won the **Sports Promotion Award from the Sports Administration, Ministry of Education**.
- Won the **2024 Happy Enterprise Gold Award**.
- Won the **Healthy Corporate Citizen Award Gold Prize**.
- Awarded the 2024 National Outstanding Healthy Workplace - **Health Care Award by the Ministry of Health and Welfare**.
- **Excellent performance** in the review of R.O.C. vessel carriers for the employment of R.O.C. national seafarers/ **excellent performance** in the review of foreign vessel carriers for the employment of R.O.C. national seafarers/**excellent performance** in the review of R.O.C. vessel carriers and foreign vessel carriers for the employment of R.O.C. national female seafarers by the Maritime Port Bureau, MOTC in 2024.

Governance G

- Participated in **Taiwan Corporate Sustainability Awards(TCSA)** for **4 consecutive years**:
  Won the **Top 100 Model Enterprises for Sustainability in Taiwan** for the **3rd time**.
  Won the **Corporate Sustainability Report Awards - Transportation Industry Class 1 Platinum Award** for the **2nd time**.
- Won the **Shipping Agency Award in the Golden**. **Boat Awards from Taiwan International Ports Corporation, Ltd.** for **12 consecutive years**.
- Selected by China Shipping Gazette and the Shipping and Logistics Branch of the China Communications and Transportation Association as one of the "**Top 30 Innovative Cases** in the Port and Shipping Logistics Industry 2024" and recognized as one of the "**Top 10 Focus Enterprises** in the Port and Shipping Logistics Industry 2023.
- Won the **Best Intra-Asian Carrier Award** at the Asian Freight, Logistics & Supply Chain Awards (AFLAS) organized by Asia Cargo News for the **3rd time**.
- Won the **2024 Quest for Quality Award** from Peerless Research Group (PRG) and Logistics Management magazine.
- Selected as a container liner company with user satisfaction in the 21st Golden Wheel Cup China Freight Service Quality Tracking Survey by China Shipping Weekly.
- Won the **Union Pacific Sustainability Partnership Award**.
- Received a **Silver Award and ranked among the top 15% in the EcoVadis Sustainability Rating** for the **3rd time**.
- Selected as the **top 6%-20%** of listed companies in the 11th Corporate Governance Evaluation for **eight consecutive years**.
- "Intelligent Ship Analysis and Digital Monitoring Management Project" won the 2024 IT Matters Awards **Digital Transformation Award**.
- Won the Taiwan International Ports Corporation's "Maritime Industry Innovation Application and Digital Transformation Award".

Selected as a constituent in the following indexes for **4** consecutive years

- MSCI Global Standard Indexes
- FTSE4Good TIP Taiwan ESG Index (FTSE4Good)
- Taiwan High Salary 100 Index constituent stock

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Company Profile

Yang Ming Marine Transport Corporation was established on December 28, 1972, with headquarters located in Keelung City, Taiwan. The main business is container transportation, as well as ship, container and chassis repair, leasing, trading and shipping agency services. The fleet is mainly composed of container ships, primarily serving corporate customers. The route network spans Asia, Europe, America, Australia, and Africa. As of the end of 2024, the company has established 229 service locations in 86 countries, with regional centers established in the United States, China, Singapore, Germany, Greece, and Panama, responsible for overall business supervision and management in each region.

Headquarters Address	No. 271, Mingde 1st Rd., Qidu Dist, Keelung City 206006, Taiwan (R.O.C.)
Number of employees *	3,366 people (including onshore and seafarers employees)
Capital (NT$ thousands)	34,921,042.7
Global ranking	10
Industry	Shipping and Transportation
Stock Code	2609

* As of December 31, 2024.

Since its establishment, the Company has been devoted to achieving the vision and goal of "being an excellent transportation group" and stayed true to the core values of "Teamwork, Innovation, Integrity, and Pragmatism" to offer global and refined oceanic shipping services. With "Punctual, Speedy, Reliable, and Economical" as the 4 guidelines, we strive to deliver excellent services. In terms of operating performance and strategies, the Company enters into joint operations with other well-known carriers around the world to improve the efficiency of integrating global operational resources and keep the business performance growing stably. Yang Ming is currently world's 10th largest shipping company.

1	Teamwork	Emphasizes teamwork and learning spirit; strictly maintains high quality throughout the process; and optimizes comprehensive synergy at full speed.
2	Innovation Encouragement	Applies innovations to make self-breakthroughs, transcend traditions and seek enhancement continuously.
3	Integrity as Priority	Be sincere with people, be honest with work, respects others, cares for the society, and enjoys what we do.
4	Pragmatic Attitude	With a pragmatic attitude, we always have our feet on the ground, are down-to-earth, and do things right the first time.
5	People-Centric	Values every colleague's work and results and provides a safe, healthy, and non-discrimination working environment.
6	Harmonious Coexistence	Cooperates with allies, harmonizes among colleagues, mutually benefits the society, and coexists with the environment.
7	YM in Society	Provides transportation values for the society, and serves for the society and people.

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2024 Certification List

- ISO 9001 Quality Management System
- ISO 14001 Environmental Management System
- ISO/IEC 27001 Information Security Management System
- ISO 45001 Occupational Health and Safety Management System
- ISO 14064-1 and GHG Protocol Greenhouse Gas Inventory Management
- TOSHMS Taiwan Occupational Safety and Health Management System
- ISM CODE International Safety Management Code
- ISPS CODE International Ship and Port Facility Security Code
- QUALSHIP21 Quality Shipping for the 21st Century
- C-TPAT Customs-Trade Partnership Against Terrorism
- AEO Authorized Economic Operator

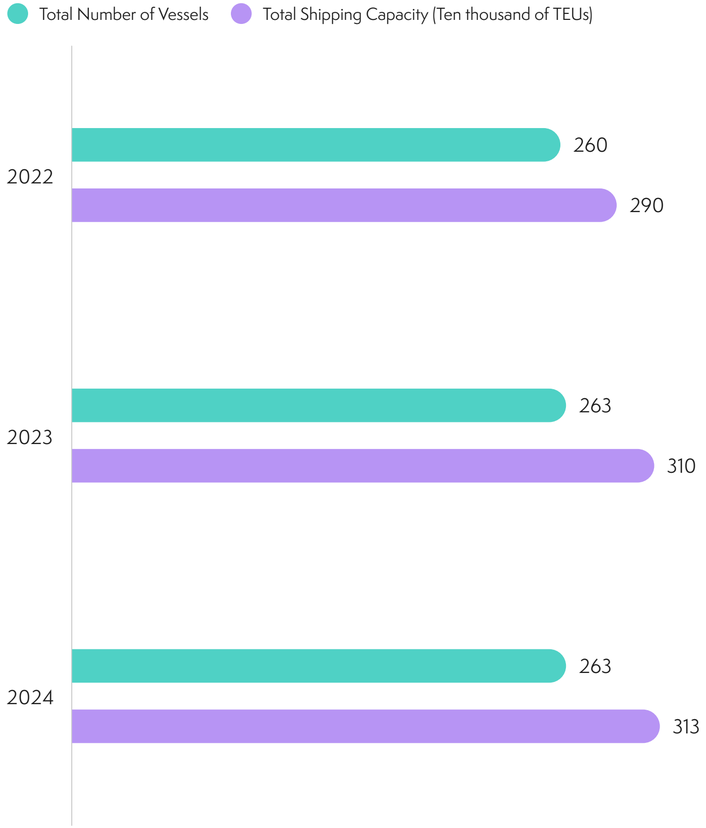
Yang Ming's International Certifications and Policies

Security Certifications

Global Operating Layout

To offer customers convenient international shipping services, aside from the steady growth of Yang Ming's fleet, we also collaborate with other shipping companies for joint services to achieve synergy by integrating operational resources globally for the purpose of ongoing steady growth of the Company The Company participates in THE Alliance, the world's third-largest alliance, whose members include Hapag-Lloyd, Ocean Network Express (ONE), and HMM (Hyundai Merchant Marine). The cooperation scope covers Asia-Northwest Europe routes, Asia-Mediterranean routes, Asia-Middle East and Red Sea routes, Transpacific routes to North America's West Coast, Transpacific routes to North America's East Coast, and Transatlantic routes.

As of the end of 2024, THE Alliance had a total of 26 routes, of which 2 were jointly operated with external partners. The number of available ships for THE Alliance was slightly increased to 263, with a total shipping capacity of nearly 3.13 million TEUs.



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Yang Ming Fleet

W type	Number 20
Hull Length	366.44 ~ 368.08
Loading Capacity (TEU)	14,078 ~ 14,220

T type	Number 14
Hull Length	332 ~ 333.95
Loading Capacity (TEU)	11,714 ~ 12,726

U type	Number 8
Hull Length	333.2
Loading Capacity (TEU)	8,626

M+ type	Number 9
Hull Length	293.18 ~ 305.6
Loading Capacity (TEU)	6,258 ~ 6,589

M type	Number 6
Hull Length	274.69 ~ 275
Loading Capacity (TEU)	5,551

E+ type	Number 5
Hull Length	259
Loading Capacity (TEU)	4,662

E type	Number 3
Hull Length	267.2 ~ 268.8
Loading Capacity (TEU)	4,250 ~ 4,730

C type	Number 10
Hull Length	209.75
Loading Capacity (TEU)	2,940

I type	Number 18
Hull Length	172.07 ~ 183.21
Loading Capacity (TEU)	1,560 ~ 1,805

H type	Number 4
Hull Length	168.8
Loading Capacity (TEU)	1,500

NIL	Number 1
Hull Length	166.15
Loading Capacity (TEU)	1,300

Total Vessel Navigation Distance (Nautical Miles)	7,793,792
Number of Operating Vessels (Full Container Ships)	98
Deadweight Tonnage (Thousand Tons)	8,135
Vessel Operating Working Days (Days)	33,489 *
Total Operating Capacity (TEU)	717,219
Port Calls (Times)	7,761
Port calls to the 20 lowest-ranked countries in Transparency International's 2024 Corruption Perceptions Index	None

* Number of days ships were in operation and generated revenue.

Asia-USEC	4 Weekly Routes	Trans-Atlantic	4 Weekly Routes
Asia-USWC	11 Weekly Routes	Intra-Asia (excluding India/Pakistan)	38 Weekly Routes
Asia-NCP	5 Weekly Routes	Asia-Gulf/India	7 Weekly Routes
Asia-MED	3 Weekly Routes	Asia-Red Sea	0 Weekly Routes
NCP-MED	1 Weekly Routes	Asia-Australia	4 Weekly Routes
Intra-Europe	12 Weekly Routes	Asia-South America	4 Weekly Routes

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Impact Response Strategy

The 2020 COVID-19 pandemic prompted global enterprises and institutions to accelerate digital transformation, emphasizing remote work, e-commerce, and digital innovation. After the global supply chain was impacted by the pandemic, it prompted logistics operators and end buyers to reassess supply chain strategies, intensifying supply chain restructuring, highlighting the importance of international cooperation and global governance, further exposing flaws in the international system, and intensifying regional political and religious conflicts. For route planning, the Company will focus on maintaining the sailing frequency and schedule integrity and making adjustments in port operations, feeder transport and inland transport, such as shortening the entering time of export containers to minimize the number of containers in the container terminal; giving ships loading more and unloading less priority in mooring, etc. in order to elevate the overall operational efficiency. At the same time, we will quickly respond to changes in climate and geographical conflicts, and actively adjust the structure of routes and ports to ensure that the Company's space supply and transit time are minimally disrupted, continuing to provide customers with stable services. We will also actively contract for profitable cargo transportation and collaborate with alliance partners to cope with geopolitical impacts. In the long run, the focus is on adjusting routes and designing new routes as an approach to responding to market changes and needs.

Yang Ming's Flexible Response to Climate and Regional Conflicts

The Company closely monitors changes related to climate change and geopolitical risks, and ensures the stability and efficiency of transportation services through flexible adjustments to route layouts.

Panama Canal Dry Season

The Panama Canal relies on locks on both the Atlantic and Pacific sides, as well as two artificial lakes in between: Lake Gatun and Lake Alhajuela, using water level management to assist vessel movement. Since the artificial lakes depend on rainwater replenishment, both 2016 and 2019 experienced insufficient rainfall, leading to reductions in vessel draft restrictions. Starting from 2023, insufficient rainfall again affected cargo loading capacity.

In response to possible regional severe weather, Yang Ming continuously monitors meteorological navigation information and adjusts schedules and routing early to avoid adverse conditions. After the Panama Canal's dry season was alleviated starting from the first quarter of 2024, Yang Ming 's US East Coast routes gradually resumed Panama Canal routing.

Red Sea/Aden Regional Conflict

Since the end of 2023, due to actions by Yemen's Houthi armed groups in the Red Sea region, commercial vessel transit safety has faced high risks. Therefore, Yang Ming, together with alliance partners, adjusted all routes requiring transit through this region to detour around the Cape of Good Hope.

Since the Red Sea is typically the shortest trade route from Asia to Europe, after detouring around the Cape of Good Hope, to reduce the increased operational costs and voyage time from the detour, Yang Ming streamlined Mediterranean route port calls and adopted cargo diversion strategies to improve capacity allocation efficiency. Additionally, off-season plans were implemented simultaneously, with timely addition of blank sailings and maintaining suspension of some east-west routes to respond to the weekly service requirements of detour routes.

Strengthening Container Utilization Rate

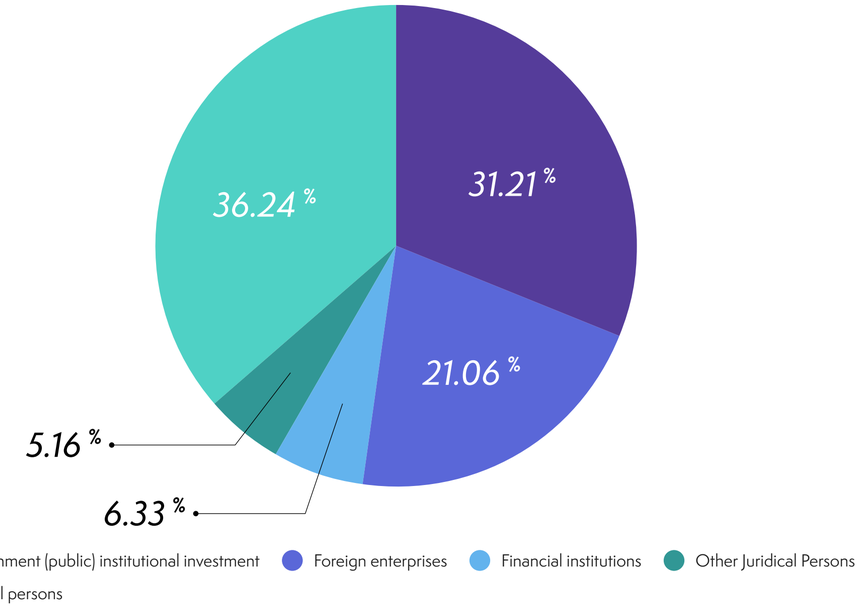
The Company is committed to maintaining the operational efficiency of routes and containers. In 2024, we announced the purchase of 17,000 containers, coordinating with new vessel additions and old container replacement, to effectively control container turnover rates. When ordering new containers, we requested the manufacturer to use new eco-friendly container materials and paints consistent with international standards. For reefer containers, we even requested the use of energy-efficient compressors to ensure the implementation of environmental protection while expanding the shipping capacity.

Container Type	Carrying Capacity in 2023	2023 Turnover Rate	Carrying Capacity in 2024	2024 Turnover Rate
Dry containers	4.389 million TEUs	4.16 times	4.395 million TEUs	4.09 times
Reefer containers	0.19 million TEUs	4.02 times	0.198 million TEUs	4.06 times

Operating Performance and Financial Governance

Ownership Structure

Yang Ming 's major shareholders include domestic and foreign institutions and individuals, with government (public) institutions, foreign institutional investors, and natural persons holding the largest shareholding proportions.



* The Company's last book closure date was on March 31, 2025.

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Financial Position

2024 consolidated operating revenue was NT$222.7 billion, an increase of NT$82.1 billion compared to the same period last year, representing a 58% growth; net income after tax attributable to the company was NT$64.2 billion, an increase of NT$59.4 billion compared to the same period last year. 2024 earnings per share after tax was NT$18.38, and net worth per share was NT$97.52. The condensed consolidated statement of comprehensive income for the most recent 3 years is shown below and covers the consolidated entities identified in Yang Ming's financial reports:

Condensed Consolidated Statement of Comprehensive Income

Unit: NT$ thousand

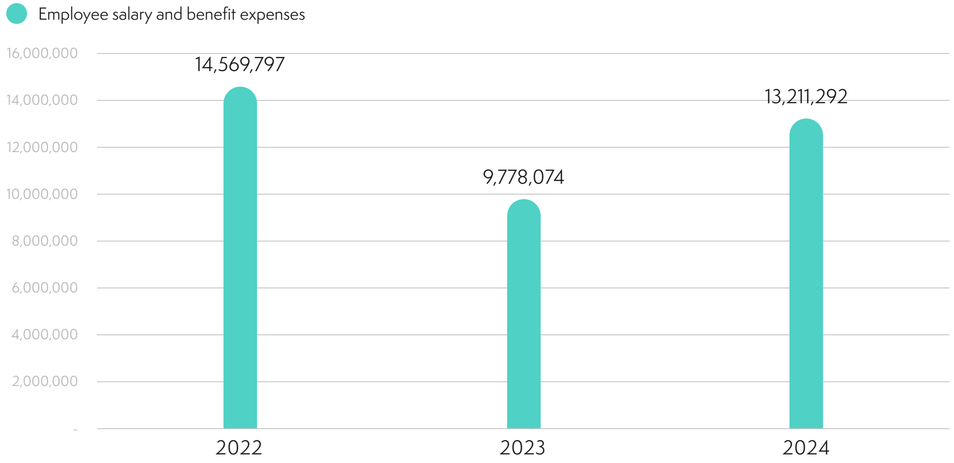
Item/Year	2022	2023	2024
Operating revenue	375,899,874	140,623,713	222,705,949
Operating cost	145,729,755	134,383,170	145,078,257
Gross profit	230,170,119	6,240,543	77,627,692
Profit (loss) before income tax	233,620,714	11,296,248	79,819,520
Income tax expense	(52,605,145)	(6,218,624)	(15,350,159)
Net profit (loss)	181,015,569	5,077,624	64,469,361
Net profit (loss) attributable to owners of the Company	180,591,942	4,774,106	64,179,071
Net profit (loss) attributable to non-controlling interests	423,627	303,518	290,290
Basic earnings per share (NT$)	51.71	1.37	18.38

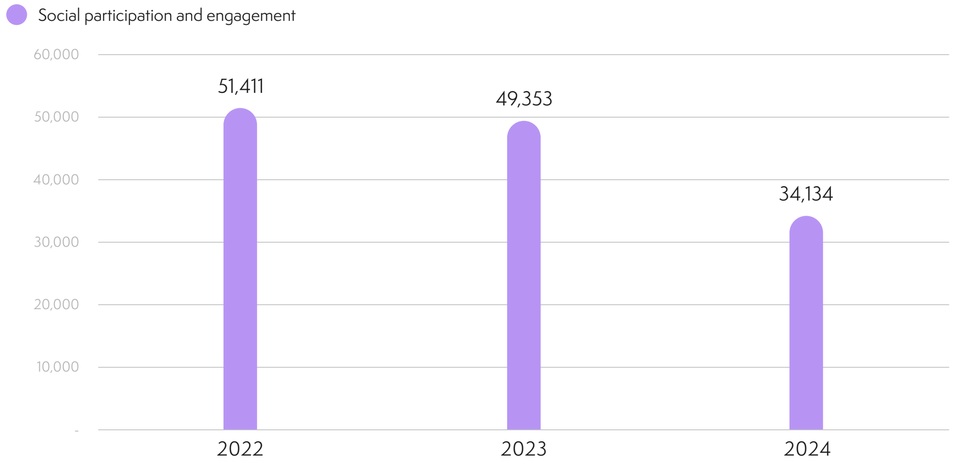
* Financial information is consistent with the annual consolidated financial statements.

Credit Rating

The Company has been operating well in recent years with a sound financial structure. As of the end of 2024, the current ratio reached 597.52% and the debt ratio was 29.50%. According to the assessment by Taiwan Ratings Corporation, due to the Company's more resilient profitability, the rating was upgraded to "twA/twA-1" with a "Stable" rating outlook.

Distributed Economic Value (NT$ thousands)





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Tax Governance

In response to the international trend of tax governance, the Company pursues corporate sustainable development, fulfills corporate sustainable responsibility, and with pragmatism and integrity as our philosophies, ensures thorough compliance with tax laws and regulations, risk control, and the protection of stakeholders' rights and interests. The tax governance principles implemented are as follows:

Compliance with Local Regulations	Observing the tax laws and regulations of operating locations, performing our tax obligations, assessing the impact of changes in the tax laws and regulations as well as international taxation rules and developing measures in response, and not conducting tax planning and policy making for the purpose of tax avoidance.
Guiding Principles	Conducting transactions with related parties in accordance with the "Transfer Pricing Guidelines for Multinational Enterprise and Tax Administrations" announced by the Organization for Economic Cooperation and Development (OECD) and pursuant to the principle of commercial substance, arm's-length principle, the principle of tax compliance, and the transfer pricing regulations established by the jurisdictions of taxation.
Information Transparency	Making proper disclosures in compliance with financial reporting standards and annual report-related regulations and disclosing tax information in financial reports, annual reports and sustainability reports and through other public channels regularly to ensure information transparency.
Good Communication	Building good communication relationships with tax authorities based on the principles of honesty and mutual trust.
Financial Talent Cultivation	Enhancing the professional capabilities of taxation personnel through education, training and independent study.

To implement tax governance and ensure the taxation personnel's compliance with internal procedures and tax laws and regulations in tax-related operations, the Company performs regular internal audits annually and reports the results to the Board of Directors. The Board of Directors is the supreme decision-making and supervising body in terms of tax management in the Company. The Finance Group is responsible for taxation in the Company and handles taxation matters according to the Company's hierarchical authorization regulations. The top manager of the Finance Group reports on issues to the Board of Directors, depending on their materiality, and gives improvement advice in case of any deficiency. As an enterprise operating transnationally, the Company has adopted the following measures to implement tax risk management:

- Regularly reviewing and inventorying the tax laws and regulations of operating locations, maintaining good communication with local responsible authorities, and complying with local laws and regulations.
- To cope with the wave of changes in international taxation rules, launching projects and commissioning external professional consultants to provide guidance and conduct research and analysis in order to enhance the taxation capabilities of employees, ensure compliance with the international taxation rules, and control and prevent tax risks. Developing a tax management system to maintain the tax information and important tax-related operations of operating locations and improve the review of the tax-related operations through electronic tax management.
- Tax education and training planning and implementation: In addition to the annual corporate income tax and business tax practice external training seminars held regularly each year, this year accumulated participation in 7 external training courses with 70 participants and 21 course hours to strengthen colleagues' tax professional competencies.

The Company's income tax expense for 2024 was NT$15.35 billion, accounting for 6.89% of operating revenue. Income tax expense increased by NT$9.132 billion compared to 2023 and decreased by NT$37.255 billion compared to 2022. The company honestly pays taxes according to the regulations of each country's government. Related information is disclosed on page 138 of the 2024 Annual Report. The aforementioned financial information is consistent with the annual consolidated financial report.

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Participation in Public Associations and Nonprofit Organizations

In accordance with Article 10 of "Procedures for Ethical Management and Guidelines for Conduct of Yang Ming Marine Transport Corporation," the Company upholds political neutrality and does not make political donations to any political parties or individuals to avoid lobbying expenses or donations to other tax-exempt organizations from damaging the Company's reputation and generating corruption risks. The Company has joined public shipping associations, advocacy groups, and other nonprofit organizations that have influence on public policies on maritime shipping, formulation of industry carbon emissions methodologies, digital development, and maritime decarbonization technologies to exchange and develop low-carbon technologies with peers in the industry and value chain with a view to making a contribution and delivering benefits. In 2024, approximately NT$30.576 million was invested in participating in organizational advocacy activities.

Top Three Investments in Associations and Organizations

Unit: NT$ (ten thousand)

1	Digital Container Shipping Association (DCSA)	Investment Amount 1,508
2	World Shipping Council (WSC)	Investment Amount 1,163
3	Taipei Shipowners' Association	Investment Amount 158

Domestic Associations

Organization Name	2024 Position
National Association of Chinese Shipowners	President, Executive Director, Director, Supervisor, Executive Supervisor, Professional Committee Convener/Vice Convener, Committee Member, Professional Group Leader, Group Member
Taipei Shipowners' Association	President, Member Representative
Association of Shipping Services, R.O.C.	Executive Director, Director, Chairperson, Member Representative
Foundation for Southeast Asia Routes, Association of Shipping Services, R.O.C.	Chairman, Director
ROC National Association of Shipping Agencies	Executive Director, Director, Supervisor
Taipei Shipping Agencies Association	Executive Director, Supervisor, Member Representative
Chinese Maritime Research Institute	Member Representative, Director
Chinese International Economic Cooperation Association (CIECA), Taiwan	Member Representative
China Maritime Institute	Member Representative
Chinese Institute of Transportation	Member Representative
Taiwan Society of Naval Architects and Marine Engineers	Member Representative
Taiwan Strait Shipping Association	Chairman, Director
CR Classification Society	Director, Committee Member
Taiwan Lighthouse Association	Member Representative
Taiwan Center for Corporate Sustainability (TCCS)	Director Representative, Chief Sustainability Officer, Public Relations & Image, Member
Taiwan Listed Companies Association	Member Representative
Chinese National Association of Industry and Commerce	Member Representative
Digital Transformation and Sustainable Development Industry-Academia Alliance	Platinum Member
Straits Exchange Foundation	Director

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International Organizations

International Organizations and Initiatives	Organization Introduction	2024 Position/Status
World Shipping Council	It ensures the sustainable, safe, and reliable operation of the shipping industry; discusses various shipping-related issues, including environmental and climate issues, transportation safety, and industry regulations; and submits proposals that have been discussed by global shipping companies to the International Maritime Organization (IMO).	Board of Directors, Member
Clean Cargo	SFC Clean Cargo is a world-leading carrier-shipper initiative, dedicated to the improvement of the environmental performance of ocean borne container shipping through measurement, evaluation and report.	Member
Smart Freight Centre / GLEC Global Logistics Emissions Council	It is devoted to drive widespread, transparent and consistent calculation and reporting of GHG emissions.	Member
SHIP RECYCLING TRANSPARENCY INITIATIVE	To enhance the transparency of the entire shipping value chain and promote responsible ship recycling practices, SRTI has developed a set of disclosure standards.	Member
BICEPS NETWORK	The BICEPS Network is a nonprofit organization that upholds sustainability in the shipping industry, gathering shipping partners to foster a sustainable environment collectively.	Member
ecovadis	EcoVadis is the world's largest and most trusted provider of business sustainability ratings.	Member
CINS 10th ANNIVERSARY 2011 - 2021 / IVODGA INTERNATIONAL VESSEL OPERATORS DANGEROUS GOODS ASSOCIATION	IVODGA is dedicated to improving the understanding and uniform application of rules and regulations governing the maritime transportation of hazardous materials/dangerous goods and the safety of contracting for transportation. Collectively, IVODGA members are responsible for the safe transportation of over 75% of the ocean borne container traffic internationally.	Member
sgmf	The Society for Gas as a Marine Fuel(SGMF) is a non-governmental organization established with the purpose of coordinating and developing standards for marine gas fuels, including not only liquefied natural gas (LNG) but also ammonia and hydrogen. It holds consultative status with the International Maritime Organization.	Member

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International Organizations and Initiatives	Organization Introduction	2024 Position/Status
SILK ALLIANCE	The Silk Alliance was founded by Lloyd's Register Maritime Decarbonisation Hub and consists of members from various upstream and downstream maritime industry chains, aiming to develop sustainable decarbonization strategies for container vessels that balance safety and commercial considerations through supply chain cooperation.	Member
dcsa	DCSA promotes digitization and standardization in the container transport industry to improve operational efficiency in upstream and downstream shipping industries.	Member
GETTING TO ZERO COALITION	The Getting to Zero Coalition is a partnership between the Global Maritime Forum and World Economic Forum. Its ambition is to achieve the goals of having zero-emission ships operating on deep sea routes by 2030 and realizing full decarbonization by 2050.	Member
The Neptune Declaration on Seafarer Wellbeing and Crew Change	By signing the Neptune Declaration, we ensure the seafarers' well-being and crew change, maintaining the smooth operation of the supply chains worldwide.	Public Initiation
TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES	To support the TCFD (Task Force On Climate Related Financial Disclosures), Yang Ming takes action to cope with climate change and includes climate change in the assessment scope of the Group's risk assessment reports. The climate change-related risks and opportunities that the Group has identified have been organized in the assessment reports.	Public Support
MACN	MACN's purpose is to eliminate corruption in the maritime industry. It has established anti-corruption policies together with its members, academic institutions, the industry, and Competent Authorities, shared strategies and practices, created an anonymous reporting system, promoted reforms, and enhanced the industry's awareness of corruptive behavior in order to raise integrity standards in the shipping industry.	Member
SMDG	SMDG E.V. develops and promotes UN/EDIFACT EDI messages for the shipping industry. Its members include shipping companies, terminals, IT companies, and other industry-related companies and organizations.	Member

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Fulfillment of the United Nations Sustainable Development Goals (SDGs)

Yang Ming actively supports the United Nations Sustainable Development Goals (SDGs) and integrates their core values into the Company's philosophies regarding business operations and employees. The Sustainable Operation Strategy Team sets annual goals with the SDGs as the blueprint in the hope of guiding the entire company through the fulfillment of the SDGs and its social responsibilities as a global citizen.

SDGs	Corresponding chapters
3. Good Health and Well-being Enhance employee well-being and pursue occupational safety and health	5.3 Employee Compensation and Benefits 5.4 Occupational Safety and Health
4. Quality Education Communicate Yang Ming's sustainability philosophy and promote sustainable education	6.1 Yang Ming's Community Care Strategies 6.2 Inspiring People to Embrace the Ocean
5. Gender Equality Practice gender equality	5.1 Human Rights Protection and Diverse Communication Channels 5.2 Talent Recruitment and Cultivation 5.3 Employee Compensation and Benefits
6. Clean Water and Sanitation Pursue effective water resource management and achieve recycling and reuse	Column - Supply Chain Management Highlights 3.7 Water Resource Management
7. Affordable and Clean Energy Enhance energy efficiency and increase sustainable energy use	3.2 Energy Use and Consumption 3.3 Natural and Climate Change Governance Strategy 3.4 R&D and Investment in Low-Carbon Technologies
8. Decent Work and Economic Growth Provide an equal employment environment and protect the rights and interests of employees	5.1 Human Rights Protection and Diverse Communication Channels 5.2 Talent Recruitment and Cultivation 5.3 Employee Compensation and Benefits 5.4 Occupational Safety and Health
11. Sustainable Cities and Communities Improve air quality and waste disposal to effectively control pollution	3.5 Air Pollution Management 3.6 Waste and Ship Demolition Management

SDGs	Corresponding chapters
12. Responsible Consumption and Production Support sustainable procurement and increase the recycling and reuse rate of waste resources	2.5 Sustainable Supply Chain Management 3.6 Waste and Ship Demolition Management 4.1 Navigation and Transportation Safety 4.2 Digital Transformation and Green Innovation
13. Climate Action Offer low-carbon innovative services and improve corporate resilience	2.4 Risk Management 3.3 Natural and Climate Change Governance Strategy 3.4 R&D and Investment in Low-Carbon Technologies
14. Life below Water Protect marine ecology and maintain biodiversity	3.8 Conservation of Biodiversity and Marine Ecology
15. Life on Land Increase the proportion of FSC-verified products purchased to prevent invasive alien species in aquatic ecosystems.	3.8 Conservation of Biodiversity and Marine Ecology
16. Peace, Justice and Strong Institutions Adhere to the anti-corruption and ethical management policies	2.2 Ethical Management 2.3 Compliance Governance and Internal Audit System 5.1 Human Rights Protection and Diverse Communication Channels
17. Partnerships for the Goals Promote sustainable supply chain management and collaborate with the value chain for carbon reduction	Company Profile 2.5 Sustainable Supply Chain Management

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Actions Change the Environment, Building a Green Future Together
Yang Ming Marine Transport's Steady Progress

Ocean Action: Reducing Marine Waste

Yang Ming is committed to global biodiversity conservation and has long invested in biodiversity protection. Regarding marine ecological protection, marine waste is one of the major threats to marine ecosystems. The company, upholding its original intention of giving back to the ocean and responding to UN Sustainable Development Goal SDG 14: Life Below Water, has for years called upon colleagues at home and abroad to jointly respond to environmental sustainability actions. In 2024, the company organized beach cleanup activities at 12 global operational locations, with a total of 461 participants, successfully cleaning 2,354 kilograms of marine waste, reducing threats to marine life from ocean debris and protecting coastal ecosystems.

Terrestrial Action: Conserving Land Ecosystems

For terrestrial biodiversity conservation, Yang Ming actively responds to UN Sustainable Development Goal SDG 15: Life on Land by conducting invasive species removal actions. Both Mikania micrantha and Leucaena leucocephala plants are listed by the International Union for Conservation of Nature (IUCN) as among the world's 100 worst invasive species and are common invasive plants in Taiwan. Their growth and reproductive characteristics cause harm to native ecosystem organisms. To protect local ecosystems, Yang Ming connected colleagues from northern and southern Taiwan, partnering with the Society of Wilderness to organize invasive species removal activities at Wugu Wetland, New Taipei City and Yuanzhonggang Wetland, Kaohsiung. A total of 101 colleagues and family members enthusiastically participated, successfully removing 92 kilograms of Mikania micrantha and 200 Leucaena leucocephala plants.

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1.1 Sustainable Development Policy and Governance Structure

Yang Ming's mission and vision are to be an excellent transportation group dedicated to offering high-quality transportation services to meet customers' needs. However, excellence is not only about this, but also about giving consideration to the issues all stakeholders are concerned about and facilitating the sustainable development of society and the Earth's environment. To achieve this goal, the Company has established the "Sustainable Development Best Practice Principles of Yang Ming Marine Transport Corporation," taking into consideration the characteristics of the maritime industry and having regard to the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies." The Principles are for the management and all employees to follow. In addition to managing the risks and impacts of the overall operating activities on the economy, governance, environment, and society, we take being a corporate citizen as our responsibility.

Sustainable Development Best Practice Principles of Yang Ming Marine Transport Corporation

In 2021, the Company formed the Sustainable Operation Strategy Team to promote sustainable development strategies. The team is chaired by the Chairman. Under the team are the Customer Service Division, Environmental Sustainability Division, Corporate Governance and Integrity Division, and Employee Care and Social Commitment Division. The President and the chief officers of groups serve as the chief supervisor of each of the four divisions. An executive secretary is also appointed for each of the divisions (for Corporate Governance and Integrity Division, the Human Resources Department is executive secretary; for the other divisions, the Public Affairs Department is the executive secretary) to convene division meetings. Through these interdepartmental meetings, the Company may focus on discussing the sustainability goals with the most significant impact on container transport processes and services and aligning them with the Sustainable Development Goals of the United Nations (UN SDGs). "Providing excellent transportation services to fulfill customer service commitments," "Energy saving and emissions reduction to achieve environmental sustainability," "Strengthening corporate governance and integrity management," "Employee care and talent cultivation," and "Enhance social participation to give back to society" are Yang Ming's sustainable development strategies. For the implementation of sustainable strategies, the chief supervisor of each division reviews the implementation performance and designates responsible units to set and implement short-, medium- and long-term goals based on the concerns of stakeholders and major issues related to each policy. The sustainability goals are linked to the performance of each relevant department and included in the annual performance evaluation. The implementation goals set will be re-examined every year from the perspectives of corporate governance, environmental protection and social prosperity to develop different projects to gradually promote sustainable operations. At the same time, the implementation of sustainable development is supervised by the Board of Directors, and reported to the Board of Directors for approval at least once a year (a total of seven reports were made in 2024) to demonstrate the Company's commitment and determination.

In accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies," Yang Ming has incorporated sustainability information management into the Company's internal control system. Each responsible unit prepares and updates the annual sustainability report, which is coordinated by the Public Affairs Department and submitted to the Board of Directors for discussion and resolution before release.

2024

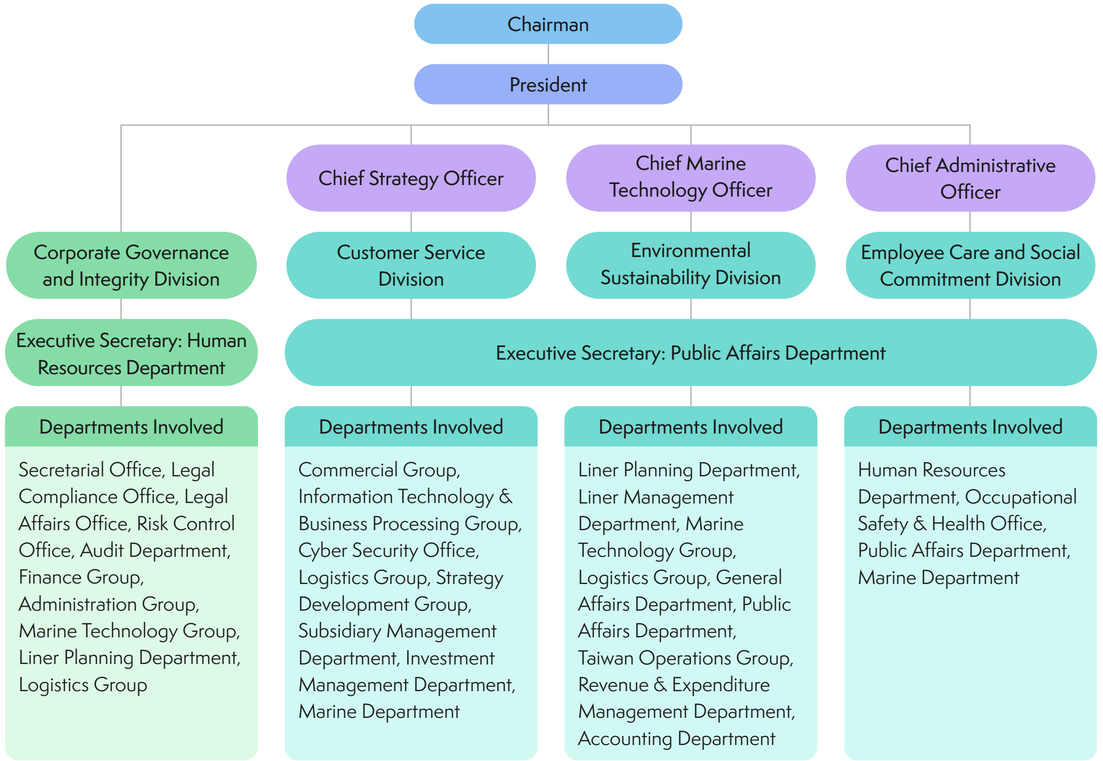
The Sustainable Operation Strategy Team meetings held

16 times

Reports submitted to the Board of Directors for approval and reporting

7 times

Division Chart of the Sustainable Operation Strategy Team



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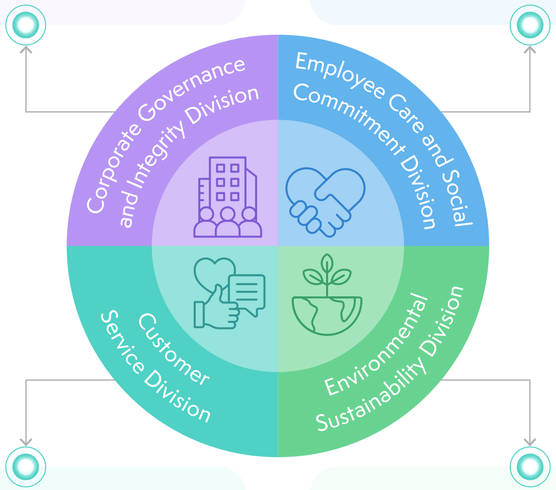
Sustainable Operation Strategy Team's Strategies

- Strengthening Corporate Governance and Integrity Management

Improve the Company's corporate governance system, identify and assess climate-related risks and opportunities, boost information disclosure transparency, ensure ethical management and legal compliance, reinforce information security control, optimize supply chain management, and maintain shareholders' rights and interests.

- Employee Care and Talent Cultivation
- Enhance social participation to give back to society

Live up to the Company's human rights commitments and responsibilities, plan employee benefits and health promotion activities, implement occupational health and safety, develop a diverse range of talent, promote gender equality, and show the Company's care to local communities, facilitate cultural development, and promote ocean education together with the Yang Ming Cultural Foundation.



- Providing Excellent Transportation Services to Fulfill Customer Service Commitments

Enhance transportation quality and customer satisfaction, strengthen the service network, offer diversified digital services, and develop smart ships to realize and convey the three core corporate values, safety and security of vessels, personnel and cargos.

- Energy Saving and Emissions Reduction to Achieve Environmental Sustainability

Value and improve vessel efficiency and resource management, and research and assess low-carbon fuels and eco-friendly ships with the aims of reducing carbon emissions, protecting marine ecology, and maintaining biodiversity.

2024 Board of Directors Reports

- Reported the progress of greenhouse gas inventory and verification implementation for the Company's subsidiaries in the consolidated financial statements, **totaling 4 times**.
- Reported the establishment of short, medium, and long-term sustainability targets.
- Reported and approved the resolution to establish the "Protecting Biodiversity and Zero Net Deforestation Commitment," and amended the company's Supply Chain Management Policy.
- Reported the company's 2023 Sustainability Report approval proposal, explaining that the sustainability report compilation includes:
  1. 2023 sustainability target implementation results and 2024 sustainability target formulation.
  2. Material issue identification, key stakeholder identification, communication channels, response methods and frequency of communication.
  3. Dedicated chapter disclosure of corporate governance of climate-related risks and opportunities in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework.
  4. The company's sustainable supply chain management implementation status.
  5. The company's environmental management performance.
  6. 2023 implementation results of phased human rights due diligence in accordance with GRI Standards requirements for human rights issue disclosure.

Board of Directors' Suggestions for Supervision

Establishment of Sustainability Targets

In addition to considering compliance with international trends, domestic and international assessment requirements, and balancing investor demands, it is also necessary to consider the company's operational direction and circumstances to achieve balanced development of corporate sustainability and governance. Furthermore, considering the latest corporate governance development trends and strengthening the professionalism of sustainable development, the establishment of a dedicated sustainability development unit can be studied, and the feasibility of establishing a sustainability committee can be evaluated.

Carbon Reduction Target Setting and Measures

- Actively demonstrate emission reduction performance, such as the emission reduction results from renewable energy.
- Develop aggressive carbon emission intensity reduction targets to reflect operational needs.
- Early planning to respond to the rise of international carbon reduction business models.

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1.2 Short-/Mid-/Long-Term Sustainable Development Targets and Implementation Overview

To effectively promote the company's sustainable operations and in accordance with the Sustainable Development Best Practice Principles for Yang Ming Marine Transport Corporation, the company's Sustainable Operation Strategy Team is chaired by the Chairman of the Board, with four subgroups responsible for discussing sustainability-related issues and setting and implementing the company's short, medium, and long-term sustainable management strategic targets. We regularly review progress and results, analyze causes, develop corresponding policies and commitments, conduct rolling revisions and reviews, and actively address sustainability-related impacts.

Corporate Governance and Integrity Division

Sustainable Operation Strategy and Goal and Corresponding SDGs	Long-term Target (2050)	Medium-term Target (2030)		Short-term Target (2025)	Corresponding Material Topics and Response Chapters
Strengthening corporate governance and integrity management	▪ Corporate governance evaluation ranking improved to top 5%. ▪ Strengthen integrity management mechanisms, enhance information transparency and awareness.	▪ Corporate governance evaluation ranking maintained at 6-20%.	▪ Implement board member diversity policy, with female directors comprising one-third of seats. ▪ Directors possess industry experience, risk management, and information security backgrounds.	▪ Promote board member diversity policy, with female directors comprising one-third of seats, independent directors comprising no less than one-third, and directors possessing industry experience, risk management, or information security backgrounds. ▪ Study the establishment of a board-level sustainability development committee with no fewer than 3 members, whose qualifications should include professional knowledge and capabilities in corporate sustainability, with at least 1 director participating in supervision, and disclose its composition, responsibilities, and operations.	▪ Material Topics: Corporate governance and ethical management ▪ Response Chapters: 2.1 Corporate Governance Blueprint
			▪ Maintain the rights and interests of shareholders and enhance information transparency.	▪ Hold at least one investor conference quarterly and announce the audio-visual link information for investor conferences. ▪ Complete IFRS implementation according to the Taiwan Stock Exchange regulatory timeline. ▪ Assess the applicability of CSDDD and study CSRD reporting framework. ▪ Formulate specific measures to enhance corporate value, report to the Board of Directors, and disclose relevant information in the "Corporate Value Enhancement Plan" section of the Market Observation Post System. ▪ Upload English-disclosed annual financial reports 18 days before the annual shareholders' meeting. ▪ Incorporate ESG-related performance evaluation items into the payment principles and calculation methods for compensation of the President, Vice President, and the chief officers of groups, with a proportion of 10%. ▪ Implement personal data protection policies and disclose their content and implementation status. ▪ Establish relevant customer rights protection policies and complaint procedures for service marketing or labeling issues.	▪ Material Topics: Compliance with laws and regulations Corporate governance and ethical management ▪ Response Chapters: 2.1 Corporate Governance Blueprint
		▪ Maintain the effectiveness of internal control systems.		▪ Add sustainability internal control documents in accordance with IFRS Sustainability Disclosure Standards requirements.	▪ Material Topics: Compliance with laws and regulations ▪ Response Chapters: 2.3 Compliance Governance and Internal Audit System

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Sustainable Operation Strategy and Goal and Corresponding SDGs	Long-term Target (2050)	Medium-term Target (2030)	Short-term Target (2025)		Corresponding Material Topics and Response Chapters
Strengthening corporate governance and integrity management	▪ Corporate governance evaluation ranking improved to top 5%. ▪ Strengthen integrity management mechanisms, enhance information transparency and awareness.	▪ Implement information security management.	▪ Continue to include privacy protection in internal audit items. ▪ Continue to strengthen ship-shore information security operations, with no major information security incidents causing core business interruption or sensitive data leakage. ▪ Enhance information security awareness training (at least 2 educational training sessions, at least 3 social engineering exercises). ▪ Complete ISO 27001 upgrade from 2013 version to 2022 version.		▪ Material Topics: Compliance with laws and regulations Information security and customer privacy protection ▪ Response Chapters: 4.3 Information Security Management
		▪ Strengthen employees' awareness of legal compliance and risk control, and ethical operation management mechanisms.	▪ Zero violations of integrity management and corruption, conflict of interest incidents.	▪ Conduct ISO 37001 annual due diligence. ▪ Maintain the validity of ISO 37001 anti-bribery management certification. ▪ Deepen employees' integrity management awareness through educational training, with participation rate and pass rate target of 98%. ▪ Conduct integrity management educational training for onboard maritime personnel with participation rate and pass rate target of 90%. ▪ Conduct 3 compliance educational training sessions, with participation rate and pass rate target of 98%. ▪ Enhance personnel's legal awareness through 1 educational training session with participation rate and pass rate target of 98%.	▪ Material Topics: Compliance with laws and regulations Corporate governance and ethical management ▪ Response Chapters: 2.2 Ethical Management
			▪ Zero violations of insider trading incidents.	▪ Conduct internal material information and insider trading prevention educational training, with participation rate and pass rate target of 98%.	▪ Material Topics: Corporate governance and ethical management ▪ Response Chapters: 2.3 Compliance Governance and Internal Audit System
			▪ Optimize group risk assessment policies and content.	▪ With reference to relevant laws and policies, continuously optimize and adjust risk management policies and incorporate emerging risks into risk assessment items.	▪ Material Topics: Compliance with laws and regulations ▪ Response Chapters: 2.4 Risk Management
	▪ Continuously optimize supplier sustainability management mechanisms.	▪ Implement supplier sustainability management mechanisms and establish elimination mechanisms.	▪ Key tier-1 supplier sustainability self-assessment questionnaire review ratio reaches 90%, maintaining 100% of new suppliers complete a sustainability statement survey. ▪ Enhance supplier sustainability awareness through at least 1 educational training/ activity. ▪ Launch supply chain human rights due diligence, complete document review of 3 companies and conduct on-site inspection of 1 supplier.		▪ Material Topics: Compliance with laws and regulations ▪ Response Chapters: 2.5 Sustainable Supply Chain Management

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Customer Service Division

Sustainable Operation Strategy and Goal and Corresponding SDGs	Long-term Target (2050)	Medium-term Target (2030)	Short-term Target (2025)	Corresponding Material Topics and Response Chapters
Providing Excellent Transportation Services to Fulfill Customer Service Commitments	▪ Enhance operational performance.	▪ Maintain a stable financial structure.	▪ Maintain credit rating at twA-/twA-1.	▪ Material Topics: Corporate governance and ethical management ▪ Response Chapters: Company Profile
		▪ Diversify the Group's business.	▪ Explore upstream and downstream investment opportunities in the core business, such as terminals, container yards, and warehouses in Taiwan, the United States, and Southeast Asia. ▪ Explore horizontal investment opportunities in the core business, such as bulk shipping and strategic long-term equity investments. ▪ Explore new energy investment opportunities.	▪ Material Topics: Corporate governance and ethical management ▪ Response Chapters: Company Profile
		▪ Strengthen the service network.	▪ East-west routes combined with Premier Alliance strategy and non-alliance cooperation to enhance coverage, reduce transit time, and increase service frequency. ▪ Asia short-sea and north-south routes focus on strengthening cost-effectiveness, improving load factors, and optimizing vessel resource utilization to increase revenue.	▪ Material Topics: Navigation and transportation safety ▪ Response Chapters: Company Profile
		▪ Incorporate climate risk factors into investment, route design, and operational evaluation.	▪ Incorporate climate risk factors into investment, route design, and operational evaluation.	▪ Material Topics: Navigation and transportation safety ▪ Response Chapters: Company Profile
	▪ Excellent customer service.	▪ Reliable transportation services.	▪ Improve schedule punctuality. ▪ Maintain vessel stowage safety: zero container overboard and container collapse incidents. ▪ Implement vessel operational safety.	▪ Material Topics: Navigation and transportation safety ▪ Response Chapters: 4.1 Navigation and Transportation Safety
		▪ Offer multifaceted customer services.	▪ Provide DCSA standard booking API (Application Programming Interface) services. ▪ Improve the quality of schedule and container tracking data to meet customers' expectations for real-time and accurate information. ▪ In conjunction with biofuel usage, establish green service framework to provide customer options.	▪ Material Topics: Navigation and transportation safety ▪ Response Chapters: 3.4 R&D and Investment in Low-Carbon Technologies 4.2 Digital Transformation and Green Innovation

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Sustainable Operation Strategy and Goal and Corresponding SDGs	Long-term Target (2050)	Medium-term Target (2030)	Short-term Target (2025)	Corresponding Material Topics and Response Chapters
Providing Excellent Transportation Services to Fulfill Customer Service Commitments	▪ Excellent customer service.	▪ Meet customer demand for empty container pickup.	▪ Provide quality containers and reduce customer complaints. ▪ Improve accuracy of container demand forecasting and dispatch efficiency.	▪ Non-material topic item, detailed implementation status please refer to 4.2 Digital Transformation and Green Innovation 4.4 Customer Service Quality and Satisfaction
		▪ Achieve customer service satisfaction rate of 95%.	▪ Track 2024 global customer satisfaction survey results and propose improvement plans based on customer low satisfaction items.	▪ Non-material topic item, detailed implementation status please refer to 4.4 Customer Service Quality and Satisfaction
	▪ Implement navigation and transportation safety.	▪ Vessels inspected under Port State Control (PSC) have zero serious deficiencies or detention incidents.	▪ Self-managed fleet safety issues caused by improper management resulting in vessel detention by external (PSC) inspections, target value ≤2 times/year.	▪ Material Topics: Compliance with laws and regulations ▪ Response Chapters: 2.3 Compliance Governance and Internal Audit System
		▪ Improve cargo transportation safety. ▪ Enhance special cargo transportation management.	▪ Zero container overboard and container collapse incidents. ▪ Zero failures in special cargo safety management and control.	▪ Material Topics: Navigation and transportation safety ▪ Response Chapters: 4.1 Navigation and Transportation Safety
		▪ Strengthen vessel operations and crew training.	▪ Alternative energy vessel (LNG) operation training or relevant certificate acquisition for 80 personnel. ▪ Zero vessel incidents of Class II or above caused by operational negligence in self-managed fleet.	▪ Material Topics: Navigation and transportation safety ▪ Response Chapters: 4.1 Navigation and Transportation Safety
	▪ Digital transformation.	▪ Participate in formulating industry digital standards, promote documentation digitalization, and achieve 100% bill of lading digitalization by 2030.	▪ Provide automated eBL (Electronic Bill of Lading) transmission functionality.	▪ Non-material topic item, detailed implementation status please refer to 4.2 Digital Transformation and Green Innovation
		▪ Offer a more convenient digital customer service platform.	▪ Provide DCSA standard Commercial Schedule API (Application Programming Interface) services. ▪ Optimize Yang Ming official website, such as integrating report subscription interface and adding carbon emission calculator for customers to query estimated carbon emission data.	▪ Non-material topic item, detailed implementation status please refer to 4.4 Customer Service Quality and Satisfaction
		▪ Strengthen digital and AI applications.	▪ Use digital tools/systems to assist stowage management operations and empty container dispatch operations to increase operational efficiency and improve decision-making accuracy. ▪ Utilize RPA (Robotic Process Automation) technology and construct DCSA standard OVS (Operational Vessel Schedule) platform to reduce manual operations for schedules and special cargo daily tasks.	▪ Non-material topic item, detailed implementation status please refer to 4.2 Digital Transformation and Green Innovation 4.3 Information Security Management 4.4 Customer Service Quality and Satisfaction

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Environmental Sustainability Division

Sustainable Management Strategic Targets and Corresponding SDGs	Long-term Goals (2050)	Medium-term Goals (2030)	Short-term Goals (2025)		Corresponding Material Topics and Response Chapters
Energy saving and emissions reduction to achieve environmental sustainability	▪ Achieve net-zero emissions by 2050.	▪ Scope 1 carbon emission intensity reduced by 10% in 2030 compared to 2024 (baseline year). ▪ Eco-friendly and energy-efficient vessels reach 50% of total operating fleet, with at least 5% using zero or near-zero GHG emission fuels and/or energy sources by 2030. ▪ 100% of owned operating vessels equipped with shore power equipment.	▪ Carbon emission intensity reduced by 1% compared to 2024.	▪ Track vessel CII data through system implementation. ▪ Annual fuel consumption not exceeding 1.55 million tons; biofuel usage not less than 120,000 tons; 90% of vessels annually achieving CII rating of C or above. ▪ Dynamic use of biofuels in coordination. ▪ Assessment of different specification biofuels (B30-B100). ▪ Complete underwater inspection and propeller cleaning for at least 10 long-term chartered vessels. ▪ Complete vessel fleet renewal and energy-efficient or alternative energy vessel new ship planning (including 8K and 15K new vessels). ▪ Shore power equipment installation ratio reaches 57%. ▪ 1 vessel carbon capture equipment retrofit research and report case. ▪ 1 each of vessel carbon reduction technology testing and report cases. ▪ Conduct LNG contract procurement for new LNG dual-fuel vessel construction. ▪ Complete at least 1 each of new energy procurement supply NDA or similar cooperation agreement signing.	▪ Material Topics: R&D and investment in low-carbon technologies Climate change and greenhouse gas emission management ▪ Response Chapters: 3.1 Environmental Management Policy 3.2 Energy Use and Consumption 3.3 Nature and Climate Change Governance Strategy 3.4 R&D and Investment in Low-Carbon Technologies
		▪ Taiwan's self-owned office buildings use at least RE40 renewable energy by 2030. ▪ Scope 2 total emissions reduced by 20% in 2030 compared to 2024 (baseline year).	▪ Scope 2 reduced by 1% compared to 2024.	▪ Taiwan's self-owned office buildings achieve RE30 renewable energy usage by 2025. ▪ Total office electricity consumption in 2025 not exceeding 2024 (baseline year).	▪ Material Topics: Energy and resource management ▪ Response Chapters: 3.2 Energy Use and Consumption 3.4 R&D and Investment in Low-Carbon Technologies
		▪ Server room average Power Usage Effectiveness (PUE) reduced by 15% compared to 2024.		▪ Server room average Power Usage Effectiveness (PUE) reduced by 5% compared to 2024.	▪ Material Topics: Energy and resource management ▪ Response Chapters: 3.1 Environmental Management Policy
		▪ 100% pure electric vehicles for company cars by 2030.	▪ 100% hybrid or pure electric vehicles for new company cars purchases.		▪ Material Topics: Energy and resource management ▪ Response Chapters: 3.1 Environmental Management Policy

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Sustainable Management Strategic Targets and Corresponding SDGs	Long-term Goals (2050)	Medium-term Goals (2030)		Short-term Goals (2025)	Corresponding Material Topics and Response Chapters
Energy saving and emissions reduction to achieve environmental sustainability	▪ Achieve net-zero emissions by 2050.	▪ 100% electrification of new operational equipment purchases.		▪ Replace with electric equipment when retiring old machinery.	▪ Material Topics: Energy and resource management ▪ Response Chapters: 3.1 Environmental Management Policy
		▪ Disclose environmental return on investment.		▪ Implement TCFD climate change risk assessment report and enhance quantification operations. ▪ Optimize environmental investment (operating expenses and capital expenditures) calculation system.	▪ Material Topics: Climate change and greenhouse gas emission management ▪ Response Chapters: 3.3 Nature and Climate Change Governance Strategy
		▪ Low-carbon transition investment plan.		▪ Study carbon reduction-related industry investments. ▪ Green financial products reaching USD 10 million.	▪ Material Topics: R&D and investment in low-carbon technologies ▪ Response Chapters: 3.1 Environmental Management Policy, 3.4 R&D and Investment in Low-Carbon Technologies
		▪ Introduce energy management plan and internal carbon pricing.		▪ Study energy management plan and internal carbon pricing.	▪ Material Topics: Energy and resource management ▪ Response Chapters: 3.2 Energy Use and Consumption
		▪ Promote greenhouse gas reduction plans for subsidiary businesses.	▪ Scope 1 carbon emission intensity reduced by 10% in 2030 compared to 2024 (baseline year).	▪ Promote Kuang Ming, Jun Ming, Hong Ming, and YES to achieve Scope 1 and Scope 2 emission reduction targets: • Kuang Ming Shipping Corp.: 3% reduction in carbon emissions per nautical mile deadweight ton (grams) for vessels in 2025 compared to 2024. • Jun Ming Corp.: 0.66% reduction in total carbon emissions in 2025 compared to 2024. • Hong Ming Terminal & Stevedoring Corp.: Replace diesel equipment with electric equipment, reducing total carbon emissions by 3% compared to 2024.	▪ Material Topics: Climate change and greenhouse gas emission management ▪ Response Chapters: 3.3 Nature and Climate Change Governance Strategy
			▪ Scope 2 total emissions reduced by 20% in 2030 compared to 2024 (baseline year).	• YES Logistics Corp.: Taipei office purchases renewable energy, targeting RE5.	▪ Material Topics: Climate change and greenhouse gas emission management ▪ Response Chapters: 3.3 Nature and Climate Change Governance Strategy, 3.4 R&D and Investment in Low-Carbon Technologies

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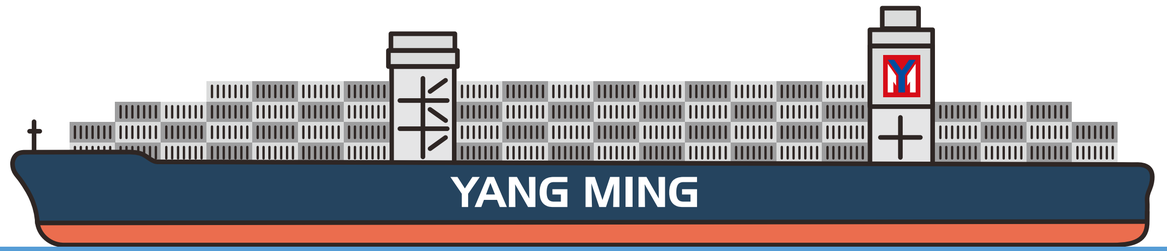
Sustainable Management Strategic Targets and Corresponding SDGs	Long-term Goals (2050)	Medium-term Goals (2030)	Short-term Goals (2025)	Corresponding Material Topics and Response Chapters
Energy saving and emissions reduction to achieve environmental sustainability	▪ Achieve net-zero emissions by 2050.	▪ Total paper consumption reduced by 3% compared to 2024 (baseline year).	▪ Total paper consumption not exceeding 2024 (baseline year) paper usage.	▪ Material Topics: Energy and resource management ▪ Response Chapters: 3.1 Environmental Management Policy
	▪ Water resource management for vessels, offices, and container yards.	▪ Total office water consumption reduced by 3% compared to 2024 (baseline year).	▪ Total water consumption not exceeding 2024 (baseline year) water usage. ▪ Complete rainwater collection and utilization system for headquarters building. ▪ Continue to track vessel water intake and freshwater production. ▪ Vessels do not take water from water-stressed regions throughout the year.	▪ Material Topics: Energy and resource management ▪ Response Chapters: 3.7 Water Resource Management
		▪ Non-recyclable waste from offices and container yards reduced by 3% compared to 2024 (baseline year), with recycling rate reaching 10%.	▪ Continue to track total waste from offices and container yards. ▪ Office non-recyclable waste production not exceeding 2024 (baseline year), with recycling rate reaching 10%.	▪ Material Topics: Energy and resource management ▪ Response Chapters: 3.6 Waste and Ship Demolition Management
		▪ Vessel non-recyclable waste reduced by 1% compared to 2024 (baseline year), with recycling rate reaching 40%.	▪ Vessels continue to track total waste, with recycling rate not lower than 2024 (baseline year).	▪ Material Topics: Energy and resource management ▪ Response Chapters: 3.6 Waste and Ship Demolition Management
	▪ Protect marine ecology and maintain biodiversity.	▪ Introduce Taskforce on Nature-related Financial Disclosures (TNFD).	▪ Implement biodiversity policy and study TNFD introduction. ▪ Participate in carbon sequestration-related projects, including tree planting and coral restoration projects.	▪ Material Topics: Biodiversity ▪ Response Chapters: 3.8 Conservation of Biodiversity and Marine Ecology
		▪ Continue to expand green procurement and local procurement.	▪ General administrative and service procurement prioritizes green procurement products or services, with green procurement amount proportion of total procurement amount increasing compared to the previous year. ▪ Prioritize procurement of Forest Stewardship Council (FSC) certified products. ▪ Incorporate low-carbon factors in new container manufacturing, use eco-friendly paint and eco-friendly material flooring for dry containers, plan to purchase 50 reefer units annually filled with eco-friendly refrigerant R513A.	▪ Material Topics: Energy and resource management ▪ Response Chapters: 2.5 Sustainable Supply Chain Management 3.1 Environmental Management Policy



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Employee Care and Social Commitment Division

Sustainable Operation Strategy and Goal and Corresponding SDGs	Long-term Target (2050)	Medium-term Target (2030)	Short-term Target (2025)	Corresponding Material Topics and Response Chapters
Employee care and talent cultivation	▪ Diversity and equality. ▪ Employee empowerment. ▪ Happy workplace.	▪ Improve employee satisfaction.	▪ Conduct annual Voice of the Employee (VOC) survey and propose at least one improvement measure based on survey results. ▪ Maintain benefits superior to legal requirements (such as: five days paid sick/personal leave...). ▪ Establish employee training and development plan to enhance employee career capabilities, and disclose content and implementation status. ▪ Continue to promote the preschool center to employees and provide their grandchildren/children with priority in enrollment.	▪ Material Topics: Talent Cultivation ▪ Response Chapters: 5.2 Talent Recruitment and Cultivation 5.3 Employee Compensation and Benefits
		▪ Promote diversity, equality, and inclusion. ▪ Any gender ratio among employees, supervisors, decision-making levels, and STEM-related positions reaches one-third.	▪ Zero violations of discrimination or harassment incidents. ▪ Revise human rights policy (including anti-discrimination and anti-harassment policies). ▪ Promote second-phase human rights due diligence for suppliers and joint ventures. ▪ Understand the EU "Corporate Sustainability Due Diligence Directive (CSDDD)" human rights due diligence management system content and study subsequent implementation.	▪ Non-material topic item, detailed implementation status please refer to 5.1 Human Rights Protection and Diverse Communication Channels
			▪ Any gender ratio among employees and supervisors reaches one-third, decision-making level any gender ratio 25%, STEM-related any gender ratio 20%. ▪ Employee retention rate maintained above 90%.	▪ Material Topics: Talent Cultivation ▪ Response Chapters: 5.2 Talent Recruitment and Cultivation
		▪ Optimize employee health management methods.	▪ Digitize health management to improve employee health management efficiency and quality (95% examination rate). ▪ Strengthen occupational safety and health policies, enhance employee health awareness and health status. ▪ Improve colleagues' awareness of EAPs, conduct 1 educational training session with participation rate above 90%. ▪ Continue to promote health care for maritime personnel. 1. Promote maritime personnel premium health examination activities. 2. Telemedicine services and health consultation. 3. Continue EAPs promotion.	▪ Material Topics: Occupational safety and health ▪ Response Chapters: 5.4 Occupational Safety and Health
		▪ Enhance employee sustainability awareness.	▪ Promote ESG passport program: environmental education courses, volunteer services.	▪ Non-material topic item, detailed implementation status please refer to 6.1 Yang Ming's Community Care Strategies 6.2 Inspiring People to Embrace the Ocean
		▪ Continue to maintain healthy workplace certification.	▪ (Ministry of Labor Occupational Safety and Health Administration) Sustainable Healthy Workforce Leading Enterprise.	▪ Material Topics: Occupational safety and health ▪ Response Chapters: 5.4 Occupational Safety and Health

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Sustainable Operation Strategy and Goal and Corresponding SDGs	Long-term Target (2050)	Medium-term Target (2030)	Short-term Target (2025)	Corresponding Material Topics and Response Chapters
Employee care and talent cultivation	▪ Occupational injury rate lower than industry average.	▪ Zero major accidents and casualties attributable to the company.	▪ Zero major accidents and casualties attributable to the company.	▪ Material Topics: Occupational safety and health ▪ Response Chapters: 5.4 Occupational Safety and Health
Enhance social participation to give back to society	▪ Sponsorship of specific social participation projects.	▪ Demonstrate local care and promote cultural development.	▪ Support environmental protection, marine ecology conservation, cultural and art activities, cultural and creative industries, public welfare undertakings, and social growth to facilitate the implementation of cultural development activities and sponsorships. ▪ Support excellent athletes.	▪ Non-material topic item, detailed implementation status please refer to 6.1 Yang Ming's Community Care Strategies 6.2 Inspiring People to Embrace the Ocean

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1.3 Stakeholder Communication

Stakeholder Identification

Step 1

Identification

Through departmental interviews and identification, initially screened **8 categories of stakeholders** (customers, competent authorities, employees, suppliers, investors and banks, classification societies, media, communities and non-profit organizations).

Step 2

Analysis

Referenced the 5 principles of "AA1000 SES Stakeholder Engagement Standard": **responsibility**, **influence**, **dependency**, **tension** and **diverse perspectives**, as stakeholder identification assessment items and **sent stakeholder identification questionnaires** to various departments.

Step 3

Confirmation

After consolidating questionnaire results, screened 5 categories of important stakeholders (customers, competent authorities, employees, suppliers, classification societies), and with feedback from senior management and expert scholars, added "investors and banks", totaling **6 categories of important stakeholders** *.

* 2024 stakeholder identification results are the same as 2023.

Stakeholder Communication

Customers

Significance to Yang Ming

Customers' recognition and support will be a key factor for sustainable growth.

Issues of Concern *

- Navigation and transportation safety
- Compliance with laws and regulations
- Corporate governance and ethical management
- Customer service quality and satisfaction
- Information security and customer privacy protection
- Risk management

Means and Frequency of Response/ Communication Channels

- Participate in or respond to relevant advocacy organizations and various platforms Irregular
- Customer service contact Anytime
- Customer Satisfaction Survey Biennially
- Sustainability report Annually
- Official website Anytime
- Corporate ESG website Anytime
- E-commerce and Documentation Department Manager Wu
  - Customer service email: cs@yangming.com
- Sustainability Development Office, Sustainability Planning Team: Senior Manager Ching
  - sssp@yangming.com

Stakeholder Communication Results in 2024

- Respond to CCWG, EcoVadis, BICEPS, GLEC, CDP Climate Change Program questionnaires, Dow Jones Sustainability Index (CSA) questionnaires and other stakeholder questionnaires, totaling 29 surveys.
- 2024 overall customer satisfaction score 89.67 points, annual customer satisfaction ratio 94.2%
- Issue Chinese and English sustainability reports.
- 28 press releases, 1 e-services announcements, and 16 announcements were released on the Company's website.

Corresponding Chapter

- CH1 Strategic Blueprint - Sustainable Operation Strategies
- CH2 Stable Navigation - Corporate Governance and Resilient Operations
- CH4 Going Digital - Smart Operations Creating Sustainable Win-win Situations

* Stakeholder concerns are screened based on questionnaire scores exceeding the 75th percentile.

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Competent Authorities

Significance to Yang Ming

Yang Ming maintains a highly disciplined and prudent attitude, complies with laws and executes related operations, and actively participates in and responds to government-promoted programs.

Issues of Concern *

- Corporate governance and ethical management
- Navigation and transportation safety
- R&D and investment in low-carbon technologies
- Climate change and greenhouse gas emission Management
- Occupational safety and health

Means and Frequency of Response/ Communication Channels

- Market Observation Post System Anytime
- Annual report Annually
- Sustainability report Annually
- Official website Anytime
- Corporate ESG website Anytime
- Corporate governance evaluation Annually
- Participate in industry associations Irregular
- Official documents Irregular
- Spokesperson: President Kuen-Rong Pai
  - pr@yangming.com

Stakeholder Communication Results in 2024

- Issue annual reports.
- The Company was ranked among the top 6%-20% in the corporate governance evaluation.
- Included as FTSE4Good TIP Taiwan ESG Index, TWSE RAFI® Taiwan High Compensation 100 Index, and MSCI Global Standard Index.
- Issue Chinese and English sustainability reports.

Corresponding Chapter

- CH0 Sustainability Leadership - YANG MING delivers GOOD for Life
- CH2 Stable Navigation - Corporate Governance and Resilient Operations
- CH3 Green and Sustainable Shipping - Operating Strategies for Environmental Sustainability
- CH4 Going Digital - Smart Operations Creating Sustainable Win-win Situations
- CH5 Talent Navigation – Workplace Well-Being for Diversity and Inclusion

Employees

Significance to Yang Ming

Employees are the key to corporate core competitiveness and the greatest driver of the company's continuous stable growth.

Issues of Concern *

- Corporate governance and ethical management
- Economic performance
- Risk management
- Information security and customer privacy protection
- Navigation and transportation safety
- Employee Compensation and Benefits

Means and Frequency of Response/ Communication Channels

- Labor-management meetings, employee welfare committee, occupational health and safety committee Quarterly
- Union exchange meetings Monthly
- Yang Ming Monthly, YM You & Me Monthly
- Chairman's mailbox, employee mailbox Permanent
- Internal website, Official website Anytime
- Corporate ESG website Anytime
- Human Resources Affairs: Vice President Yang
  - Employee mailbox: employeebox@yangming.com
- OHS Affairs: Deputy Vice President Tsao
  - OHS mailbox: HOSOservice@yangming.com
  - Chairman's mailbox: Chairman@yangming.com
- Seafarer-related Affairs: Vice President Lin
  - Independent complaint mailbox for seafarers: ym5134@yangming.com

Stakeholder Communication Results in 2024

- Held 4 labor-management meetings, 4 employee welfare committee meetings, and 4 occupational health and safety committee meetings.
- Continue to promote Employee Assistance Programs (EAPs), including overseas personnel and maritime personnel, caring for employee mental health. EAPs used by 154 people, with average satisfaction of 92.3 points (out of 100), showing that company employees understand the effectiveness of employee assistance programs and the service has gained employee trust.
- In February 2024, signed "Telemedicine Consultation Cooperation" with Taipei Medical University Hospital. 2024 maritime medical consultation cases: 15 cases from Ministry of Health and Welfare Keelung Hospital, 9 cases from TMU Telemedicine Center, totaling 24 cases.

Corresponding Chapter

- CH0 Sustainability Leadership - YANG MING delivers GOOD for Life
- CH2 Stable Navigation - Corporate Governance and Resilient Operations
- CH4 Going Digital - Smart Operations Creating Sustainable Win-win Situations
- CH5 Talent Navigation – Workplace Well-Being for Diversity and Inclusion

* Stakeholder concerns are screened based on questionnaire scores exceeding the 75th percentile.

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Suppliers

Significance to Yang Ming

Yang Ming views suppliers as important partners and is committed to long-term cooperation with suppliers to achieve stable growth and sustainable management together.

Issues of Concern *

- Corporate governance and ethical management
- Information security and customer privacy protection
- Compliance with laws and regulations
- Navigation and transportation safety
- Risk management
- Occupational safety and health

Means and Frequency of Response/ Communication Channels

- Market Observation Post System Anytime
- Annual report Annually
- Sustainability report Annually
- Official website Anytime
- Corporate ESG website Anytime
- Yang Ming Procurement Portal Anytime
- Public Affairs Department, Corporate Governance Team: Senior Manager Lin
  - apgc@yangming.com
- Independent Directors' Dedicated Mailbox:
  - ymtarzantang88@hibox.biz
- Whistleblower Mailbox:
  - conduct@yangming.com

Stakeholder Communication Results in 2024

- In 2024, conducted anti-bribery due diligence operations for higher-risk suppliers, totaling 9 cases.
- Distributed supplier sustainability self-assessment questionnaires covering 15 sustainability topics, and received responses from 99 tier 1 suppliers, with a response rate of 62.26%.

Corresponding Chapter

- CH1 Strategic Blueprint - Sustainable Operation Strategies
- CH2 Stable Navigation - Corporate Governance and Resilient Operations
- CH4 Going Digital - Smart Operations Creating Sustainable Win-win Situations
- CH5 Talent Navigation – Workplace Well-Being for Diversity and Inclusion

Investors and Banks

Significance to Yang Ming

Yang Ming values the rights and interests of shareholders and investors, actively implementing sustainable business goals to be accountable to shareholders and investors.

Issues of Concern *

- Corporate governance and ethical management
- Economic performance
- Risk management
- Navigation and transportation safety
- Information security and customer privacy protection

Means and Frequency of Response/ Communication Channels

- Participation in or response to relevant advocacy organizations Irregular
- Market Observation Post System Anytime
- Financial reports Quarterly
- Annual report Annually
- Annual general meeting Annually
- Investor conference Quarterly
- Sustainability report Annually
- Official website Anytime
- Corporate ESG website Anytime
- Corporate governance evaluation Annually
- Transfer Agent: KGI Securities Co., Ltd
  - (02)2389-2999
- Stock Information: Ms. Yan, Finance Department
  - FFIC@yangming.com

Stakeholder Communication Results in 2024

- 112 pieces of material information and 43 announcements were published in Chinese and English in accordance with regulations.
- A total of 4 online investor conferences.
- One annual general meeting was organized.

Corresponding Chapter

- CH0 Sustainability Leadership - YANG MING delivers GOOD for life
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Classification societies

Significance to Yang Ming

Classification societies provide relevant regulatory information, ship inspections to maintain vessel seaworthiness.

Issues of Concern *

- Risk management
- Customer service quality and satisfaction
- Navigation and transportation safety
- Talent Cultivation
- Biodiversity
- Energy and resource management

Means and Frequency of Response/ Communication Channels

- Market Observation Post System Anytime
- Annual report Annually
- Sustainability report Annually
- Official website Anytime
- Corporate ESG website Anytime
- Corporate governance evaluation Annually
- Participate in industry associations Irregular
- Sustainability Development Office, Sustainability Planning Team: Senior Manager Ching
  - sssp@yangming.com

Stakeholder Communication Results in 2024

- Issue Chinese and English sustainability reports.
- Issue annual reports.
- Participation in 19 domestic public associations and 16 international shipping-related advocacy organizations.
- The Company's executives attended 44 association meetings.
- The Company participated in 223 seminars and webinars organized by associations and initiatives.

Corresponding Chapter

- CH1 Strategic Blueprint - Sustainable Operation Strategies
- CH2 Stable Navigation - Corporate Governance and Resilient Operations
- CH3 Green and Sustainable Shipping - Operating Strategies for Environmental Sustainability
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1.4 Material Topic Identification Process

Yang Ming highly values the expectations and needs of internal and external stakeholders, following GRI Standards 2021 reporting principles [1] and AA1000 accountability principles [2], through diverse communication channels to grasp the sustainability topic list related to Yang Ming's activities and business relationships. Each year, following GRI 3: Material Topics to conduct materiality analysis, through distributing internal sustainability impact assessment questionnaires to identify the degree of impact and likelihood of occurrence in economic, environmental, and social/human rights aspects, combined with internal operational impact assessment questionnaires and external stakeholder concern questionnaires, compiling the company's material sustainability issues, approved by the board of directors, while explaining the response strategies, short-medium-long term goals, performance results and management approaches for each issue in this report, thereby establishing long-term sustainable development management and planning, tracking the effectiveness of sustainable development strategies, and expanding the company's sustainability influence.

[1] Reporting principles refer to the eight fundamental reporting principles 2021 of GRI 1, including accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability.

[2] Accountability principles refer to the four core principles of "AA1000 Accountability Principles": inclusivity, materiality, responsiveness, and impact.

Identification of Material Sustainability Topics

Step 1: Master Sustainability Issues

Through understanding organizational context and referencing international sustainability trends, regulations and standards (GRI Standards, shipping industry guidance in the SASB Standards, SDGs, TCFD, etc.), United Nations Sustainable Development Goals, sustainability investment evaluations (DJSI, MSCI, CDP) and International Maritime Organization (IMO) disclosure requirements, and considering industry disclosure status, compiled 23 sustainability issues related to Yang Ming's operational activities in 2024, with slight adjustments compared to 2023, explained as follows.

- The original "GHG emissions and air pollution management" and "Climate change governance strategies" were comprehensively adjusted to "Climate change and greenhouse gas emissions management" and "Air pollution management" as two new issues.
- The original "Talent recruitment and cultivation" was adjusted to "Talent recruitment and retention" and "Talent cultivation" as two issues.
- The original "Sustainability implementation and performance" as a company management process, this issue was deleted.

The 2024 sustainability issues are as follows:

Sustainability Issue-Governance

1 Corporate governance and ethical management
2 Economic performance
3 Risk management
4 Customer service quality and satisfaction
5 Information security and customer privacy protection
6 Supply chain management
7 Digital transformation
8 Compliance with laws and regulations
9 Navigation and transportation safety

Sustainability Issue-Environment

10 Energy and resource management
11 R&D and investment in low-carbon technologies
12 Climate change and greenhouse gas emission management
13 Air pollution management
14 Water resource management
15 Biodiversity
16 Waste management

Sustainability Issue-Social

17 Employee compensation and benefits
18 Talent recruitment and retention
19 Talent cultivation
20 Labor rights and inclusion
21 Occupational safety and health
22 Social welfare
23 Government-industry-academia collaboration and international participation

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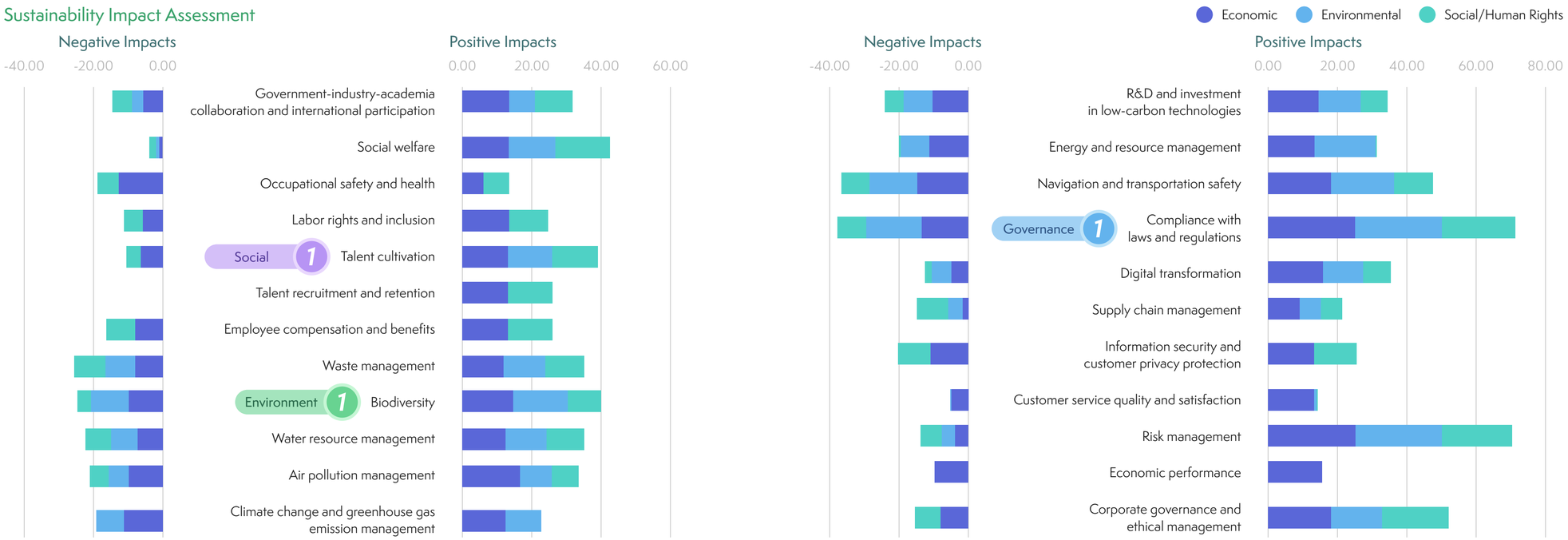
Step 2: Assess Positive and Negative Impacts of Sustainability Issues

The 23 issues were made into a sustainability impact assessment questionnaire, with feedback from 34 issue-related departments and expert scholars, evaluating the impact of each issue on economic, environmental, and social/human rights aspects, including positive/negative impact degree and actual/potential likelihood of occurrence.

The impact degree after comprehensive assessment is as follows:

Sustainability Impact Assessment



Sustainability impact assessment ranking for each dimension:

Sustainability Issue-Governance

1. Compliance with laws and regulations
2. Navigation and transportation safety
3. Risk management
4. Corporate governance and ethical management
5. Digital transformation
6. Information security and customer privacy protection
7. Supply chain management
8. Economic performance
9. Customer service quality and satisfaction

Sustainability Issue-Environment

1. Biodiversity
2. Waste management
3. R&D and investment in low-carbon technologies
4. Water resource management
5. Air pollution management
6. Energy and resource management
7. Climate change and greenhouse gas emission management

Sustainability Issue-Social

1. Talent cultivation
2. Government-industry-academia collaboration and international participation
3. Social welfare
4. Employee compensation and benefits
5. Labor rights and inclusion
6. Occupational safety and health
7. Talent recruitment and retention

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Step 3: Assess the Operational Impact Degree of Sustainability Issues on the Company

The 23 issues were made into an operational impact assessment questionnaire, with feedback from 34 departments and expert scholars, evaluating the financial impact degree and importance level of each issue on company operations.

After operational impact assessment, the ranking of issues in each dimension is as follows:

Sustainability Issue-Governance

1. Navigation and transportation safety
2. Economic performance
3. Corporate governance and ethical management
4. Compliance with laws and regulations
5. Information security and customer privacy protection
6. Risk management
7. Customer service quality and satisfaction
8. Supply chain management
9. Digital transformation

Sustainability Issue-Environment

1. Energy and resource management
2. R&D and investment in low-carbon technologies
3. Climate change and greenhouse gas emission management
4. Air pollution management
5. Water resource management
6. Waste management
7. Biodiversity

Sustainability Issue-Social

1. Occupational safety and health
2. Employee compensation and benefits
3. Talent recruitment and retention
4. Talent cultivation
5. Labor rights and inclusion
6. Social welfare
7. Government-industry-academia collaboration and international participation

Step 4: Understand Stakeholders' Level of Concern for the Company's Sustainability Issues

The 23 issues were made into a stakeholder concern questionnaire, with 282 valid questionnaires collected, understanding stakeholders' focus of concern for Yang Ming through statistical results.

Stakeholders' level of concern ranking for issues in each dimension is as follows:

Sustainability Issue-Governance

1. Navigation and transportation safety
2. Corporate governance and ethical management
3. Information security and customer privacy protection
4. Compliance with laws and regulations
5. Risk management
6. Economic performance
7. Customer service quality and satisfaction
8. Supply chain management
9. Digital transformation

Sustainability Issue-Environment

1. Climate change and greenhouse gas emission management
2. Energy and resource management
3. R&D and investment in low-carbon technologies
4. Water resource management
5. Air pollution management
6. Waste management
7. Biodiversity

Sustainability Issue-Social

1. Occupational safety and health
2. Labor rights and inclusion
3. Employee compensation and benefits
4. Talent cultivation
5. Talent recruitment and retention
6. Social welfare
7. Government-industry-academia collaboration and international participation

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Step 5: Material Issues Determination

- Through a comprehensive assessment of "sustainability impact materiality" and "operational (financial) impact materiality," and with emphasis on stakeholder's feedback, Yang Ming 's material issues for 2024 were selected and approved by the Board of Directors.
- The topics with the greatest sustainability impact in each dimension - governance, environmental, and social - are prioritized, including three material issues: " Compliance with laws and regulations," "Biodiversity," and "Talent cultivation".
- Subsequently, by referencing both operational impact assessments and stakeholder concern results, topics that ranked higher in the comprehensive evaluation were internally screened and 7 material issues were included: "Navigation and transportation safety," "Corporate governance and ethical management," "R&D and investment in low-carbon technologies," "Energy and resource management," "Climate change and greenhouse gas emissions management," "Occupational safety and health," and "Information security and customer privacy protection."

There are 10 material issues for 2024 [1],with ranking and comparison to 2023 as follows:

Sustainability Issue

2024	2024 Changes	2023
1 Compliance with laws and regulations (G)	+ Added	1 GHG emissions and air pollution management (E)
2 Navigation and transportation safety (G)	-	2 Navigation and transportation safety (G)
3 Corporate governance and ethical management (G)	▲ Rising	3 Energy and resource management (E)
4 R&D and investment in low-carbon technologies (E)	-	4 R&D and investment in low-carbon technologies (E)
5 Biodiversity (E)	+ Added	5 Talent recruitment and cultivation (S)
6 Talent cultivation[2] (S)	▼ Declining	6 Corporate governance and ethical management (G)
7 Energy and resource management (E)	▼ Declining	7 Employee compensation and benefits (S)
8 Information security and customer privacy protection (G)	+ Added	8 Occupational safety and health (S)
9 Climate change and greenhouse gas emissions management[3] (E)	Issue Integration	9 Climate change governance strategies (E)
10 Occupational safety and health (S)	▼ Declining	

[1] Among the 2024 material issues, "Employee compensation and benefits" was not included in material issues.
[2] This issue is one of the adjusted split items from the 2023 "Talent recruitment and cultivation" issue.
[3] This issue was integrated and adjusted from the 2023 "GHG emissions and air pollution management" and "Climate change governance strategies."

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Step 6: Setting Material Issue Impact Boundaries, Impact Description and Management Approaches

Yang Ming is well aware that in making positive contributions to sustainable development, negative impacts may be generated in operating activities and acknowledges that the positive and negative impacts cannot be offset by each other. Therefore, when reporting on various sustainability issues, relevant responsible units re-examine the actual/potential positive and negative impact scope caused by the issue from the actual implementation perspective, formulating further material topic management approaches.

Material Issues & GRI Topics/ Custom Topics	SASB Index	Significance to Yang Ming	Impact Description (Economic/Environmental/People or Human Rights)		Position of the Impact of Sustainability Issues in the Value Chain			Corresponding Chapter
			Positive	Negative	Upstream	Yang Ming	Downstream	
Compliance with laws and regulations & GRI 2 General Disclosures	TR-MT-540a.2 TR-MT-540a.3	Yang Ming strictly adheres to regulations and laws, implementing them in daily operations through internal policies and advocacy.	Actual Impact, Potential Impact Ensuring operational behavior complies with legal norms, enhancing trust from partners, and reducing risks of trade disputes, promoting long-term stable cooperation, can positively impact economic development.	Potential Impact Business affected by trade disputes, legal litigation, regulatory violations, or market bans may lead to customer interests being damaged, further affecting customer trust in the market. Failure to strictly comply with environment-related regulations, leading to environmental pollution or waste problems, poses threats to coastal ecology and residents' health. Failure to fulfill legal obligations, infringement of workers' rights may cause physical or mental harm to workers, even affecting their families. If it attracts social attention, it may trigger strong reactions from labor groups, social movement organizations, or media.	◆	◆	◆	▪ 2.3 Compliance Governance and Internal Audit System
Navigation and transportation safety & GRI 403 Occupational Health and Safety	TR-MT-540a.1	Shipping safety is the company's commitment to employees and customers.	Potential Impact Implementing ship safety management, conducting risk assessment operations, controlling and reducing hazards caused by shipping accidents, improving service stability, can positively impact economic development while ensuring employee life safety.	Potential Impact Failure to implement ship safety management may harm employee health and safety. Meanwhile, ship risks exceeding controllable range easily trigger shipping accidents, thereby damaging customer interests and weakening partner trust. Additionally, if ship leakage incidents occur, they will cause long-term negative impacts on marine ecosystems, further affecting coastal residents and local industry development.	◆	◆	◆	▪ 4.1 Navigation and Transportation safety ▪ 5.4 Occupational Safety and Health

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Material Issues & GRI Topics/ Custom Topics	SASB Index	Significance to Yang Ming	Impact Description (Economic/Environmental/People or Human Rights)		Position of the Impact of Sustainability Issues in the Value Chain			Corresponding Chapter
			Positive	Negative	Upstream	Yang Ming	Downstream	
Corporate governance and ethical management & GRI 2 General Disclosures GRI 205 Anti-corruption GRI 206 Anti-competitive Behavior	TR-MT-510a.1 TR-MT-510a.2	Having a sound governance structure and corporate integrity culture is an important management policy of the Company.	Actual Impact, Potential Impact Complete institutional operations include good internal supervision and information disclosure, strengthening operational stability and transparency while adhering to integrity management principles, can enhance investor and customer trust in the company, maintaining company operational stability can positively impact economic development.	Potential Impact Failure to meet regulatory requirements, occurrence of fraud incidents, or violations related to competition law, resulting in the company being subject to related responsibilities and/or reputation decline, thereby negatively affecting investors and customers.	◆	◆	◆	▪ 2.2 Ethical Management ▪ 2.3 Compliance Governance and Internal Audit System ▪ 4.1 Navigation and Transportation safety
R&D and investment in low-carbon technologies & Custom Topic	N/A	Responding to climate-related risks and opportunities, conducting long-term low-carbon transformation layout is one of Yang Ming 's major future operational policies.	Potential Impact Yang Ming adopts R&D of low-carbon technologies and makes related investments, which can mitigate negative impacts on the environment.	Potential Impact Failure to implement low-carbon technology and investment will make corporate carbon emissions difficult to control, negative environmental impacts cannot be mitigated, indirectly affecting brand reputation and shareholder interests.		◆	◆	▪ 3.4 R&D and Investment in Low-Carbon Technologies
Biodiversity & GRI 304 Biodiversity	TR-MT-160a.1 TR-MT-160a.2 TR-MT-160a.3	Yang Ming actively manages environmental impacts in operations, implementing environmental protection, ecological conservation, and biodiversity maintenance actions and strategies.	Potential Impact Reducing pollution and damage to marine environment from operational activities, maintaining biodiversity and marine ecosystems, ensuring industries dependent on marine ecosystem services for livelihood, can mitigate negative environmental impacts and protect regional residents' and industries' survival rights.	Potential Impact Failure to implement marine ecological protection vision may cause negative impacts on marine environment and biodiversity, further affecting local industry development. Meanwhile, if enterprises are subject to regulatory sanctions or market boycotts, cooperation opportunities with business partners will also decrease, affecting overall supply chain stability.		◆		▪ 3.8 Conservation of Biodiversity and Marine Ecology
Talent cultivation & GRI 404 Training and Education	N/A	Employees are the company's most important asset. Providing adequate training and education helps employees utilize their strengths and continuously improve, developing sustainably together with Yang Ming.	Potential Impact Yang Ming continuously enhances company employee capabilities and cultivates excellent future maritime talent, improving corporate competitiveness while having positive impacts on industry economic development. Additionally, we also implement green collar and sustainable talent development promotion, responding to global net-zero goals and sustainability trends, bringing positive environmental impacts.	Potential Impact Failure to realize employee development plans may lead to employees lacking necessary skills, affecting their career development, thereby indirectly affecting customers' business activities.		◆		▪ 5.2 Talent Recruitment and Cultivation

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Material Issues & GRI Topics/ Custom Topics	SASB Index	Significance to Yang Ming	Impact Description (Economic/Environmental/People or Human Rights)		Position of the Impact of Sustainability Issues in the Value Chain			Corresponding Chapter
			Positive	Negative	Upstream	Yang Ming	Downstream	
Energy and resource management & GRI 302 Energy	TR-MT-110a.3 TR-MT-110a.4	Meeting international regulatory carbon reduction requirements and responding to the challenge of shipping net-zero carbon emissions is Yang Ming 's long-term goal.	Actual Impact Implementing energy conservation and carbon reduction measures and improving energy and resource usage efficiency, reducing energy intensity to mitigate negative environmental impacts.	Potential Impact Failure to strictly comply with international carbon reduction requirements will weaken the enterprise's contribution to climate change mitigation, failing to reduce negative environmental impacts. Moreover, international high carbon taxes and expenses for green ships and fuels may increase operational costs, thereby leading to decreased customer profitability.	◆	◆		▪ 3.2 Energy Use and Consumption
Information security and customer privacy protection & GRI 418 Customer Privacy	N/A	Protecting customer privacy is the Company's commitment to customers. Implementing information security can help increase business resilience.	Actual Impact, Potential Impact Establishing information security policies, building rigorous management mechanisms, strengthening protection of internal business sensitive information and employee and customer personal data. Through systematic information security networks, preventing personal data leakage and unauthorized use, ensuring privacy rights are not violated, thereby enhancing stakeholders' trust in the company's information governance and privacy protection, fulfilling corporate commitments to information security and sustainable development.	Potential Impact If information security incidents lead to data leakage, it may cause employee personal sensitive information to be leaked, thereby affecting their financial security; it may also cause customer business secrets to be disclosed or transaction information to be intercepted, not only damaging their market competitiveness but also potentially causing financial losses or business interruption. The above risks will constitute significant impacts on employee and customer privacy rights and also bring potential threats to corporate reputation and operational stability.		◆	◆	▪ 4.3 Information Security Management
Climate change and greenhouse gas emissions management & GRI 305 Emissions	TR-MT-110a.1 TR-MT-110a.2	Greenhouse gas emission reduction and management of climate-related risks and opportunities can enable the company to comply with international trends and regulations, and enhance competitiveness by mitigating risks and seizing opportunities.	Potential Impact Yang Ming mitigates climate-related risks and seizes opportunities, enhancing long-term corporate competitiveness and stability, can positively impact economic development while mitigating negative environmental impacts.	Potential Impact Failure to achieve low-carbon targets, leading to freight costs rising due to carbon taxes and carbon fees, may increase customers' logistics costs, thereby weakening their market competitiveness and profitability. If emission reduction measures are not implemented, it will exacerbate the negative environmental impacts of ship transportation.	◆	◆	◆	▪ 3.2 Energy Use and Consumption ▪ 3.3 Nature and Climate Change Governance Strategy
Occupational safety and health & GRI 403 Occupational Health and Safety	TR-MT-320a.1 TR-MT-540a.1	Introducing and implementing occupational safety and health management is not only the Company's commitment to the employees, but also the key for the Company to continue as a going concern.	Actual Impact Comprehensive occupational safety and health policies can improve workplace environment safety for employees, reduce and prevent occupational accident occurrences, ensuring employee life safety is protected.	Potential Impact Failure to follow occupational safety policies may lead to frequent occupational diseases or work injuries, negatively impacting employee health and safety, thereby reducing employee job satisfaction and efficiency, indirectly affecting business partners' costs and operational pressure.	◆	◆		▪ 4.1 Navigation and Transportation safety ▪ 5.4 Occupational Safety and Health

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Material Topic Management Approach

Corresponding Material Topics	Stakeholders	Material Topic Related Impacts	2024 goals and achievements	Short, Medium, and Long-term Goals	Action Response Chapters
Compliance with laws and regulations	▪ Classification societies ▪ Suppliers ▪ Customers ▪ Investors and Banks	Yang Ming has established a Legal Compliance Office to oversee regulations and laws in Taiwan, China, the EU, the United States, and other important regions, and actively participates in external organizations to stay informed of the latest information and regulations, continuously monitoring and advocating, and timely adjusting operational behavior to ensure compliance with legal norms.	▪ Goal: No occurrence of major regulatory violations ▪ Performance: No major regulatory violations occurred in 2024	▪ 2025: Complete IFRS implementation according to the Taiwan Stock Exchange regulatory schedule, implement personal data protection policies, include privacy protection in internal audit items ▪ 2030: Maintain effectiveness of internal control systems, implement information security management ▪ 2050: Strengthen integrity management mechanisms, enhance information transparency and awareness	▪ 2.3 Compliance Governance and Internal Audit System
			▪ Goal: Reduce the number of vessel condition deficiencies ▪ Performance: Port State Control (PSC) inspected vessel deficiency rate increased by 17.8% compared to 2023, with 40 vessel supervision visits, 262 circulars sent, and monthly inspection and drill records checked for each vessel in 2024 ▪ Analysis of causes: Increased inspection frequency, expanded inspection scope, stricter inspection standards (regulations, etc.), crew personnel changes, vessel aging and inadequate maintenance, etc.	▪ 2025: Self-managed fleet vessels detained by external (PSC) inspections due to improper management causing safety issues, target value ≤2 times/year ▪ 2030: Port State Control (PSC) inspected vessels have no serious deficiencies or detention incidents ▪ 2050: Implement navigation and transportation safety	▪ 2.3 Compliance Governance and Internal Audit System
Navigation and transportation safety	▪ Classification societies ▪ Customers ▪ Investors and Banks	Provide safe and reliable transportation services, implement shipping safety, and pass on the three core corporate values, safety and security of vessels, personnel, and cargos.	▪ Goal: Safe and reliable transportation services ▪ Performance: Zero container loss overboard and container collapse incidents, zero errors in special cargo safety control, implemented 7,783 checks for vessel stability, cargo stowage and safety securing (pre-planned), fully utilized Weathernews Inc. safety navigation with weekly review meetings for 52 weeks, participated in WSC-TopTier international seminars 3 times	▪ 2025: Zero containers lost at sea or collapsing and zero special cargo safety control errors ▪ 2030: Enhance cargo transportation safety, improve special cargo management ▪ 2050: Implement navigation and transportation safety	▪ 4.1 Navigation and Transportation safety
			▪ Goal: No occurrence of serious shipping-related major accidents ▪ Performance: No serious shipping-related major accidents occurred in 2024	▪ 2025: Implement vessel operation safety, zero incidents of Grade 2 or above vessel accidents caused by operational negligence in self-managed fleet ▪ 2030: Reliable transportation services, strengthen vessel operations and crew training ▪ 2050: Implement navigation and transportation safety	▪ 4.1 Navigation and Transportation safety

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Corresponding Material Topics	Stakeholders	Material Topic Related Impacts	2024 goals and achievements	Short, Medium, and Long-term Goals	Action Response Chapters
Corporate governance and ethical management	▪ Competent Authorities ▪ Suppliers ▪ Customers ▪ Investors and Banks	In adherence to the principles of fairness, honesty, integrity, and transparency, Yang Ming established the "Ethical Corporate Management Best Practice Principles of Yang Ming Marine Transport Corporation." Henceforth, to continuously establish a corporate culture of integrity management and healthy company development, the company has established regulations and systems such as "Codes of Ethical Conduct of Yang Ming Group" and "Procedures for Ethical Management and Guidelines for Conduct of Yang Ming Marine Transport Corporation."	▪ Goal: Promote board member diversification policy ▪ Performance: Continuously strengthen corporate governance and board functions, incorporating board composition diversification as an important consideration in director re-elections	▪ 2025: Female director reach one-third, independent directors no less than one-third, consider establishing a board-level sustainability development committee ▪ 2030: Implement board member diversification policy, directors possess industry experience, risk management and information security backgrounds ▪ 2050: Strengthen integrity management mechanisms, enhance information transparency and awareness	▪ 2.1 Corporate Governance Blueprint
			▪ Goal: 93% pass rate for integrity management related education and training tests ▪ Performance: Integrity management related education and training test pass rate reached 100%	▪ 2025: Conduct integrity management awareness education and training, participation rate and pass rate target 98%, zero violations of integrity management and corruption, conflict of interest incidents ▪ 2030: Strengthen employee compliance, risk management awareness and integrity management mechanisms ▪ 2050: Strengthen integrity management mechanisms, enhance information transparency and awareness	▪ 2.2 Ethical Management
R&D and investment in low-carbon technologies	▪ Competent Authorities ▪ Classification societies ▪ Customers ▪ Investors and Banks	Yang Ming actively cooperates with the value chain to promote low-carbon transformation plans, seeking cleaner energy and low-carbon technologies to achieve the goal of net-zero emissions by 2050.	▪ Goal: Install renewable energy equipment in offices ▪ Performance: Completed installation of ecological green roof solar photovoltaic system and rainwater recovery system, expected carbon reduction of approximately 5.6802 metric tons CO_2e	▪ 2025: Taiwan-owned office buildings use renewable energy reaching RE30 ▪ 2030: Taiwan-owned office buildings use renewable energy reaching at least RE40 ▪ 2050: Net-zero carbon emissions	▪ 3.4 R&D and Investment in Low-Carbon Technologies
Biodiversity	▪ Competent Authorities ▪ Classification societies ▪ Customers ▪ Investors and Banks	Yang Ming is committed to global biodiversity conservation, actively responding to UN Sustainable Development Goals SDG 14: Life below water and SDG 15: Life on land, long-term investment with colleagues in biodiversity protection.	▪ Goal: Research and formulate biodiversity and zero net deforestation commitment policy ▪ Performance: Policy approved by the board of directors, and beach cleanup activities held at 12 global operational locations, with a total of 461 participants, successfully cleaning 2,354 kilograms of marine waste; invasive species removal activities held near headquarters operational locations, with 101 colleagues and family members participating, successfully removing 92 kilograms of Mikania micrantha and 200 Leucaena leucocephala plants	▪ 2025: Implement biodiversity policy, research introduction of TNFD; participate in carbon sequestration related projects ▪ 2030: Introduce Taskforce on Nature-related Financial Disclosures (TNFD) ▪ 2050: Marine ecosystem protection, maintain biodiversity	▪ 3.8 Conservation of Biodiversity and Marine Ecology

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Talent cultivation	▪ Customers ▪ Employees ▪ Classification societies	Yang Ming is committed to creating an open, inclusive and diverse respectful work environment, and in coordination with the company's short, medium and long-term plans, provides professional development and implements comprehensive talent development policies, encouraging employee job rotation to expand cross-departmental work experience, developing comprehensive talents and cultivating organizational talent needs.	▪ Goal: Diversified talent development ▪ Performance: Won 2024 Happy Enterprise Gold Award	▪ 2025: Either gender ratio of employees and supervisors reaches one-third, decision-making level either gender ratio 25%, STEM-related either gender ratio 20% ▪ 2030: Employees, supervisors, decision-making level, STEM-related either gender ratio reaches one-third ▪ 2050: Diversity and equality	▪ 5.2 Talent Recruitment and Cultivation
			▪ Goal: Maintain employee retention rate above 90% ▪ Performance: Employee retention rate 87.01% ▪ Analysis of causes: New generation job seekers value self-realization when job hunting. In recent years, after personnel actually enter the workplace, if there is too large a gap between work content and expectations, or personal abilities do not meet position requirements, it often leads to increased resignation situations, causing overall retention rates to show a declining trend	▪ 2025: Maintain employee retention rate above 90% ▪ 2030: Promote diversity, equality, inclusion ▪ 2050: Happy workplace	
Energy and resource management	▪ Competent Authorities ▪ Classification societies ▪ Investors and Banks	Establish environmental policies, continuously improve energy, water and other resource usage efficiency to comply with international environmental regulations, committed to promoting low-carbon energy, enhancing energy operational models, expecting to attract other green enterprise customers or partners, enhancing company reputation.	▪ Goal: Carbon Intensity Indicator (CII) rating C level or above ▪ Performance: CII rating C level or above accounts for 89.90%, decreased by 5.84% compared to last year ▪ Analysis of causes: Ships continue to detour around the Red Sea resulting in extended sailing distances, so fuel consumption and carbon emissions remain high	▪ 2025: Annual fuel consumption not exceeding 1.55 million tons; biofuel usage not less than 120,000 tons; 90% of ships annually achieve CII rating C level or above, complete vessel renewal and replacement and energy-saving or alternative energy vessel type new ship planning ▪ 2030: Eco-friendly energy- efficient vessels reach 50% of overall operating fleet, at least 5% use zero or near-zero GHG emission fuels and/or energy sources before 2030 ▪ 2050: Net-zero carbon emissions	▪ 3.2 Energy Use and Consumption
			▪ Goal: Improve fleet energy-saving measures, coordinating with fleet annual dry dock maintenance plan for 26 vessels ▪ Performance: Completed 26 vessels' routine dry dock maintenance hull coating with energy-saving, low-friction paint; completed installation of scrubber equipment on 6 vessels and shore power systems on 9 vessels.		
Information security and customer privacy protection	▪ Customers ▪ Employees ▪ Investors and Banks	Yang Ming, to achieve the information vision of utilizing information technology to support group enterprise activities and create group operational competitiveness, and to ensure global information service operations are free from various intentional or accidental threats and damage from internal or external sources that could lead to risks of business information being tampered with, disclosed, damaged or lost, has established information security policies, utilizing information technology to integrate risk management and control mechanisms and ensure overall group operational competitiveness.	▪ Goal: No property loss incidents caused by information security in ship-shore operations ▪ Performance: No property loss incidents caused by information security in 2024	▪ 2025: Continue strengthening ship-shore information security maintenance, no major information security incidents causing core business interruption or sensitive data leakage ▪ 2030: Implement information security management ▪ 2050: Enhance information transparency and awareness	▪ 4.3 Information Security Management

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Climate change and greenhouse gas emission management	▪ Competent Authorities ▪ Investors and Banks ▪ Classification societies ▪ Customers	To effectively manage climate risks and opportunities that the company may face in overall operations, the company's Risk Control Office and Sustainable Operation Strategy Team have incorporated climate change-related risks into assessment and tracking scope, continuously monitoring climate risks that may impact company operations, while grasping relevant opportunities that climate change may bring benefits to the company. The assessment results are ultimately provided to management and the board of directors for their operational decision-making and supervision reference.	▪ Goal: Continue conducting Task Force on Climate-related Financial Disclosures (TCFD) ▪ Performance: Completed climate-related financial disclosures (TCFD) qualitative and quantitative analysis, reported to the board of directors 1 time	▪ 2025: Execute TCFD climate change risk assessment report and improve quantitative operations, optimize environmental investment calculation system ▪ 2030: Disclose environmental return on investment ▪ 2050: Net-zero carbon emissions	▪ 3.3 Nature and Climate Change Governance Strategy
			▪ Goal: Carbon intensity and total greenhouse gas emissions not higher than 2023 ▪ Performance: Carbon intensity 37.03 g/TEU-km, greenhouse gas emissions increased compared to last year ▪ Analysis of causes: Ships continue to detour around the Red Sea resulting in extended sailing distances, so fuel consumption and carbon emissions remain high	▪ 2025: Carbon emission intensity reduced by 1% compared to 2024 ▪ 2030: Scope 1 carbon emission intensity reduced by 10% in 2030 compared to 2024 (baseline year) ▪ 2050: Net-zero carbon emissions	
Occupational safety and health	▪ Competent Authorities ▪ Customers ▪ Employees ▪ Classification societies	Establish occupational safety and health policies.	▪ Goal: Digitalize health management ▪ Performance: Employee health examination result data has all been imported into the company's health management platform and health risk analysis conducted (comprehensive indicator of metabolic syndrome risk + coronary heart disease risk). A total of 194 colleagues used on-site services, receiving health guidance recommendations from doctors, EAPs employee assistance program two-stage usage totaled 154 person-times, with satisfaction rating of 92.3 points (full score 100 points)	▪ 2025: Improve employee health management efficiency and quality (examination rate 95%) ▪ 2030: Optimize employee health management methods ▪ 2050: Happy workplace	▪ 5.4 Occupational Safety and Health
			▪ Goal: Zero accidents ▪ Performance: Zero accidents; Disabling Injury Frequency Rate (FR): 1.30; Disabling Injury Severity Rate (SR): 21; Frequency-Severity Indicator (FSI): 0.16	▪ 2025: Company-attributable major accident casualties target zero accidents ▪ 2030: Company-attributable major accident casualties target zero accidents ▪ 2050: Occupational injury occurrence rate below industry average	

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6 CLEAN WATER AND SANITATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

Chapter Highlights

- Board of Directors received positive recognition in leadership style, risk management, and whistleblower system independence through external evaluation
- Total continuing education hours for directors and independent directors reached 153 hours, 1.28 times the legal requirement
- No litigation cases involving corruption occurred, and no major regulatory violation penalties occurred in environmental and social aspects
- Held one supplier seminar, one session in Chinese and one in English, attended by a total of 76 key domestic and international suppliers.

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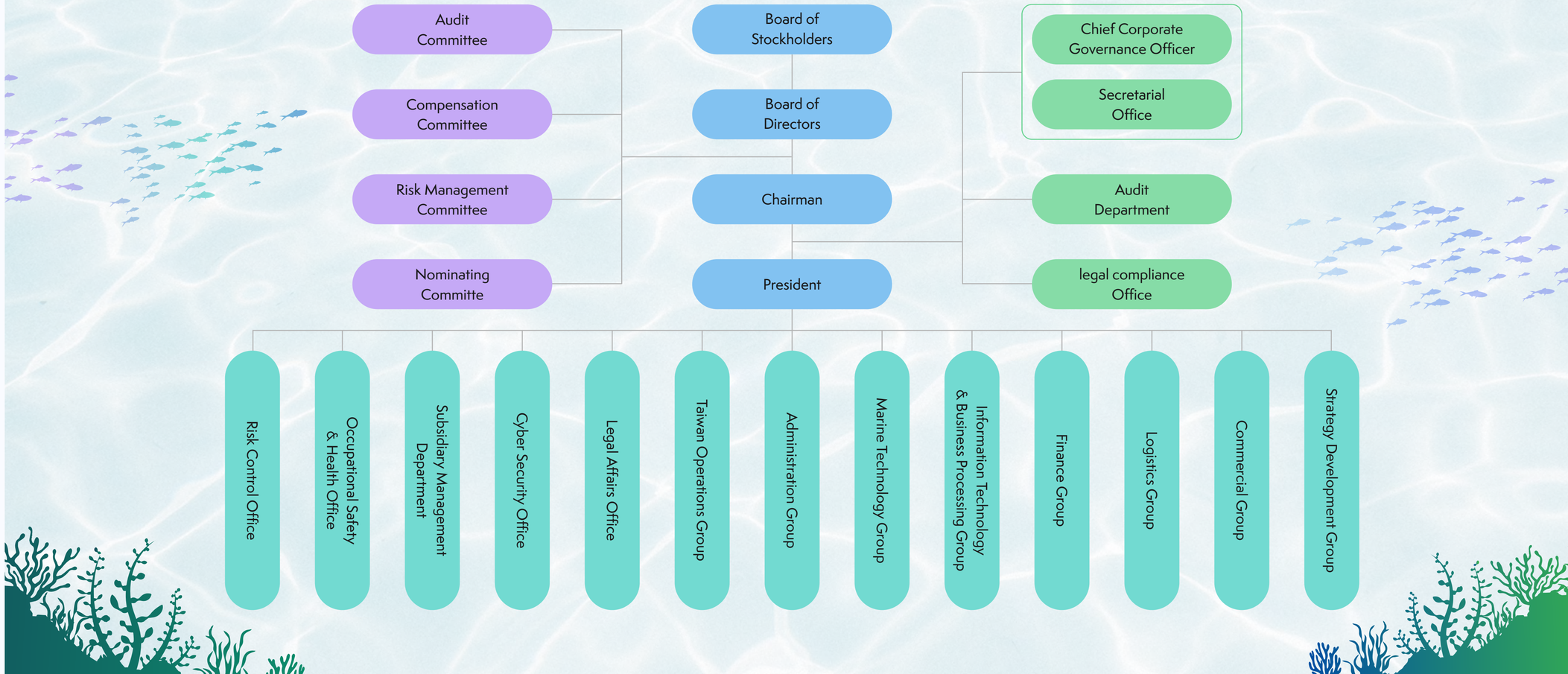
2.1 Corporate Governance Blueprint

2.1.1 Corporate Governance Structure

Corporate Governance Organization and Philosophy

The Board of Directors is the highest decision-making center and governance body responsible for overseeing the overall operation and management of the Company and ensuring the fulfillment of corporate sustainability responsibilities to achieve the goal of sustainable operations, promoting the advancement of the overall economy, environment and society. To make sure the business operators perform their responsibilities, protect the legal rights of shareholders, and ensure the interests of other relevant stakeholders, the Board of Directors continues to oversee and facilitate the management and operation of the Company and enhance the implementation of corporate governance matters. The functional committees subordinate to the Board of Directors include the Audit Committee, Compensation Committee, Risk Management Committee, and Nominating Committee. It is hoped that these functional committees can assist the Board of Directors in fulfilling their duties of supervision and establishing or amending corporate governance regulations and systems, perform preliminary review functions, and ensure the independent directors exert their expertise and stay independent.

Corporate Governance Structure Chart



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Description of the Responsibilities of Functional Committees

Audit Committee

Responsibilities

- Implement or amend the internal control systems pursuant to Article 14-1 of the Securities and Exchange Act.
- Assess the effectiveness of the internal control system.
- Establish or amend the procedures of major financial or business activities, including the acquisition or disposal of assets, derivatives trading, loaning funds and providing endorsements or guarantees to third parties in accordance with Article 36-1 of the Securities and Exchange Act.
- Address matters involving conflicts of interest related to Directors.
- Manage material assets and derivatives transactions.
- Manage material loaning funds, endorsements or guarantees.
- The raising , issuance or private placement of equity-type securities.
- The appointment, dismissal and compensation for certified public accountants.
- The appointment and dismissal of Chief Financial Officer, Chief Accounting Officer or Chief Audit Supervisor.
- Annual financial statements signed or sealed by Chairman, managerial officers and Chief Accounting Officer, and semi-annual financial statements audited by certified public accountants.
- Address any other major matters as required by Yang Ming or relevant authorities.

Composition

The committee consists of all Independent Directors and no fewer than 3 people.

Meeting Frequency and Number of 2024 Meetings

At least 1 meeting is convened quarterly; 9 meetings were held in 2024.

Important Resolutions in 2024

1. 2023 financial statements.
2. Amendments to the Regulations Governing Financial Instruments Investment and the Financial Instruments Investment Procedures.
3. Increasing authorization quota to subsidiary for engaging in financial instruments investment and loaning funds.
4. Capital reduction to subsidiaries.
5. Purchasing European Union Allowances.
6. The list of items for non-assurance service provided to the company and subsidiaries by the CPA accounting firms and its global affiliates .
7. 2023 self-assessment audit report and statement of internal control system.
8. Amendment to the internal control system.
9. Purchasing full container vessels from long-term time charter ship owner.
10. Deployment of full container vessels.
11. Purchasing vessels from subsidiaries.
12. 2024 containers purchasing plan.
13. Disposal of shares in affiliates.
14. Appointment and discharge of managerial officers.

Compensation Committee

Responsibilities

- Regularly review the Charter of the Compensation Committee and make recommendations for amendments.
- Establish and periodically review the performance assessment standards, annual and long-term performance goals, and policies, systems, standards, and structure for the compensation of the Directors and managerial officers.
- Periodically assess performance achievements for the Directors and managerial officers, and set the types and amounts of their individual compensation based on the results of performance assessments.

Composition

The committee consists of at least 3 members appointed by the Board and over half of the members should be independent directors. The term of the committee should be identical with the Board.

Meeting Frequency and Number of 2024 Meetings

At least 2 meetings are convened. 8 meetings were held in 2024.

Important Resolutions in 2024

1. Establishment and amendment of Rules of Compensation Distribution for Employees.
2. Establishment of Rules of Annual Incentive Bonus for seafarers.
3. Amendment to Rules of remuneration standard and table for native seafarers on group vessels with ROC flag.
4. Review and adjustment of the managerial officers system.
5. Contract terms and conversion between appointed managerial officer and employed managerial.
6. Appointment and discharge of managerial officers.
7. Chairman's remuneration.
8. President's contract and remuneration.
9. 2023 compensation distribution of employees and directors.
10. 2023 performance bonus for employees.
11. 2023 special contribution bonus and remaining performance bonus for employees and seafarers.
12. 2024 performance bonus for employees and seafarers.
13. 2025 salary and meal allowance raises for employees (including managerial officers and department heads).

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Risk Management Committee

Responsibilities

- Review the risk management policies, structures, systems, specifications, risk appetite and tolerance of the Company, and make necessary adjustments in response to changes in the external environment.
- Review the measures taken in response to major risk loss incidents.
- Evaluate the effectiveness of the warning systems for critical risk management matters.
- Advise on solutions and mechanisms of significant contractual disputes.
- Advise on financial risks including financing, interest rates, exchange rates, liquidity and solvency.
- Advise on material adjustments to the Company's organizational structure.
- Report on the implementation of risk management to the Board on a quarterly basis.
- Address critical risk matters as requested by relevant administrative authorities, the Company, and the Board.
- In the event that any of the above items are addressed in Article 14-5 of the Securities Exchange Act, the Audit Committee shall refer to the Risk Management Committee Charter.

Composition

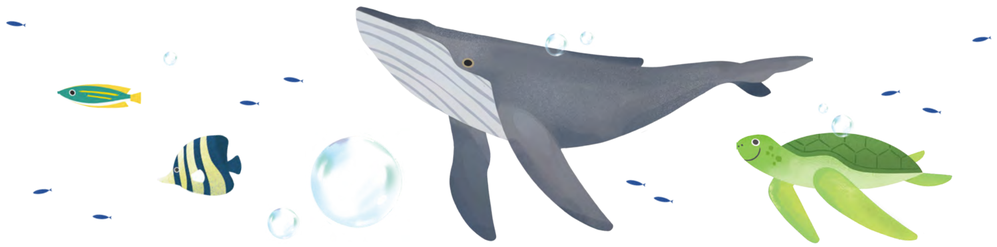
The committee consists of 5-7 members with the Independent Directors as the ex officio members. The members are appointed by the Board and the term of the committee should be identical with the Board.

Meeting Frequency and Number of 2024 Meetings

At least 1 meeting is convened quarterly; 4 meetings were held in 2024.

Important Resolutions in 2024

Report on the Group's potential risks.



Nominating Committee

Responsibilities

- Establish criteria for Board Directors and important managerial personnel, such as required expertise , skills, experience, gender and independence to review and nominate as candidate.
- Establish and regularly review succession plans of Board Directors and important managerial officers.

Composition

This committee shall consists of at least 3 members appointed by the Board and over half of the members should be independent directors, The term of the members should be identical with the Board.

Meeting Frequency and Number of 2024 Meetings

At least 2 meetings are convened annually.

Important Resolutions in 2024

Established on December 20, 2024; no resolutions made this year.

Operation of Functional Committees

Chief Corporate Governance Officer

Designation of the Chief Corporate Governance Officer

To continuously promote corporate governance, protect the rights and interests of shareholders, and effectively exert the functions of the Board of Directors, a resolution was adopted at the 335th board meeting on January 25, 2019 to appoint the Head of the Secretarial Office, Ms. Ting-Yu Lu, as the Company's Chief Corporate Governance Officer. The Chief Corporate Governance Office is mainly responsible for handling matters related to Board meetings, shareholders' meetings, and functional committee meetings, drafting meeting minutes, providing necessary information to Directors and Independent Directors to perform duties, assisting them in taking office and receiving continuing education, supporting them in legal compliance, and managing corporate registrations and changes.

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2.1.2 Board Composition

Board Composition

Yang Ming elects board members in accordance with the "Procedures for Election of Directors" and takes diversity into account for the composition of the Board of Directors in accordance with Article 20 of the "Yang Ming Marine Transport Corporation Corporate Governance Best Practice Principles." The election of the members is not limited by gender, age, race and nationality. Their professional knowledge and skills are also taken into consideration to see if they match the Company's business management planning and practical operational needs. The company's current Board of Directors consists of 15 directors, including 5 independent directors(with one independent director position temporarily vacant). Members possess extensive experience and expertise in various fields including shipping, international economics, finance, accounting, law, and management. Among them, directors with employee status account for approximately 6.7%, female directors account for approximately 26.7%, and independent directors account for approximately 33.3%. For Board member professional capabilities and backgrounds, please refer to page 19 of the Company's 2024 Annual Report and the Corporate ESG website.

To ensure that the Board of Directors can offer objective opinions and make independent and professional judgements about matters related to the Company for effective supervision of the Company's operations, the independent directors stay independent when executing their duties and do not have direct or indirect interests with the Company. The independent directors shall comply with the "Regulations Governing the Appointment and Exercise of Powers by Independent Directors of Public Companies" during the two years before their election and during their term of service and issue a written declaration of compliance. The company's Chairman also does not concurrently serve as an executive.

Director Conflict of Interest Avoidance

To further implement Board independence, the company stipulates in Article 19 of the Integrity Management Guidelines that when agenda items listed by the Board of Directors involve conflicts of interest with directors, supervisors, managers, and other stakeholders attending or present at Board meetings, or the legal entities they represent, they must explain the important content of such conflicts of interest at that Board meeting. If there is potential harm to the company's interests, they may not participate in discussion and voting, must recuse themselves during discussion and voting, and may not exercise voting rights on behalf of other directors. For the implementation of directors' recusal from discussion and voting on conflict of interest agenda items in 2024, please refer to page 44 of the Company's 2024 Annual Report.

Continuing Education for the Board of Directors

Based on international industrial trends as well as the Company's internal operational condition changes and development needs, the Company arranges at least 6 hours of continuing education courses for each director per year to enhance their competency and knowledge and keep up with international trends. In 2024, directors and independent directors were required by law to complete a total of 120 hours of continuing education, but actually completed 153 hours, which is 1.28 times the legally required hours. The 2024 continuing education content included topics such as corporate governance, climate change, sustainable development, global economic outlook, industry strategy, employee compensation, information security, and artificial intelligence. For detailed Board continuing education status, please refer to the Company's Corporate ESG website.

Succession Plan for Board Members

The election of the company's directors, except where otherwise provided by law or the articles of incorporation, is conducted in accordance with the company's "Director Election Regulations." Taking into account the company's business development scale, major shareholder holdings, and practical operational needs, and in coordination with the company's Board diversity policy, the allocation of Board members considers the overall capabilities the Board should possess and the results of annual Board performance evaluations.

To strengthen Board management functions and election mechanisms, the company has established a Nomination Committee to set standards for the professional knowledge, technical skills, experience, gender, and independence required for directors and managerial officers, and regularly reviews succession plans for directors and managerial officers.

The company's senior managers attend Board meetings and functional committee meetings to familiarize themselves with relevant proceedings, and through systematic job rotation, overseas assignments, and appointments as directors of subsidiaries, their participation and familiarity with various group units is expanded, enhancing their professional knowledge and response capabilities in company strategy formulation and development, supervision and implementation of internal control and legal compliance, and risk management, to fulfill director requirements or succeed as future Board members.

To maintain the professionalism and experience transfer of Board members, the company plans director succession candidates through the following methods:

1. Considering director candidates recommended by shareholders
2. Inviting current directors to recommend candidates
3. Using annual Board performance evaluation results as reference for nominating director reappointment
4. Selection from the company's executive managers

The list of director candidates obtained through the aforementioned methods is submitted to the company's Board for review at appropriate times, serving as reference for planning director succession candidates. Overall, the company's director succession planning not only recruits suitable external professionals but also cultivates internal senior managers and directors and senior managers of subsidiaries through experience, building a reserve of future professional succession talent to fully exercise the Board's decision-making and supervisory functions.

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2.1.3 Operations of the Board of Directors

Board Effectiveness

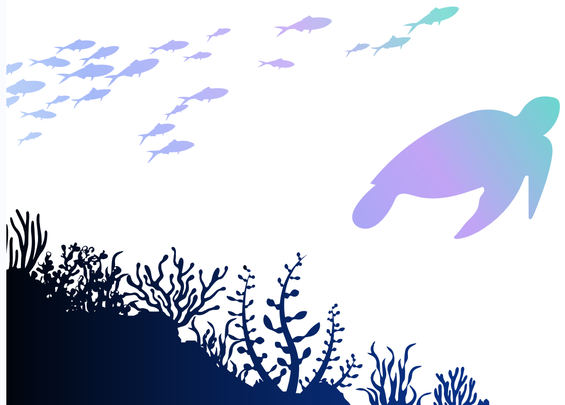
Yang Ming 's Board of Directors serves three-year terms. The 20th Board members were elected on May 14, 2021, and expired on May 24, 2024, with members taking office immediately upon election. As of May 2024, the average term of board members was about 4 years. The 21st Board members were elected on May 24, 2024, with members taking office immediately upon election. As of December 2024, the average tenure of Board members is 1.89 years. According to the corporate governance evaluation regulations requiring an average attendance rate of 85.00% for the board of directors, the Company held 12 board meetings in 2024, with an average attendance rate of 88.16%.

2024 Board Meetings

12 Held

Average Attendance

88.16 %



Board Performance Evaluation

In accordance with the Rules for the Performance Evaluation of the Board of Directors and Functional Committees, the Company's Secretarial Office conducts an evaluation of the performance of the Board of Directors, individual board members and functional committees at the end of every year through questionnaires. An external independent professional agency or external expert or scholar team shall be commissioned to evaluate the performance of the Board of Directors and functional committees at least once every 3 years. The performance evaluation results of the Board of Directors and functional committees for the previous year are reported to the Board of Directors before the end of the first quarter of every year and used as a reference for nominating directors for the second term. The 2024 performance evaluation was conducted from December 2024 to January 2025. The Board of Directors' performance assessment achieved a completion rate of 97.78%, with an evaluation result of "Above the Standard"; Board members' performance assessment achieved a completion rate of 86.96%, with an evaluation result of "Meet the Standard"; and functional committees' performance assessment achieved a completion rate of 100%, with an evaluation result of "Above the Standard". The performance evaluation results, strengthening directions, and improvement goals have been submitted to the 401st Board meeting on March 12, 2025.For details, please refer to page 44 of the Company's 2024 Annual Report.

2024 Board Performance Evaluation Procedure

- Evaluation period: January 1, 2024 to December 31, 2024
- Evaluation method: Questionnaires were used for the internal self-evaluation of the Board of Directors, the self-evaluation of board members, and the self-evaluation of functional committees to evaluate the performance of the Board of Directors, individual board members and functional committees.
- The evaluation criteria are as follows:

Board of Directors

1. If one item is agreed or strongly agreed upon by a majority of all directors in the self-evaluation, the evaluation item is considered achieved. Also, a director attendance rate of 90% or higher, the attendance of over half of directors at shareholders' meetings, and the convention of at least 6 board meetings every year render an evaluation item achieved.
2. If the achievement rate for all evaluation items reaches 90% or higher, the result is "above the standard;" if the achievement rate for all evaluation items reaches 80% or higher but is less than 90%, the result is "meets the standard;" if the achievement rate for all evaluation items is less than 80%, the result is "improvement needed."

Board Members

1. If one item is agreed or strongly agreed upon by all directors in the self-evaluation, the evaluation item is considered achieved. Also, a director attendance rate of 90% or higher renders an evaluation item achieved.
2. If the achievement rate for all evaluation items reaches 90% or higher, the result is "above the standard;" if the achievement rate for all evaluation items reaches 80% or higher but is less than 90%, the result is "meets the standard;" if the achievement rate for all evaluation items is less than 80%, the result is "improvement needed."

Functional Committees

1. If one item is agreed or strongly agreed upon by a majority of all members in the self-evaluation, the evaluation item is considered achieved. Also, a functional committee member attendance rate of 90% or higher renders an evaluation item achieved.
2. If the achievement rate for all evaluation items reaches 90% or higher, the result is "above the standard;" if the achievement rate for all evaluation items reaches 80% or higher but is less than 90%, the result is "meets the standard;" if the achievement rate for all evaluation items is less than 80%, the result is "improvement needed."

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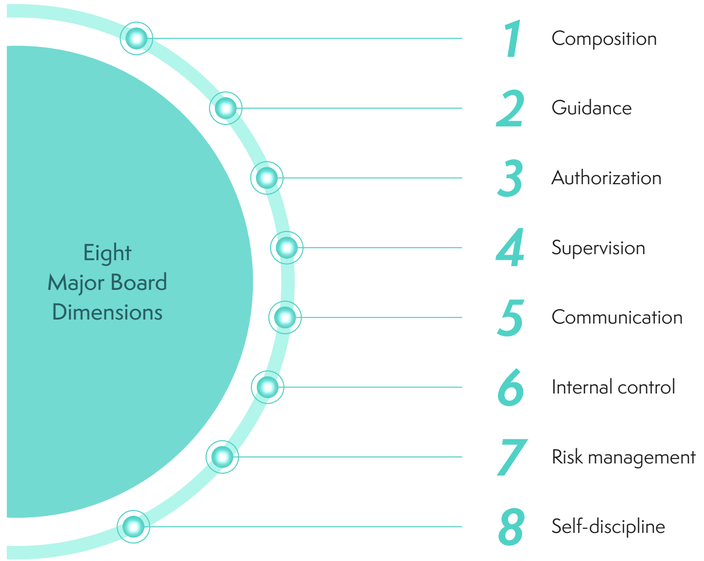
External Performance Evaluation

In January 2024, the "Taiwan Corporate Governance Association" was commissioned to conduct an external Board effectiveness evaluation (evaluation period: February 1, 2023 to January 31, 2024). The association and executing experts have no business dealings with the company and maintain independence. The evaluation focused on eight major Board dimensions through public information and field interviews, receiving positive recognition in areas such as leadership style, risk management, and whistleblower system independence.



Public Information ▼ Field Interviews

Key Evaluation Results

- Open leadership style of the Chairman
- Independent directors fully exercising their functions
- Risk management implementation
- High independence of whistleblower system
- Emphasis on external professional opinions

Remuneration policies

Director Compensation

The Board of Directors is authorized to determine the compensation of the Chairman and directors based on their participation in and contribution to the Company's operations and according to the annual compensation level for equivalent positions in the shipping industry. The compensation of the Chairman and directors shall be submitted to the Compensation Committee for review as required by law. The compensation percentage for the Company's directors is set in accordance with Article 18 of the Company's Article of Incorporation. If the Company has profits in the year, no more than 2% of the profits shall be appropriated as the directors' compensation.

Compensation and Performance of Managers

The Company has set up a Compensation Committee to regularly review the compensation of directors and managers. The compensation of managers shall also be submitted to the Compensation Committee for review as required by law. According to Article 18 of the Article of Incorporation of Yang Ming Marine Transport Corporation, if the Company has profits in the year, 1%-5% of the profits shall be appropriated as the compensation of employees. For the payment of bonuses, other than an extra one month's salary as the Chinese New Year bonus, if the Company has earnings in the year, part of the earnings may be appropriated as the performance bonus using the performance bonus calculation formula and as the compensation of employees in accordance with the Articles of Incorporation. Manager retirement benefit policies are consistent with general employees. The company legally contributes 6% of the salary of employees who choose the new retirement system monthly to individual accounts at the Bureau of Labor Insurance. For the portion applicable to the Labor Standards Act, the company contributes 3% of total salary monthly to the retirement fund, managed by the Labor Retirement Fund Supervisory Committee and deposited in Taiwan Bank under the committee's name. Before the end of each year, if the estimated account balance is insufficient to pay workers expected to meet retirement conditions in the following year, the difference will be contributed in a lump sum before the end of March of the following year.

Senior Management Compensation Indicators

The Company has established a "Sustainable Operation Strategy Team" chaired by the Chairman, responsible for supervising the overall promotion of corporate sustainable development. The General Manager and Company's managers follow sustainable development-related policies to supervise their units in implementing various business plans and action programs.

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In 2024, the Company incorporated Environmental, Social, and Governance (ESG) initiatives into its managerial performance management evaluation indicators. The results of these evaluations are linked to salary progression, performance bonuses, and other remuneration components. This initiative seeks to strengthen senior executives' commitment to ESG-related matters, thereby realizing the Company's vision for sustainable development and achieving its sustainability objectives. President is assigned 20% weight to "ESG Performance Indicators" goal and other Company's managers based on their positions and scopes of business undertake President's "ESG Performance Indicators" with 8%-20% weight to their personal performance indicators. The detail of "ESG Performance Indicators" and its weight for different Company's managers are demonstrated in following table.

	ESG Performance Indicators	Weight	Description
President	Energy saving and emissions reduction to achieve environmental sustainability	4%	To supervise/evaluate Company's managers execute the goal set by "Sustainable Operation Strategy Team". For more details on business plans, please refer to the "Company's managers" section below.
	Company's care to local communities and public welfare participation	4%	
	Green Procurement	4%	
	Strengthen corporate governance and integrity management	4%	
	Stakeholder Communication	4%	
Company's Managers	Energy saving and emissions reduction to achieve environmental sustainability	8%-20%	The detail of energy saving and emissions reduction to achieve environmental sustainability includes: 1. Reduce absolute GHG emissions 2. Reduce non-recyclable waste from ships 3. Monitor fleet's Carbon Emissions 4. Reduce Paper consumption 5. Water resources management 6. To replace traditional fuel by biofuel for ships
	Company's care to local communities and public welfare participation	5%-10%	The detail of Company's care to local communities and public welfare participation includes: 1. Support social participation and engagement 2. Cultural promotion, arts and cultural activities, marine education, and community development activities 3. Provide scholarships for students
	Green Procurement	5%-10%	The detail of Green procurement includes: 1. General affairs and labor procurement prioritize the selection of products or services that comply with green procurement standards, with the proportion of green procurement amount to total procurement amount increasing compared to the previous year
	Strengthen corporate governance and integrity management	10%-18%	The detail of strengthening corporate governance and integrity management includes: 1. Optimize sustainable management for suppliers 2. Strengthen employees' awareness of legal compliance and risk control, and ethical operation management mechanisms. 3. ISO 27001 yearly certification
	Stakeholder Communication	5%-10%	The detail of stakeholder Communication includes: 1. Strengthen the service network 2. Ensure Navigation and Transportation safety 3. Offer excellent customer services

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2.2 Ethical Management

Ethical Management System

In adherence to the principles of fairness, honesty, integrity, and transparency, Yang Ming established the "Ethical Corporate Management Best Practice Principles of Yang Ming Marine Transport Corporation" based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" in 2013. Since then, in order to continuously develop a corporate culture of ethical management and ensure sound corporate development, the Company has established rules and regulations such as the "Codes of Ethical Conduct of Yang Ming Group" and "Procedures for Ethical Management and Guidelines for Conduct of Yang Ming Marine Transport Corporation," which are applicable to group enterprises and organizations, such as the Company's subsidiaries, foundations that have direct or indirect donations of more than 50% of their funds, and other institutions or corporations with de facto control. The rules and regulations are regularly updated and disclosed in the Company's internal regulations and on the Company's website to specify the ethics and responsibilities required for the Group's directors, supervisors, managers, employees, fiduciaries, and persons with de facto control when engaging in commercial activities and prohibit unethical conduct, engagement in unfair competition, corruption, and bribery. Dissemination is carried out every year to enhance internal management. The Company's Corporate Governance and Integrity Division is responsible for developing and promoting ethical management policies and prevention programs, supervising their execution, and submitting regular reports to the Board of Directors. The latest amendment was made on December 16, 2022.

Implementation and Strengthening of Ethical Management

To strengthen internal awareness of ethical management and implement it in daily business operations and conduct, the Company engages external instructors and annually conducts online training courses on legal compliance, anti-corruption, corporate ethics and integrity, competition laws, and other related training courses for onshore employees, expatriates, and seafarers. The 2024 ethical management-related education and training courses are shown in the following table.

Course Name	Course Content	Target Audience	Number of Participants	Pass Rate
ISO 37001 Bribery Risk Assessment and Policy Objectives Education and Training	Anti-bribery risk management mechanisms and risk response measures.	Corporate Governance and Integrity Division related departments	19	100%
ISO 37001 Implementation of Anti-corruption and Anti-bribery Management System through Internal Audit Education and Training	Overview of audit activities and discussion of execution and tracking mechanisms for corrective and improvement actions.	Corporate Governance and Integrity Division related departments	21	100%
ISO 37001 Anti-bribery Management System Operation Analysis Education and Training	ISO 37001 anti-bribery management system overview, core framework and international development trends, focusing on implementation priorities and supervision management, supplemented with actual case analysis.	All employees	1,478	100%
"Codes of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," and "Procedures for Ethical Management and Guidelines for Conduct" Online Awareness Education and Training	Regulations and awareness of the "Codes of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," and "Procedures for Ethical Management and Guidelines for Conduct"	All employees	1,470	100%
Competition Laws Awareness Education and Training	The Company conducted an online awareness training on "2024 Competition Laws" for all domestic onshore employees and expatriates.	All domestic onshore employees and expatriates	1,442	98%
Fair Trade Act and Corporate Compliance	The Fair Trade Commission visited the Company to advocate related regulations, cases, and provide recommendations on corporate practices, deepening corporate internal compliance awareness of Taiwan's Fair Trade Act to avoid legal violation risks.	Domestic onshore employees and expatriates	447	-
Corporate Anti-corruption and Trade Secret Law Investigation Case Awareness Education and Training	The Keelung Investigation Station of the Ministry of Justice Investigation Bureau visited the Company to introduce corporate anti-corruption and trade secret law investigation cases and related regulations, enhancing employee legal compliance awareness and reducing legal violation risks.	Domestic onshore employees and expatriates	514	-
Anti-corruption, Corporate Ethics and Integrity Seminar (Including International Anti-corruption and Whistleblower Protection Practices)	1. Definition and scope of corrupt behavior 2. Typological introduction of corrupt behavior 3. Yang Ming Marine Transport: related regulations on anti-corruption, corporate ethics and integrity 4. Introduction to whistleblower mechanisms and protection	2024 new employees (including interns and ship-to-shore transferred employees; excluding part-time and contract employees)	120	100%

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For external stakeholders such as customers and suppliers, the Company has incorporated the Company's legal compliance clauses into external contracts and tender notices to make them aware of the Company's "Ethical Corporate Management Best Practice Principles of Yang Ming Marine Transport Corporation," "Procedures for Ethical Management and Guidelines for Conduct of Yang Ming Marine Transport Corporation," and other regulations and systems related to ethical management. To help stakeholders understand and comply with the Company's ethical management system, the Company has also specified the consequences of violating the Company's ethical management policy and punitive damages in the legal compliance clauses to urge them to comply. In order to more concretely implement the principle of ethical management, the Company regularly sends an Ethical Management Statement to the Company's valued partners, emphasizing the Company's policy of prohibiting the acceptance of improper benefits and engagement in unfair competition and avoiding personal conflicts of interest.

In addition, Yang Ming is a shipping company offering shipping services worldwide. In 2024, the Company called at 7,761 ports and did not call at the ports of the 20 countries with the lowest CPI scores given by Transparency International.

Whistleblowing System

The Company has established an independent director-dedicated mailbox (with Audit Committee members as recipients) and a whistleblowing mailbox (with the Head of Audit Department as recipient). If any illegal activities or violations of work rules, Codes of Ethical Conduct, Ethical Corporate Management Best Practice Principles, and Procedures for Ethical Management and Guidelines for Conduct are discovered, whistleblowers can report through the above channels. All investigation processes are confidential. The Company has also established "The Procedures of Whistleblowing Cases for Yang Ming Group Members," including whistleblower protection mechanisms, allowing anonymous reporting by whistleblowers, and protection and disciplinary liability exemption mechanisms to ensure that whistleblowers do not suffer retaliation such as dismissal, termination, salary reduction, or other improper treatment due to their reporting. For whistleblowers or group personnel who provide concrete evidence or cooperate in providing favorable investigative materials, if they are involved in violations of group-related regulations due to their reporting or provision of materials, or if they themselves are among the violators in the reported case, disciplinary exemptions may be granted based on individual case circumstances such as the significance of the reported case and the importance of the information and evidence they provided.

For the professional conduct of employees, the Company's "Work Rules for Onshore Staff," "Crew Job Descriptions," and "Procedures of Rewards and Punishments for Employees" specify strict regulations governing the business confidentiality and avoidance of conflicts of interest of the employees. When any employees conduct unethical behavior, punishment is imposed based on the severity of the behavior pursuant to the "Procedures of Rewards and Punishments for Employees." In 2024, the Company received a total of 15 complaint cases through the independent director-dedicated mailbox and 12 complaint cases through the whistleblowing mailbox. A total of 3 cases investigated through both the independent director-dedicated mailbox and whistleblowing mailbox were substantiated. All cases were handled according to the group's whistleblowing case handling procedures and disciplinary regulations, while requiring responsible departments to supervise fleet and subsidiaries in implementing improvements. There were no financial losses from litigation due to corruption or penalties caused by improper benefits or dishonest behavior.

Suggestions and Complaints and The Procedures of Whistleblowing Cases

Declaration System for Entertainment Invitations and Received Gifts of Value

The Company currently implements a "Declaration System for Entertainment Invitations and Received Gifts of Value," requiring employees to declare through the designated system within the specified deadline when invited to entertainment or receiving external gifts exceeding a certain amount. The 2024 declaration categories and quantities (including expatriates) were 885 declarations on entertainment invitations and 699 declarations on received gifts of value.

Membership in the Maritime Anti-Corruption Network (MACN)

The Company signed to join the Maritime Anti-Corruption Network (MACN) platform in 2023, working together with maritime industry chain members to combat corruption, hoping to promote transparent competitive rights in international markets through collaborative cooperation among members. MACN has had more than 200 members since its foundation in 2011. Its objective is to eliminate corruption in the maritime industry. Through cooperation among members, academia, the industry and competent authorities, it has formulated anti-corruption principles, shared strategies and practices, created an anonymous reporting system, promoted reforms, and enhanced the industry's awareness of corruptive behavior in order to raise integrity standards in the maritime industry. By joining MACN, the Company can understand the latest international trends in anti-corruption/anti-bribery and demonstrate the Company's attitude and determination towards this issue, further enhancing customers' recognition of the Company and the positive image of the Company. The teaching materials provided by MACN are also helpful for the Company's internal promotion, as well as education and training on related issues.

Introduction of ISO 37001 Anti-Bribery Management Systems

To implement commitments to corporate governance, sustainable operations, and social responsibility, the Company completed ISO 37001 Anti-bribery Management System international standard third-party document review and audit operations in the third and fourth quarters of 2024, with certification expected to be passed in the first quarter of 2025 to help the Company prevent, detect, and respond to bribery.

The Company conducts annual corruption risk assessments covering all headquarters departments, subsidiaries, branches, and regional centers. No significant corruption risks were found. To strengthen the Company's anti-bribery control measures, anti-corruption and anti-bribery management manuals and due diligence mechanisms were formulated and optimized. In 2024, 72 due diligence operations were conducted, including specific personnel and business associates.

At the same time, the Company regularly conducts annual education and training to strengthen employees' anti-bribery awareness, with 100% participation of senior management in anti-corruption, ethics and integrity education and training. The Board of Directors also participated in the external course titled "Latest Trends and Case Analysis in Anti-Money Laundering and Fraud Prevention," improving the transparency and credibility of the Company's operations, reducing potential bribery risks in operations, and achieving corporate ethical management and sustainable governance.

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2.3 Compliance Governance and Internal Audit System

2.3.1 Legal Compliance

Response to Countries' Competition Laws

Yang Ming 's operations span globally. To comply with relevant regulations established by various countries, the company has established a Legal Compliance Office to manage competition laws information in important business regions, actively participates in external organizations to stay informed of the latest information and regulations, continuously monitors environmental and competitive conditions, and timely adjusts operational behavior to ensure compliance with legal requirements. To respond to countries' competition laws updates and ensure the consistency of internal information with the updated competition laws, in addition to sending emails regularly to all employees of the Group, including its agents worldwide, to propagate the competition laws so as to enhance their compliance awareness and reduce the probability of violations of law by them, the Legal Compliance Office presents compliance matters at important meetings and increases the knowledge of the personnel assigned overseas on local competition laws to prevent violations of law.

Vessel PSC Inspection and Detention Events

In 2024, classification society inspections of owned vessels identified 157 recommended improvement items, all of which were completed with corrective measures within the required timeframe. Port State Control inspections covered 145 vessel visits, with 98 vessels passing without deficiencies and 47 vessels being cited for a total of 139 deficiencies. Subsequently, accident anomaly and non-compliance reports (NC), corrective action reports (CAR/CAP), and corrective evidence were prepared for continuous tracking and improvement completion, then submitted to flag state authorities for case closure. In 2024, 2 vessels were detained in cooperation with Port State Control inspections. One vessel completed corrective measures before departure without time delays. Regarding the detention of YM Efficiency at Jakarta Port, Indonesia, the relevant details are as follows:

Ship name	Port	Delay Time Due to Detention	Summary	Deficiencies	Corrective Measures	Prevention Mechanisms
YM Efficiency	Jakarta Port, Indonesia	16h00m	Detention identified in PSC inspection	6 crew members' contracts lacked signatures from the shipowner or shipowner's representative	Immediately notify the company to correct signatures on seafarer employment contracts and provide them to the vessel	During crew changes, carefully check whether seafarer employment contracts have signatures from the shipowner or representatives of both the shipowner and seafarers

To strengthen ship management efficiency and regulatory compliance, the following operations were also carried out in 2024, and summarized as follows:

1 Onboard supervision — *40* times in total

The main purpose of onboard supervision is to confirm whether the actual implementation onboard complies with ISM procedural specifications, and through on-site supervision and guidance, strengthen crew operational implementation and emergency response capabilities, ensuring ships continue to comply with the company's management system and international standards.

2 Communication operations — *262* communications accumulated throughout the year

The communication content is mainly used to strengthen education and advocacy on company policies, SOPs, emergency response procedures, etc., and to promptly inform all ships about port security requirements, navigation area restrictions, local regulations, and the latest laws and regulations, assisting ships to respond promptly and implement relevant specifications.

Personal Data Protection Laws

Personal data protection is not only an important process to implement corporate governance, but also a key commitment to achieve sustainable development. The Company established the "Personal Data Protection Operating Procedures" as the norm for employees' collection, processing and use of personal data. The Company has developed a sound personal data protection system, kept an eye on the development of laws and regulations related to personal data protection, and, if appropriate, adjusted the Company's legal compliance policies and relevant norms to ensure that the related procedures are compliant with the latest regulatory requirements. Our company is committed to protecting personal privacy, has established a privacy policy, and adopts a zero-tolerance stance towards violators of this policy; please refer to Corporate ESG website.

The Company's employees are required to attend courses on personal data protection laws and regulations regularly, and the education and training hours include those for such courses, raising the employees' personal data protection awareness and enhancing management measures. In response to digital development trends, our company has formulated personal data protection and computerized information system related control procedures in accordance with Articles 8, 9, and 13 of the "Regulations Governing Establishment of Internal Control Systems by Public Companies," and since 2024 has incorporated privacy protection and information security inspections into the audit items of the annual internal audit plan.

To comply with the General Data Protection Regulation (GDPR) implemented by the European Union, our company has adjusted the Privacy Policy of group websites and established a Data Protection Officer (DPO) at the European regional center to handle local personal data protection related matters.

To respond to the "Personal Information Protection Law" implemented by China from November 2021 to regulate the collection and use of personal data, the Company's Huan Ming (Shanghai) International Shipping Agency Co., Ltd. has reviewed internal procedures and made adjustments and revisions to relevant documents for compliance with the regulatory requirements. In 2024, there were no confirmed employee personal data leakage incidents or complaints from stakeholders regarding personal data collection and use, nor were there any customer privacy data leakage incidents.

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Introduction of IFRS Sustainability Disclosure Standards

In response to Taiwan's Financial Supervisory Commission's requirements for listed companies to disclose IFRS sustainability standards-related information, the Company completed the establishment of a project team and confirmation of the implementation plan in 2024, and conducted tender operations according to the established schedule. Subsequently, we will continue to steadily advance various implementation tasks according to the promotion progress to strengthen overall execution efficiency.

Litigations and Violations of Law

The Legal Affairs Office has been providing quarterly reports to the Board of Directors on major projects, contracts, or legal case lists and brief explanations since 2022, to achieve information transparency and facilitate the Board's timely grasp of major case developments. In 2024, our company's global operations had 1 anti-competition case (not yet closed) and 1 antitrust case. The antitrust case penalty amount was KRW 2.42 billion (approximately USD 2 million). For detailed explanations of these 2 cases, please refer to the following descriptions. There were no litigation cases involving corruption; no major regulatory violation penalty cases occurred in environmental and social aspects, and no money laundering, insider trading, or conflict of interest incidents occurred.

Anti-competition case

The company had one ongoing anti-competition litigation case in 2024, originating from the Intermodal Motor Carriers Conference (IMCC) of the American Trucking Associations (ATA) filing a complaint with the Federal Maritime Commission (FMC) against the Ocean Carrier Equipment Management Association (OCEMA) and its member carriers and our company for restricting the rights of US trucking companies to choose chassis suppliers.

In 2023, the FMC judge ruled that the respondents' specific conduct violated the Shipping Act and issued a cease and desist order, and did not impose a fine on the respondent or hold the respondent liable for compensation. The Company appealed within the time limit to protect the Company's rights and interests.

Regarding the remaining claims of this case that FMC previously remanded to the judge for continued review, the FMC judge dismissed these claims in December 2024, and this ruling shows that the FMC judge has turned to substantially support the carriers.

Antitrust case

In 2022, the Korea Fair Trade Commission (KFTC) confirmed that a total of 23 carriers (including the Company) around the world were engaged in an illegal concerted action on the Korea-Southeast Asia line, which was in violation of Korea's Monopoly Regulation and Fair Trade Act and thus imposed penalties and rectification orders. For the written ruling by the KFTC, the Company sought relief by "submitting an objection against the ruling by the KFTC and, if necessary, filing an administrative lawsuit." After KFTC rejected our objection statement in July 2022, our company filed an administrative lawsuit with the Seoul High Administrative Court on August 12, 2022, in accordance with the law to protect our company's interests, and the case is currently still in court review procedures.

* Regulatory violation penalty cases use fines reaching NT$1 million as the materiality threshold.

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Legal Compliance Training

The Company has always spared no effort when it comes to legal compliance. The Company arrange regular legal compliance courses for continuing learning and education for employees to ingrain the idea of legal compliance in their daily work routine.

Legal compliance-related education and training in 2024 are as follows:

Course Name	Course Content	Target Audience	Number of Participants	Pass Rate
Personal data protection laws and regulations	The company conducted online courses for all domestic onshore employees and expatriates, promoting Taiwan and EU personal data protection related regulations, and briefly introducing the EU-US Data Privacy Framework and China's Personal Information Protection Law.	All domestic onshore employees and expatriates	1,455	96%
Legal Compliance Education and Training - How Should Directors Respond to Financial Report Misstatement Liability? Discussing Director Responsibilities and Corporate Governance	The Company invited Partner Chen, Hsin-Ying from Lee and Li, Attorneys-at-Law to lecture to the company's managerial-level and above personnel on directors' duties, responsibilities, and corporate governance, to enable trainees to understand the relevant rights and obligations of serving as directors.	The Company's managerial-level and above personnel	136	-
U.S. Export Control Regulations Advocacy	The first U.S. Export Control Officer stationed in Taiwan from the American Institute in Taiwan visited the company to advocate U.S. Export Administration Regulations (EAR) and other regulations, strengthening the Company's compliance awareness of relevant regulations and avoiding legal violation risks.	Some departments at headquarters	39	-
Important Contract Management Items and Related Functions of Contract Management System	To align with the company's Environmental, Social, and Governance (ESG) goals, the Legal Affairs Office provided online advocacy courses on "Important Contract Management Items and Related Functions of Contract Management System," sharing practical examples that colleagues in all work areas can easily understand, enhancing colleagues' legal concepts regarding contract management, and reducing the chances of legal violations.	Colleagues at headquarters and branch offices (excluding expatriates and non-regular employees such as part-time workers and interns)	1,249	100%
Common Process Defects, Malpractices in Tender Operations, and Related Legal Liabilities	To deepen supervisors' and colleagues' legal and compliance awareness of tender operations, avoid procurement defects and malpractices, and thereby achieve the company's Environmental, Social, and Governance (ESG) goals, the Legal Affairs Office shared relevant regulations and cases through the following online course on "Common Process Defects, Malpractices in Tender Operations, and Related Legal Liabilities."	Colleagues at headquarters and branch offices (excluding expatriates and non-regular employees such as part-time workers and interns)	1,264	100%
Criminal Offenses Employees May Easily Commit	To align with the Company's Environmental, Social, and Governance (ESG) objectives for sustainable operations, the Legal Affairs Office provides an online educational course on "Criminal Offenses Employees May Easily Commit," sharing practical examples that colleagues across all work areas can easily understand. This enhances employees' legal awareness in their daily business operations and reduces the likelihood of violations.	Colleagues at headquarters and branch offices (excluding expatriates and non-regular employees such as part-time workers and interns)	1,262	100%
2024 Guidelines for Drafting Tender Documents	This introduces the legal significance of tendering and tender documents, along with recommended structure and regulatory requirements for tender documents.	All Domestic onshore employees and expatriates	73	-
Insider trading education and training	2024 Internal Material Information and Prevention of Insider Trading	All domestic onshore employees and expatriates	1,457	100%

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2.3.2 Implementation of the Internal Audit System

Project and Subsidiary Supervisory Audit System

The Audit Department is responsible for internal auditing of the Company and its subsidiaries and agency oversight management operations, serving as the third line of defense for internal control and compliance governance. It conducts comprehensive evaluation and inspection of corporate internal controls and operational conditions. Through auditing, it ensures that all operations comply with regulations, internal control systems, management systems, Codes of Ethical Conduct, and Ethical Corporate Management Best Practice Principles, identifying and resolving deficiencies early to enhance regulatory compliance and risk management capabilities.

Yang Ming's Audit Department introduced a project audit system in 2022. In addition to routine internal control audits of management departments, project audits covering vessels, finance, and information systems were completed between 2022-2023. Through cross-departmental vertical and horizontal project communication and collaboration, this helps enterprises optimize processes, reduce redundant work and resource waste, assists relevant units in identifying potential issues and bottlenecks, proposes innovative management solutions, effectively assists managers in improving decision-making quality, enhances enterprise risk management and prevention capabilities, and reduces potential risks and losses. Furthermore, the Company actively promotes subsidiaries to establish their internal control systems. From 2022-2024, it has guided important subsidiaries including Huan Ming (Shanghai), YES Logistics, Kuang Ming Shipping Corp., Hong Ming Terminal & Stevedoring Corp., and Yang Ming (Singapore) to establish internal audit units that regularly report their audit operations and improvement tracking to the Audit Department. Through the aforementioned internal auditing, project auditing, and implementation of subsidiary audit systems, the Company assists the Board of Directors and management in examining and reviewing deficiencies in the Group's internal control systems, measuring operational effectiveness and efficiency, providing timely improvement recommendations, ensuring continuous effective implementation of internal control systems, enhancing stakeholder trust and recognition, increasing the reliability, timeliness, and transparency of the Company's information disclosure, and helping the enterprise achieve long-term sustainable business development.

Compliance Review

The Company's Legal Affairs Office, Insurance & Claim Department, Legal Compliance Office, and relevant departments and offices assist in reviewing contracts, tender notices, and other legal documents to confirm the legality, compliance, and reasonableness of document content, thereby reducing risks and losses from violations and breaches of contract. In addition, they also give relevant units reminders to pay attention to competition laws, personal data protection, anti-money laundering, economic sanctions, embargos and other related laws and regulations and help clarify and identify legal risks to avoid violations of related laws and regulations.

Contract Management

In line with information security standards for digital transformation, the Company adopts an electronic contract management system to comprehensively and systematically manage the Company's contract review operations, ensuring complete tracking records for contract cases and addressing the difficulties in preserving and accessing paper documents and emails. In addition, the system also provides various auxiliary functions, such as a document comparison system and the setting of contract expiry notice, to improve operational efficiency and reserve business response time, avoiding an interim between the end of a contract and the start of a new one. In the future, the Company will continue to adjust or upgrade the system functions and optimize contract management procedures based on the Company's policies and needs.

Integration of Sustainability Information into Internal Control

Yang Ming, in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies," incorporated sustainability information management into the company's internal control system in September 2024. The annual sustainability report is completed by respective responsible units for content formulation and updates, coordinated by the Public Affairs Department, and published after discussion and approval by the Board of Directors.

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2.4 Risk Management

2.4.1 Risk Warning System

Risk Management Vision

With becoming an excellent transportation group as a vision, Yang Ming is committed to sustainable operations and responsibilities to society by developing a comprehensive risk management mechanism to manage potential risks related to the overall operations and financial profits. Through strict risk control measures, all business risks are controlled to the extent that they are tolerable to ensure adequate corporate capital while increasing the Company's operational quality and value.

Risk Management Organization and Structure

The Company establishes an independent Risk Control Office reporting directly to the President, which regularly conducts risk assessments and subsequent analysis and handling.

Organization	Functions
Risk Management Committee	▪ Review internal risk management policies, frameworks, systems, regulations, and response measures for major risk events.
Risk Control Office	▪ Formulate, revise, and abolish risk management operating procedures. ▪ Control overall risk levels and cross-departmental project risk management according to procedural requirements; Conduct annual Group risk assessments. ▪ Assist business management departments in handling affairs and related education and training.
Audit Department	▪ Audit risk management operations to ensure effective operation of the Company's risk management procedures.

Risk Management Policy and Procedure

To provide a compliance basis for risk management practices, the Company has developed the "Risk Management Policy" as the norm for risk management and the highest guidelines for the standard procedures. This policy was last revised and reported to the Board of Directors at the 357th meeting on May 12, 2021. The Risk Control Office regularly identifies the risk factors that may influence the Company every year. After the possible frequency and range of loss are analyzed, the office formulates and assesses countermeasures and, in accordance with the latest internal audit requirements and standards, monitors potential risks continuously and implements the countermeasures to control all types of risks on an ongoing basis. Risk management strategies are formulated for different risks, including management objectives, organizational structure, responsibility allocation, and risk management procedures, to ensure effective implementation and control of various risks arising from business activities within acceptable ranges. To implement risk management mechanisms, the Company regularly conducts annual Group risk assessments and reports the risk assessment results and subsequent quarterly risk tracking reports to the Risk Management Committee before reporting to the Board of Directors. The 2024 Group Risk Assessment Report was reported to the 399th Board of Directors meeting on November 11, 2024, in accordance with actual operational schedules.

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Risk Management Scope and Process

The Company's risk management scope covers all departments of the headquarter, subsidiaries, branch offices, and regional centers in Europe, Asia, and America, with the entire Group included in the risk assessment scope. Categorized by risk characteristics, in addition to the Risk Control Office being responsible for coordinating all risk management-related matters, operational risks of a general nature are handled by respective business units for initial risk identification, risk assessment, and risk control. Items involving major risks are reviewed by respective project review committees according to their risk levels as stipulated by the Company, with those meeting specified standards submitted to the Board of Directors for approval. Business units regularly conduct risk factor identification and risk control to promote more efficient command, self-assessment, and execution of risk management organizations. The Risk Control Office reports annually to the Board of Directors on the previous year's risk assessment situation and risk management operations. Risk management procedures and assessment standards are regularly reviewed and adjusted based on changes in market economic conditions and Group business policies to improve existing management mechanisms, achieve more effective risk management, and realize sustainable corporate operations.

Risk Management Scope	Headquarter departments, subsidiaries, branch offices, and regional centers

Risk Management Procedure

1 Risk Identification	Based on past practical experiences and external information, all units identify and list possible risk factors by assessing the impact of factors on internal and external stakeholders through internal audits cycle analysis and scenario simulation analysis.
2 Risk Analysis	The identified risk factors are analyzed comprehensively for their frequency and range of loss through practical experiences, scenario simulation analysis, statistical data analysis, and external risk case studies, data and information.
3 Risk Assessment and Response	Risk assessment involves grading the frequency and range of loss analyzed during risk analysis, deriving the level of risk, and lastly, positioning the risk factors in a risk matrix according to the level of risk. Countermeasures against risks include risk retention and risk transfer. Risk avoidance and risk prevention are taken into account for risk decision-making.
4 Risk Monitoring	Respective responsible units are responsible for implementing risk management and control, working in coordination with internal and external audits to achieve monitoring objectives, with the Risk Control Office reporting the annual Group risk assessment report results to the Board of Directors.

2.4.2. Risk Assessment Results

Yang Ming focused on the five aspects, strategy, operation, finance, legal compliance, and climate change, during the annual risk assessment for the Group to review and assess the potential risks faced by the Group, their frequency of occurrence, and the severity of their impacts. The assessment content includes high-risk items evaluated in previous years, as well as new risks arising from changes in market economic conditions or adjustments to Group business policies.

In 2024, there were 43 units under evaluation (including headquarters, Keelung/Taichung/Kaohsiung branch offices, subsidiaries, and regional centers). The assessment content covered multiple aspects including various operational activities, regulatory compliance, climate change, international geopolitics, information security, and integrity management, totaling 520 risk assessment items. After consolidation, there were seven high-risk items for this year: vessel alliance risks, international geopolitical risks, new vessel operational risks, seafarer management risks, information and communication security risks, risks of high fines and negative image from antitrust violations, and climate change risks. Among these, new vessel operational risks, seafarer management risks, and information and communication security risks are emerging risk items newly added this year.

Five Major Risk Categories

1 Strategic	2 Operational	3 Financial	4 Regulatory Compliance	5 Climate Change

Probability of Occurrence ⟶ Annual assessment ⟵ Risk Severity Level

2024 High-Risk Items

Existing Risks	Emerging Risks
▪ Vessel alliance risks ▪ International geopolitical risks ▪ Risks of high fines and negative image from antitrust violations ▪ Climate change risks	▪ Information and communication security risks ▪ New vessel operational risks ▪ Seafarer management risks

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The following table shows the Company's 2024 risk assessment and mitigation and response strategies.

High Potential Risks Assessed in Five Aspects

Risk Source/2024 Risk Assessment Items		Description	Countermeasures
Strategy	Vessel alliance risks	The 2M Alliance cooperation will end in 2025, and the Consortia Block Exemption Regulation (CBER) expired in 2024, increasing the legal operational risks of alliance operations. After 2024, due to regulatory changes, the overall shipping alliance faces risks of reorganization or dissolution. According to the latest EU announcement, the CBER regulation was confirmed not to be extended on October 11, 2023. Since this regulatory reform has significant impact on the Company's future capacity maintenance and profitability, this risk is assessed as a high-risk item for the Group.	1. In order to reduce the alliance risk and maintain the operational capacity of the fleet, the Company will be more careful in terms of the selection of alliance partners. In addition to business considerations, it is necessary to mainly focus on carriers with a better market reputation and financial credit, and seek external legal consulting services as necessary. 2. To comply with the investigation and reporting requirements of the US Federal Maritime Commission (FMC), the Company reviews the mid- and long-term shipping capacity planning of the alliance routes on an annual basis with the carriers in THE Alliance. The Company also plan the medium and long-term ship resources according to business plans and market growth, and increase the shipping capacity in a timely manner.
	International geopolitical risks	The Russia-Ukraine war remains unresolved, and if the Israel-Hamas war escalates into a regional conflict, it will lead to regional powers such as Iran being directly or indirectly involved in the war, severely impacting Middle Eastern oil production and transportation. If the war escalates, it will not only impact corporate and consumer confidence but also increase supply chain disruption risks.	1. For waters affected by war, respond with vessel rerouting (such as rerouting around the Cape of Good Hope due to the Red Sea crisis). Regarding cargo volume, temporarily suspend collection due to vessel port call adjustments and supplement with cargo from other ports. Continuously monitor situation changes in high-risk areas (such as the Red Sea Gulf of Aden, Middle East Persian Gulf) and insurance market high-risk area assessment information to incorporate into comprehensive evaluation for decisions on whether to reroute or purchase additional premiums or arrange armed escort for direct navigation through high-risk areas. 2. To avoid vessel attacks when navigating through the Gulf of Aden, shield Israel-related information on the Company's official website to reduce the risk of armed groups targeting vessels for attack.
Legal Compliance	Risks of high fines and negative image from antitrust violations	The shipping industry has a high degree of globalization, and various regulatory restrictions and impacts are not limited to a single country. Additionally, negative media reports may lead to increased negative perceptions from customers and partners toward the Company, thereby affecting intangible assets such as corporate reputation. Based on the above, the Group's future regulatory compliance risks derived from global operations are expected to increase day by day.	1. Strengthen Group personnel's compliance awareness by conducting annual educational training for headquarters staff (including Taiwan Business Department, Keelung/Taichung/Kaohsiung branch offices) and expatriates, and provide training materials for reference by regional centers, requesting their assistance in conducting outreach to subordinate agencies; send quarterly compliance reminders via email to headquarters personnel, global subsidiaries, and agencies. 2. Participate in international conferences such as the World Shipping Council or shipping alliances to collect regulatory information, continuously research and track competition laws regulations in Taiwan, EU, USA, China, and other important maritime countries, and collaborate with competent authorities or law firms to conduct course lectures to help personnel understand recent issues of concern to competent authorities and practical operations.
Climate Change	Climate change risks	The World Economic Forum's "2024 Global Risks Report" indicates that extreme weather disasters rank second among short-term risks, and if the timeframe is extended to the next decade, the top four risks are all related to climate and environment. Recent environmental regulations and policies strengthened by various countries (such as carbon tax collection), as well as physical impacts that may be caused by climate change risks themselves (such as: canal water level drops that may require vessels to detour or use other transshipment methods for transportation, operational equipment damage that may be caused by earthquakes, disasters brought by floods, etc.), are all issues that need attention regarding climate change.	1. Response strategies have been formulated, please refer to Section 3.3 Natural and Climate Change Governance Strategy for details.

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Emerging Risks

Risk Source/2024 Risk Assessment Items		Description	Countermeasures
Operation	Information and communication security risks	The World Economic Forum's "2024 Global Risks Report" indicates that in the short-term risk rankings, misinformation and disinformation are considered the number one global risk in short-term risk ranking. In addition to preventing harm that false information may cause to operations (such as reputation), the preservation of sensitive data, server maintenance, and uninterrupted network system services are all important keys for enterprises to maintain operations.	1. Establish "Web Application Firewall" (WAF), introduce "Intrusion Prevention System" (IPS), "MDR Threat Detection and Response Services", and "Security Information and Event Management System" (SIEM) to detect, analyze, and respond to security threats before they harm enterprise operations. 2. Regularly conduct information security education and training to strengthen colleagues' information security awareness and maintain vigilance through social engineering exercises to deeply root information security concepts. 3. For information security management on vessels, information security officers (Chief Officer and Chief Engineer) are assigned to the deck department and engine department of each vessel to manage and handle various technologies used for information and coordinate with headquarters' information security management units for related matters, responsible for reporting and handling information security incidents.
	New vessel operational risks	The shipping industry is facing increasing decarbonization pressure. Uncertain regulatory guidelines, including what clean fuels large vessels should use, make the path to achieving net-zero emissions more complex. Since most large vessels use very low sulfur fuel oil and most ship engines are designed to use one type of fuel, adopting new fuels may lead to more unpredictable risks. The operation and management of new fuel vessels require consideration of qualified crew members, onshore management, and maintenance engineers in terms of both quality and quantity.	1. To reduce this risk, the Company conducts low-carbon energy supply information integration and supply chain layout planning. On May 31, 2023, it signed a contract with Korea's Hyundai Shipyard for five 15,500 TEU LNG dual-fuel container ships, which will be delivered sequentially from Q2 2026. Future shipbuilding will dynamically select green fuels based on regulatory requirements, technological development, and fuel supply drivers. 2. In response to the LNG-powered dual-fuel container ship construction plan, actively contact external units with LNG vessel management experience to assist the Company in conducting relevant training for onshore employees and seafarers to strengthen the professionalism and safety of future crew operations.
	Seafarer management risks	In addition to onshore employees, the Company's workforce mainly consists of seafarers. Compared to onshore employees, the allocation of seafarers manpower will directly affect the operational risks of vessels, including not only crew allocation but also management capabilities, experience, and qualified crew members.	1. To reduce seafarers management risks, the Company continues to conduct industry-academia cooperation projects with various universities and colleges, strictly following the crew manpower replenishment plan. 2. Through vessel outsourcing management, container shipping companies can focus more on their core business, obtain the best experience and competitiveness through third-party services, separate vessel management rights from ownership, and enhance vessel profitability and shipping companies' international competitiveness through professional managers. Although this approach can reduce seafarers manpower risks, the quality and quantity of the appointed "ship management company" and the supervision of the appointed "ship management company" remain key influencing factors in selecting ship management companies.

Risk Management Courses and Training

Board of Directors

Referring to international industry trends and changes in internal company operational conditions and development needs, assist in arranging relevant risk management courses to strengthen director functions and connect with international trends; 2024 risk courses include sustainable supply strategies amid escalating global risks, risks and considerations of generative AI for businesses, and based on TIPS - what an enterprise should do to prevent and control intellectual property risks.

Organization

To strengthen Group personnel's risk concepts and implement risk control concepts in daily business management work, regularly conduct risk management education and training. The 2024 risk management education and training was completed on October 22 of the same year, with content related to maritime industry business continuity management courses, inviting Group business-related colleagues to participate, with a total of 118 participants, training duration of 2 hours, and course content shared through actual cases to increase colleagues' understanding of business continuity management requirements and corresponding measures.

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Major Incident and Emergency Handling Procedures

Yang Ming has formulated emergency handling procedures for various operations, detailing the reporting and handling procedures for relevant events to control subsequent improvements. Drills are carried out regularly as well.

Emergency Handling Procedures for Operations	Procedure Description	Implementation Drill/Promotion Frequency
Yang Ming Group's Working Procedure for Reporting and Handling Major Incidents	The procedures govern the items to be reported, parties to be notified, content, and handling of major incidents with the Group, or those upon reception of crisis notice prior to a potential major incident, for effective control and handling before or after a major incident.	Irregular promotion
Major(Vessel) Accident Reporting & Response Procedure	Accidents are classified into different levels according to definitions, with corresponding response teams assigned. After an accident occurs, relevant departments are notified, international conventions and local regulations, flag state regulations are complied with, and subsequent investigations are cooperated with and necessary assistance provided. Finally, corrective measures are developed to prevent recurrence.	According to SOPEP oil pollution emergency plan and safety management plan requirements, regular drills are implemented, and ship-shore exercises are irregularly conducted according to regulatory requirements, simulating different scenario accidents for onboard and shore responses to disaster accidents.
Procedure for Work-related Accident and Emergency Response Plans	Each workplace should formulate emergency response plans so that when occupational disasters or accidents occur in the workplace, effective responses can be carried out according to the emergency response plan to minimize injuries and losses.	Regular implementation
Procedure for Handling Serious Crew Injury/Illness (Death)	The procedure ensures that the Company's ships can take timely and effective measures in the event of a major accident/injury/illness (death) to the personnel on board in order to minimize the injury to the personnel.	Irregular drills
Emergency Procedure for Shipboard Hazardous Goods	The procedure dictates the regulations for the elimination or mitigation of damages in the event of accidents/disasters arising from dangerous goods/ materials seafarers Yang Ming's ships or during shipping.	The onboard SMS (Safety Management System Activity Schedule) has established hazardous cargo loading and leakage handling to be implemented every 2 months.
Procedure for Emergency Preparedness & Response Plans for Office Buildings and Premises	To prevent various disasters (natural disasters and fires, etc.) and emergency rescue, so that personnel life injury losses can be reduced, this procedure is formulated.	▪ Fire drills: Conducted according to fire protection regulations (once every six months) ▪ Qidu Building: Typhoon and flood prevention drills (once a year)
Information Security Incident Management Procedure	To ensure that the Company's information and information communication assets can quickly and effectively handle information security incident reporting, take necessary response measures, reduce damage that incidents may bring, and prevent related matters when information security incidents occur.	Annual regular disaster recovery drill once a year
Epidemic Prevention and Response Procedures	The procedures are to enhance the monitoring and risk assessment of epidemics in locations where Yang Ming operates and to improve the preparedness and response mechanisms so as to reduce the risk of personnel infection and ensure the normal operations of the Company.	1. Irregular promotion 2. When competent authorities announce that the company or branch office location is an epidemic area and may affect normal company operations, it should be reported according to the " Yang Ming Group's Working Procedure for Reporting and Handling Major Incidents" and establish an epidemic prevention response team and designate a convener according to severity, planning various epidemic prevention response plans.
Procedures for Reporting High-risk Communicable Diseases by Agents	To regulate the process for agencies to report to headquarters when high-risk infectious diseases occur, including office operations and employee conditions, so that headquarters and agencies can effectively respond and handle during infectious disease periods, reducing the Company's operational risks.	Irregular promotion
Procedures for Handling (Container Yard) Accidents	The procedures govern the handling of accidents taking place in the Container Yard of Yang Ming, covering the appraisal of damages to personnel, containers, cargo, machinery or facilities, the attribution of liabilities, notarization, indemnity claims, insurance claims, etc.	Hold 1 hazardous goods training session and 2 emergency response training exercises annually, with time adjustments or increases as necessary.

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2.5 Sustainable Supply Chain Management

2.5.1 Yang Ming's Supply Chain Management Vision

Yang Ming upholds "Teamwork, Innovation, Integrity, Pragmatism" as core values, hoping to work with supplier partners to jointly practice sustainability and pursue sustainable development in business, finance, environment, and society. The Company establishes sustainability goals based on the United Nations Sustainable Development Goals (SDGs), referencing international standards such as the Global Reporting Initiative (GRI) Standards, United Nations Global Compact (UNGC), International Labor Organization (ILO), and ISO 20400 Sustainable Procurement Guidelines to formulate "Supply Chain Management Policy" and "Supplier Code of Conduct." The Company regularly reviews and revises supplier management documents and promotes that all new suppliers must sign the "Company Sustainability Statement Survey," inviting suppliers to jointly commit to integrity management, promoting environmental sustainability development, and protecting fundamental labor human rights.

2.5.2 Supply Chain Overview

Yang Ming collaborates with upstream and downstream supply chain partners, managing not only supplier quality, environmental protection, information security, occupational safety and health, supply chain security, and compliance with various regulatory requirements of port states, but also engaging with stakeholders while providing cargo transportation services, thereby building a complete sustainable value chain together with suppliers from diverse industries.

Upstream

- Shipbuilding companies (Ship construction)
- Ship chartering companies (ship chartering)
- Container manufacturers (container manufacturing)
- Container leasing companies (container leasing)
- Fuels (used by ships to sail)
- Materials (Supplies required for vessel operation, container use, or maintenance)
- Alliance partners (shipping business)
- Port operators (port operation)
- Port agencies (handling matters for vessels in ports)
- Stevedoring companies (container stevedoring)
- Technical consulting service providers (providing consulting services related to technical specifications, navigation and transportation safety or operations)

Downstream

- Railway companies (offering inland container transport services)
- Trailer companies (offering inland container transport services)
- Feeders (offering container transport services for branch lines)
- Insurers (offering hull insurance, war insurance, and carrier liability insurance)
- Vessel, container, and machinery repair services (providing vessel, container, machinery, and equipment repair services to ensure ships' seaworthiness and smooth operation)
- Logistics (offering product distribution, product planning, management, procurement, storage, distribution processing, temporary storage, and delivery services during the process of delivering goods or products from manufacturers to retailers or users)
- Ship recyclers (vessel breaking)
- General services (security or cleaning services)
- General affairs (Procurement of computer software and hardware, office supplies, equipment, consumables and construction materials required for operations)

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Annual Procurement Analysis

Yang Ming classifies and grades suppliers based on annual procurement amounts. In 2024, there were a total of 2,672 suppliers with procurement transactions, representing a 16.27% increase in the number of suppliers compared to 2023. The main reason is that this year's coverage expanded to include global container yard suppliers *, making the overall transaction scale more comprehensive and correspondingly increasing the number of suppliers. The Company categorizes suppliers into 8 types by procured items and service nature: general affairs and services, professional services, marine fuel, vessels, safe operation of vessels, container/chassis/genset, container yard machinery, and shipping-related services, and sets a material threshold for each type of suppliers according to the proportion of procurement amount to total procurement expenditure and whether they are exclusive or irreplaceable. A total of 175 Tier 1 suppliers were identified, accounting for 79.39% of the total procurement amount. In the future, the Company will improve supplier grading and classification, and formulate management measures respectively to enhance understanding of sustainability-related risks and performance of suppliers.

* Container yard: A place for exchanging, storing, and repairing containers, which may be located within or around terminals, or in inland areas, established according to local business development needs.

1 General affairs and services

Accounting for over *2%* of total procurement amounts

The basic general supplies necessary for corporate operations to maintain the basic operational efficiency and work quality of the Company.

2 Professional services

Accounting for over *1%* of total procurement amounts

The labor services for improving overall shipping and transportation safety, efficiency or quality or the professional services related to corporate operations to enhance operational quality and workplace safety, attaining personnel safety, vessel safety and cargo safety.

3 Marine fuel

Accounting for over *1%* of total procurement amounts

The stability of fuel supply and quality is tied to the daily operation of vessels. Also, such procurement constitutes a main part of the Company's operating costs.

4 Vessels

Accounting for over *1%* of total procurement amounts

Vessels are the backbone of the Company's international container shipping services. Their construction, chartering or other uses/deployment have direct and significant impacts on the operation of routes.

5 Safe operation of vessels

Accounting for over *1%* of total procurement amounts

Yang Ming treats personnel safety, vessel safety, and cargo safety as first priorities. Thus, the installation and maintenance of vessel equipment, the supply and inspection of parts and accessories, material supply and quality requirements, and vessel docking repairs are the keys to vessel sailing safety.

6 Container/Chassis/Genset

Accounting for over *1%* of total procurement amounts

Under existing vessel capacity, maintaining stable backup container quantities, chassis, and gensets to meet customer transportation needs is an important capital expenditure item for the Company.

7 Container yard machinery

Accounting for over *1%* of total procurement amounts

Container yard equipment is an important capital expenditure item for the Company to maintain the safety and efficiency of transportation services.

8 Shipping-related services

Accounting for over *0.4%* of total procurement amounts

Terminal loading and unloading, yard storage, feeder vessel connections, and inland truck and rail connections form a global maritime transportation service network. The Company ensures accurate connection of all transportation links and 24-hour uninterrupted operations to provide customers with punctual, speedy, reliable, and economical global maritime services.

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8 Procurement Types	Number of Suppliers	Procurement Amount % in Total Procurement Expenditure	Number of Tier 1 Suppliers	Proportion of Procurement Amount from Tier 1 Suppliers by Procurement Type	Number of Tier 1 Suppliers % by Procurement Type
General affairs and services	274	0.12%	6	48.59%	2.19%
Professional services	257	1.51%	27	77.30%	10.51%
Marine fuel	24	15.86%	24	100.00%	100.00%
Vessels	17	24.06%	5	93.51%	29.41%
Safe operation of vessels	239	4.33%	37	80.81%	15.48%
Container/Chassis/Genset	24	4.59%	13	99.17%	54.17%
Shipping-related services	1,816	49.39%	58	64.02%	3.19%
Container yard machinery	21	0.14%	5	97.67%	23.81%
Total	2,672	100%	175	79.39%	6.55%

* Marine fuel suppliers are all judged by departments to be highly irreplaceable, so all marine fuel suppliers in 2024 are key suppliers.

Local Procurement

Except for specific procurement operations limited by the special business nature of the shipping industry, the Company creates cooperation opportunities with Taiwan suppliers in various procurement cases as much as possible to promote Taiwan's industrial development and maintain relationships with local communities. In 2024, the Company's local procurement expenditure in Taiwan accounted for 4.48% of total procurement expenditure, a slight increase compared to 2023.

8 Procurement Types	Number of Local Suppliers	Local Procurement Amount as a Percentage of Overall Procurement Expenditure	Number of Local Tier 1 Suppliers	Local Procurement Amount % from Local Tier 1 Suppliers by Procurement Type	Local Tier 1 Suppliers % in Total local suppliers by Procurement Type
General affairs and services	274	0.12%	6	48.59%	2.19%
Professional services	193	0.32%	12	58.60%	6.22%
Marine fuel	1	0.27%	1	100.00%	100.00%
Vessels	0	0.00%	0	0.00%	0.00%
Safe operation of vessels	86	0.89%	14	65.96%	16.28%
Container/Chassis/Genset	4	0.00%	0	0.00%	0.00%
Shipping-related services	86	2.84%	5	74.01%	5.81%
Container yard machinery	20	0.04%	4	92.49%	20.00%
Total	664	4.48%	42	72.28%	6.33%

Green Procurement

Since 2013, the Company has responded to the Ministry of Environment's National Green Living Green Procurement Activities, the Company has been honored with the " Excellent Private Enterprises for Green Procurement " award from Keelung City Government for 4 consecutive years. In 2024, green procurement amounts reached NT$86,832,417, an increase of 79.80% compared to 2023. The main reason for growth is that renewable energy procurement scope expanded from the Qidu office building to include Keelung, Kaohsiung and other owned offices, and covered official vehicle and computer equipment procurement, further enhancing the scale and effectiveness of environmental procurement.

As a member of the Ministry of Environment's Green Office Measures Green Partners, Yang Ming actively promotes related green actions including:

- Office Buildings: Install greening facilities in the Taipei owned office building, install solar photovoltaic systems, plant landscape vegetation, and combine with rainwater recovery systems for irrigation to reduce urban drainage pressure and protect water resources, creating a multifunctional ecological green roof.
- Daily Operations: Select green services, green restaurants, and insurance services recognized by the Ministry of Environment, prioritize using products with environmental labels to save energy and resources, encourage the use of video conferencing to reduce carbon emissions from business travel, and promote paperless operations to reduce paper usage.
- Activity Promotion: Irregularly hold environmental education courses, beach cleanup, and port cleaning activities, encouraging colleagues to personally participate in jointly practicing environmental protection responsibilities, hoping that colleagues understand Yang Ming's commitment to sustainability through activities and work together for the ecosystem.
- Renewable Energy: In 2023, the Company purchased renewable energy certificates and used green electricity transfer for the headquarters building in Qidu. In 2024, Keelung, Kaohsiung and other owned offices also joined renewable energy procurement. The proportion of renewable energy usage will be gradually increased in the future. For detailed information, please refer to Section 3.4 R&D and Investment in Low-Carbon Technologies.

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Yang Ming's Green Procurement Amount / Growth Rate

2.5.3 Sustainable Supply Chain Management Policy

Yang Ming has introduced "ISO 9001 International Quality Management System Certification" and formulated and revised various operational procedures, including evaluation and procurement procedures for vessels, accessories, materials, fuel, container equipment, terminals, rail and road transportation, and undergoes third-party external auditing annually. The Supply Chain Management Policy established by the Company commits to building supplier management mechanisms and requires suppliers to not only maintain their quality and cost, but also align with Yang Ming's sustainable business thinking in "Business Ethics and Integrity Management," "Environmental Protection," "Labor Rights and Occupational Health and Safety," and "Information Security." Yang Ming will continue to communicate with all supply chain partners to jointly promote sustainable development of the supply chain.

Supplier Code of Conduct

The Company regularly reviews and revises Yang Ming Marine Transport Corp.'s Supplier Code of Conduct based on international organizational regulations and recognized standards such as the UN Global Compact, Ethical Trading Initiative, OECD, ISO 45001, ISO 27001, ISO 14001, Universal Declaration of Human Rights, International Labour Organization, and Responsible Business Alliance. This code includes 5 major parts: Human Rights and Labor, Occupational Safety and Health, Environment, Business Ethics and Integrity Management, and Management Systems, reflecting the Company's recognition of global sustainability issues and commitment to following relevant standards, and expecting suppliers to comply together, encouraging suppliers to actively cooperate and continuously improve sustainability-related performance.

Topic	Brief Description
Human Rights and Workers	The Company is devoted to creating and maintaining a good working environment where employees are treated reasonably and with respect. The Company's suppliers are requested to adopt the same or similar standards in their working environments to ensure that the human rights of their employees are not affected and infringed. Content includes labor rights, free employment, working hours management, salary and benefits, employee privacy, fair treatment and anti-discrimination, assembly, freedom of association and collective bargaining rights, and prohibition of child labor.
Occupational safety and health	The Company values employee safety and health, enhances employee safety and health awareness, establishes a safe working environment, and avoids occupational injuries. Content includes occupational safety, emergency preparedness, occupational injuries and diseases, industrial hygiene, physical labor work, machine protection, environmental hygiene, health and safety communication.
Environment	Suppliers should consider environmental factors and conduct improvement and maintenance for impact factors in the course of operations to reduce environmental burdens and impacts. Content includes environmental permits and compliance requirements, energy consumption and greenhouse gas emission management, waste and wastewater management, hazardous substance management, noise management and air pollution management, biodiversity and forest conservation.
Business Ethics and Ethical Management	Suppliers should observe the highest moral standards in the course of operations, expand relevant business activities, and develop relevant policies for internal propaganda to enhance their employees' understanding of corporate ethical management policies. Content includes integrity management, prohibition of improper benefits, information disclosure, respect for intellectual property rights, fair trading, identity protection and prohibition of retaliation, responsible supply chain, information security and privacy rights, avoiding conflicts of interest, whistleblowing system.
Management Systems	Suppliers should establish management standards that comply with relevant regulations and the requirements of this code, and promote continuous improvement of the requirements listed in this code. Content includes corporate commitment, legal and code requirements, risk assessment and management, education and training and communication, auditing and evaluation.

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Supply Chain Sustainability Risk Management Strategy

Yang Ming Marine Transport Corp. aims to establish a comprehensive and sustainable supply chain management system, planning three key results: "Improving procurement systems with sustainability factors," "Effectively understanding supplier sustainability management maturity, performance, and continuous tracking," and "Supplier sustainability engagement." Each year, action plans are reviewed and updated on a rolling basis with targets set. The table below shows the action plans and short-term and medium-to-long-term goals for each key result.

Key Outcome	Action Plan	Target by 2024	2024 Achievement Status	Target by 2025	Target by 2030
A sound procurement system with sustainability factors	Revise Supplier Code of Conduct	Completed announcement and implementation	Completed announcement and implementation	Continuously revise procurement management-related regulations to reflect sustainability issues or identified sustainability risks	Continuously revise procurement management-related regulations to reflect sustainability issues or identified sustainability risks
	Completed addition and revision of procurement-related documents	Completed announcement and implementation	Completed announcement and implementation		
Effective control of suppliers' sustainable management maturity, performance and on-going tracking	Supplier written audits and on-site visits	Key tier-1 supplier sustainability self-assessment questionnaire review ratio reaches 80%	All completed questionnaires underwent review, ratio 100%	Key tier-1 supplier sustainability self-assessment questionnaire review ratio reaches 90%	1. Plan mechanisms for non-key tier-1 suppliers to participate in sustainability self-assessment questionnaires 2. Developed related mechanisms to include sustainability issues and risks related to supplier countries, industries, and products as supplier selection evaluation criteria
	All new suppliers sign a "Company Sustainability Statement Survey"	100% signing ratio	100% signing ratio	Maintain a signing rate of 100%.	Maintain a signing rate of 100%.
Sustainable engagement with suppliers	Strengthening Communication with Suppliers	1. Conduct sustainability risk assessment and due diligence on key Tier 1 suppliers and plan an elimination mechanism, in order to enhance the depth of engagement 2. Conduct enhanced communication with high-risk suppliers identified annually	1. Completed key supplier sustainability risk assessment, key supplier participation rate in sustainability self-assessment questionnaires 63% 2. Completed on-site visits to five key suppliers, written follow-up with five key suppliers	1. Enhance supplier sustainability awareness-related education and training/activities at least 1 session 2. Complete key supplier sustainability risk assessment, key supplier participation rate in sustainability self-assessment questionnaires above 65%	1. Enhance supplier sustainability awareness-related education and training/activities at least 1 session 2. Implement supplier sustainability management mechanisms, set elimination mechanisms or improvement guidance

Supplier Grievance Mechanism

The Company has established a stakeholder suggestion and grievance system where internal and external stakeholders including suppliers can provide feedback on the Company's operational and financial conditions, major decisions affecting their interests, and file complaints or reports regarding violations of integrity management. For related content, please refer to Section 2.2 Ethical Management.

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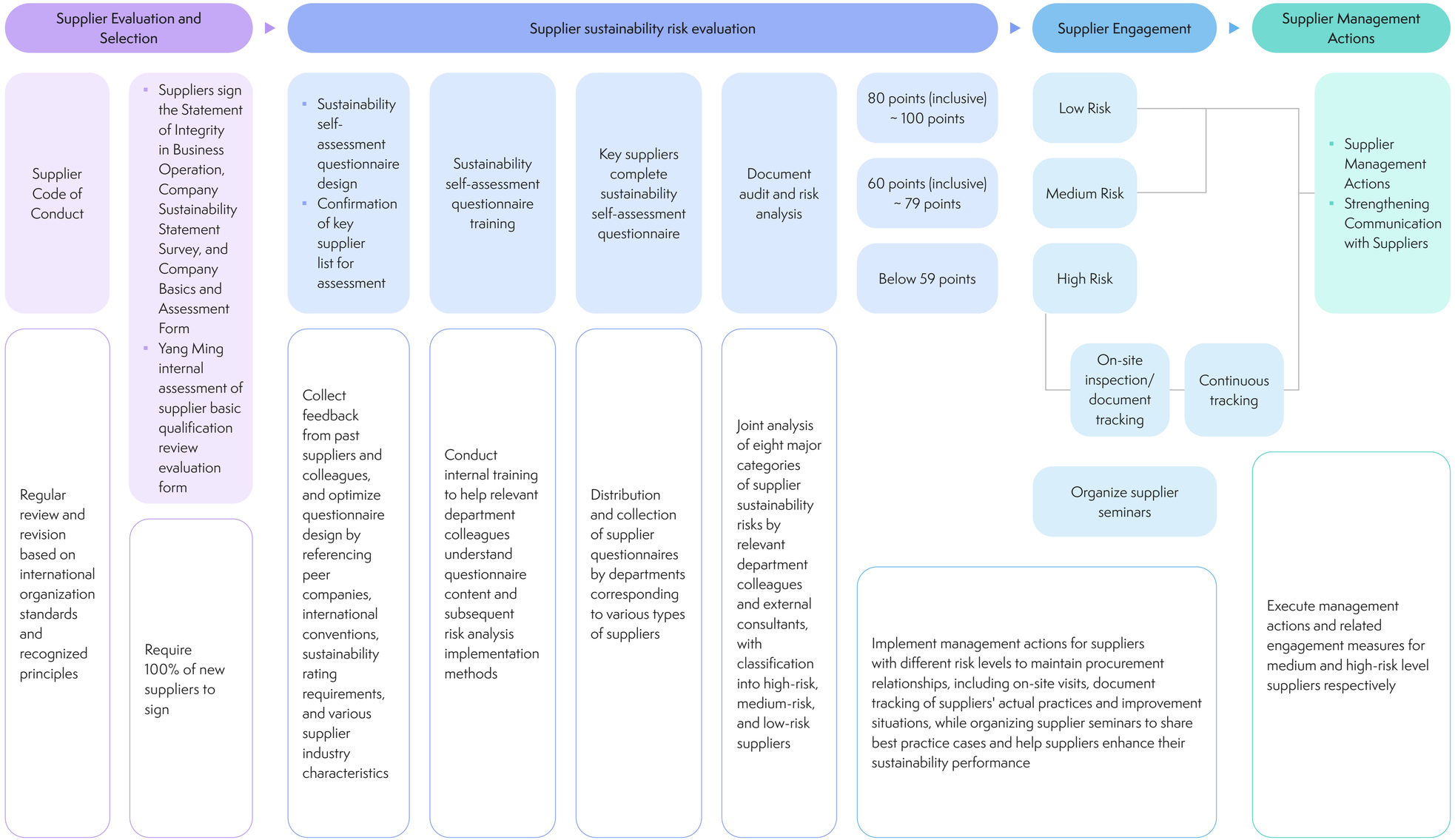
2.5.4 Supply Chain Management Process

As an important member of the global shipping industry, Yang Ming Marine Transport Corp. values sustainable supply chain management. The management process grasps supply chain sustainability performance and evaluates related risks through four major stages, and communicates sustainability issues with suppliers through multiple channels. In 2024, the Company collaborated with external consultants to jointly deepen supplier sustainability management processes:



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Step 1 — Supplier Evaluation and Selection

The Company regularly reviews and revises the Supplier Code of Conduct and requires all suppliers doing business with the Company to comply with the code's content. During contract signing, the Company requires 100% of new suppliers to sign the Statement of Integrity in Business Operation, Company Sustainability Statement Survey, and Company Basics and Assessment Form. Yang Ming Marine Transport Corp. then uses internal supplier basic qualification review evaluation forms to ensure suppliers meet cooperation conditions. Additionally, the Company regularly conducts annual evaluations of suppliers from whom purchases were made during the year. If deficiencies are found, poor records are documented and improvements are required. Suppliers unable to cooperate are subject to suspension. Supplier annual evaluations also assess supplier contract performance, with each department creating supplier performance evaluation forms as reference for contract renewal decisions.

Step 2 — Sustainability Risk Assessment

The Company plans to conduct ESG reviews of key suppliers annually and provide sustainability self-assessment questionnaire review training to procurement personnel. The responsible procurement departments then send sustainability self-assessment questionnaires and completion instructions to corresponding key suppliers via email. The 2024 sustainability self-assessment questionnaire is divided into three major parts covering 15 sustainability topics, requiring suppliers to respond to questions and provide necessary supporting materials to assist in judging response quality, comprehensively evaluating supplier maturity in sustainability governance, social, and environmental management.

Step 3 — Supplier Engagement

The Company selects five suppliers from sustainability risk assessment results for on-site visits to understand suppliers' current management status of major sustainability issues in their respective industries. After visits, recommendations for improving issue management are provided to guide suppliers in establishing necessary related systems and management measures. Additionally, five suppliers are selected for written follow-up on subsequent improvement status. Through regularly held supplier conferences, the Company shares sustainable procurement trends with suppliers and enhances supplier sustainability risk awareness, with priority encouragement for high-risk suppliers to participate.

Step 4 — Supplier Management Actions and Enhanced Communication

For medium and high-risk suppliers identified through sustainability risk assessment results, communication will be strengthened to require improvements, and corresponding management actions and enhanced communication channels will be established to continuously improve suppliers' sustainability awareness and performance. The Company will also require suppliers to jointly focus on specific risk aspects and issues through subsequent supplier selection mechanisms and contract formulation, thereby reducing overall supply chain risks.

Supplier Evaluation and Selection

The Company evaluates the qualifications of suppliers and selects them according to procurement and disposal operation procedures. Some departments have already incorporated sustainability-related conditions into supplier selection reference items. For supplier selection, in addition to basic company information, the Company continues to require all new suppliers to sign the "Company Sustainability Statement Survey" and "Statement of Integrity in Business Operation," covering sustainability issues including labor rights practices, occupational health and safety, environmental protection, integrity management, and corporate ethics standards. In 2024, the completion rate for requiring all new suppliers to sign the "Company Sustainability Statement Survey" and "Statement of Integrity in Business Operation" reached 100%. If a supplier is found to have non-conforming items in the "Company Sustainability Statement Survey," the procurement unit will list this as reference information for evaluation before procurement. Additionally, Yang Ming Marine Transport Corp. reviews the implementation status of sustainability issues through annual supplier self-assessments and requires suppliers to commit to conducting all business activities with integrity management, while providing independent whistleblowing mechanisms to facilitate supplier reporting of any dishonest business conduct.

Once becoming the Company's official partners, our supplier partners must promise to observe all laws and regulations that should be complied with when executing their business activities, including but not limited to international or domestic regulations or conventions on labor, environmental protection, health and safety. They must also obtain licenses or special permits required to perform their business activities, including but not limited to having their employees meet regulatory qualification requirements and acquiring business licenses for businesses requiring special approval. Our supplier partners should completely understand the Company's requirements for the health, safety, hygiene and employment of employees as well as environmental protection, confirm that they have been informed of them, and undertake to take corresponding safety measures. In case of any staff injury/death or disaster during the contract period, our supplier partners should take necessary response measures and make a report to the Company immediately after the incident occurs. In conclusion, in the event of any violation of the statement or contract provisions, Yang Ming may terminate the contract without notice and will not collaborate with suppliers that fail to make improvements afterwards and are not compliant with the requirements.

Sustainability Risk Evaluation

In 2024, the Company identified 159 key suppliers based on full-year 2023 procurement data and conducted supplier sustainability risk assessments by distributing sustainability self-assessment questionnaires. The questionnaire structure is divided into three major parts: "General Questions," "Industry-Specific Questions," and "Open-Ended Questions," developing 15 sustainability topics across 3 major dimensions of governance, environment, and social, inviting key suppliers to complete sustainability self-assessment questionnaires to evaluate suppliers' sustainability performance through the questionnaire. The industry-specific questions reference sources such as the eight categories of supplier industry characteristics, international shipping industry guidelines/regulations, and industry high-risk issues to design specialized questions, increasing the questionnaire's discriminative capability. This time, 99 key suppliers responded, including 6 from general affairs and services, 17 from professional services, 8 from marine fuel, 2 from vessels, 28 from safe operation of vessels, 14 from container/chassis/genset, 22 from shipping-related services, and 2 from container yard machinery, with a response rate of 62.26%, slightly improved from last year's 61.44%.

Meanwhile, to strengthen procurement department personnel's sustainability awareness, Yang Ming Marine Transport Corp. held one in-person training session for procurement personnel in 2024, with external consultants explaining this year's supplier sustainability self-assessment questionnaire content, review process, and written review methods, helping procurement personnel understand the questionnaire design and requirements. 23 procurement departments participated with 52 attendees. This training not only helped procurement colleagues effectively request suppliers to complete questionnaires and respond to supplier questions during the sustainability self-assessment questionnaire distribution phase, but also helped them understand written review key points and apply consistent review standards for questionnaire review operations.

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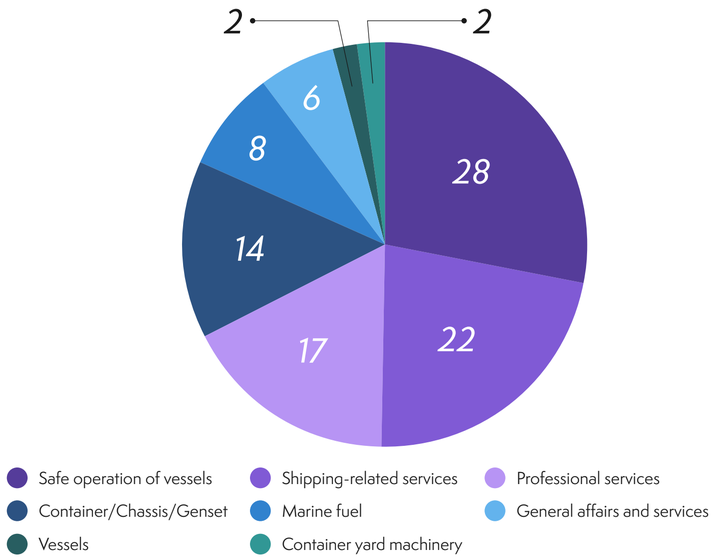
Sustainability Topics Covered in Sustainability Self-Assessment Questionnaire

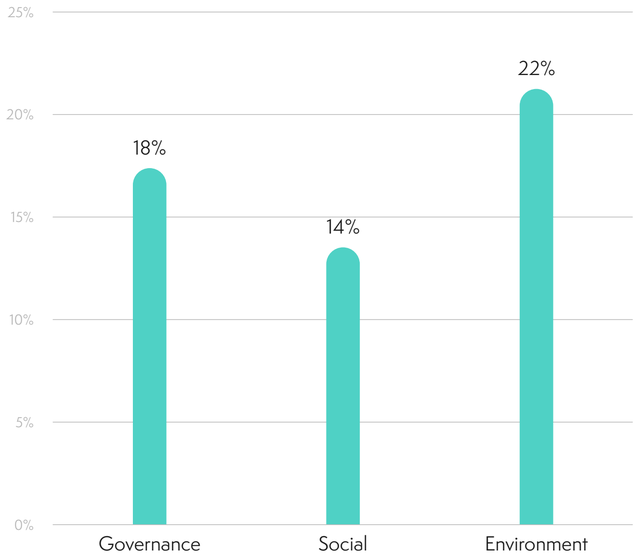
Aspect	Sustainability Issue
Governance	Ethical Management
	Corporate governance compliance
	Operational risk management
	Quality management
	Data privacy and information security
	Sustainability governance
	Grievance mechanism
Social	Human rights and labor conditions protection
	Supply chain management
Environment	Environmental management and climate action
	Air pollution management
	Greenhouse gas management
	Water resource management
	Energy management
	Waste management

After conducting written reviews of all 99 key suppliers who responded to the questionnaire, the median score was 72 points. According to questionnaire response results, the non-compliance rates for general questions ESG aspects from high to low were environment (22%), governance (18%), and social (14%). The top three sustainability topics with the most supplier non-compliance were data privacy and information security, water resource management, and greenhouse gas management, indicating that suppliers lack dedicated units and individual management policies for these three issues. Yang Ming will subsequently share relevant best practice management measures for these issues with all suppliers at supplier seminars and promote sustainability knowledge sharing through letters. At the same time, the Company selects some suppliers for on-site visits and provides improvement recommendations to guide suppliers in establishing necessary management measures.

Statistics of Supplier Category Response Numbers

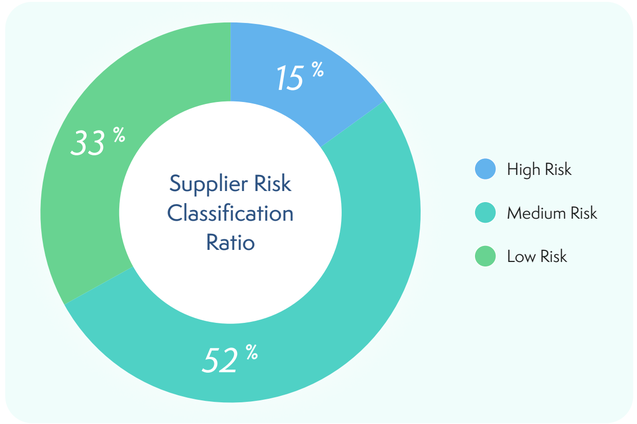


ESG Aspect Non-Compliance Rates



Yang Ming Marine Transport Corp. categorizes the 99 suppliers into high, medium, and low-risk suppliers based on questionnaire score ranges on a 100-point scale, using 60 points as the threshold between medium and high risk. High-risk suppliers account for 15%, medium-risk 52%, and low-risk 33%. Yang Ming Marine Transport Corp. will regularly review the applicability of topics covered in sustainability self-assessment questionnaires to ensure the self-assessment questionnaires can promptly respond to ESG issues of concern to international markets/shipping industry.

Risk Classification	Definition and Description	Number of Suppliers Reviewed	Percentage
High Risk	Below 59 points	15 companies	15%
Medium Risk	60 points (inclusive) to 79 points	51 companies	52%
Low Risk	80 points (inclusive) to 100 points	33 companies	33%



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Supplier Engagement

To promote supplier engagement, continuously strengthen supply chain resilience, and enhance supplier sustainability capabilities, the Company not only conducts written reviews of sustainability self-assessment questionnaires completed by key suppliers, but also conducts on-site visits to suppliers of specific risk levels starting from 2022. Yang Ming Marine Transport Corp. selected five suppliers as on-site visit targets based on this year's questionnaire analysis results, and discussed non-compliant question status and possible future improvement directions with individual suppliers on-site, sharing existing management practices of benchmark cases. Through on-site visits to suppliers, the Company can gain deeper understanding of supplier sustainability practices and obtain feedback, and provide improvement recommendations after visits, including recording on-site discussion situations and possible future improvement directions, serving as reference for suppliers to enhance their sustainability management practices in the future, working together with suppliers to improve sustainability performance management practices. At the same time, for suppliers not subject to on-site visits, the Company considers engaging with different categories of suppliers as much as possible, requiring four suppliers to respond to non-compliant question status and subsequent improvement situations through written follow-up.

Year	On-site Visit Numbers	Supplier Categories
2022	2	Shipping-related services (2 companies)
2023	5	Safe operation of vessels (4 companies), container yard machinery (1 company)
2024	5	Safe operation of vessels (3 companies), container yard machinery (1 company), professional services (1 company)

The Company also holds supplier seminars, collaborating with external consultants to share international sustainable supply chain trends and forward-looking shipping industry topics at meetings, providing supplier partners with case references for management measures on sustainability issues. The 2025 seminar will be held in Chinese and English sessions each, with a total of 76 domestic and international key suppliers participating. Through this seminar, Yang Ming Marine Transport Corp. conveys to supplier partners the belief of " From supply to shared success, embark on a new sustainable voyage with Yang Ming."

Supplier Management Actions and Enhanced Communication

To drive suppliers to promote supply chain sustainable development, Yang Ming leverages its procurement influence. In 2024, it formulated corresponding management actions and enhanced communication channels for medium and high-risk suppliers to improve their sustainability awareness and performance, reducing supply chain sustainability-related risks.

Management Measure	High-risk suppliers	Medium-risk suppliers
Promote sustainability knowledge sharing through letters	✓	✓
Listed as priority participants for supplier seminars	✓	✓
Provide improvement directions, provide procurement units with reference for next bidding, future elimination mechanisms	✓	
Irregularly hold supplier activities	✓	✓
Future Management Planning Direction	Plan to focus on specific categories of suppliers' sustainability performance and continuously optimize procurement procedure documents, sustainability self-assessment questionnaires, written engagement and on-site visit mechanisms to improve Yang Ming Marine Transport Corp.'s sustainable supplier management.	

In addition to continuing through sustainability risk assessment, supplier engagement, and supplier management actions and enhanced communication, Yang Ming Marine Transport Corp. will expand supply chain management actions and measures in the future. Management planning directions include (1) optimizing definitions and management measures for various types of suppliers, (2) adjusting sustainability self-assessment questionnaires according to small and medium-sized suppliers' response situations, (3) optimizing written engagement and on-site visit mechanisms to track high-risk suppliers' progress in enhancing sustainability capabilities; and (4) establishing overall supplier reward and elimination mechanisms. Through company resources and influence, Yang Ming Marine Transport Corp. will continue to organize and invite suppliers to participate in specific projects or plans, helping suppliers strengthen sustainability awareness, capabilities, and sustainability performance, working together with suppliers on responsible business models and co-creating sustainable supply chains.

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Supply Chain Management Highlights Yang Ming Marine Transport Corp. Partners with Suppliers to Protect Coastal Environmental Sustainability

Marine environmental conservation issues have received great attention from countries around the world in recent years. Yang Ming, coexisting with the ocean, recognizes the preciousness and importance of marine ecological resources. Since 2022, it has connected colleagues from headquarters, subsidiaries, and overseas operations to conduct beach and river cleanup activities. As of May 2024, it has removed 8.8 tons of marine waste.

Yang Ming deeply understands that environmental conservation and maintenance requires cooperation through the value chain to achieve more outstanding results. In June 2024, Yang Ming collaborated with suppliers, led by Chief Administrative Officer Chiu Tseng-Yu, leading a team composed of headquarters and subsidiary employees and their families, as well as 10 suppliers, working together to clean the coastline at Wanli Beach in New Taipei City, removing a total of 221.6 kilograms of marine garbage.

This activity was not only about cleaning waste, but also an educational and collaborative opportunity, allowing participants to understand the importance of maintaining the marine environment. Through such practical actions, Yang Ming demonstrates its emphasis on environmental sustainable development and encourages suppliers to jointly contribute to marine ecology.

6 CLEAN WATER AND SANITATION

Participating Suppliers

- Chevron Marine Products LLC
- BP (Castrol Marine)
- International Paint Taiwan
- Hefong Interior Design
- Hewlett Packard Enterprise
- Chunghwa Telecom Co., Ltd. Keelung Operations Office
- M-Power Information Co., Ltd.
- IVAN INFORMATION TECHNOLOGY COMPANY
- WiAdvance Technology Corp.
- BGIC INFORMATION Co., Ltd.

Marine Garbage Removed by Yang Ming

221.6 KG

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- 3.6 Waste and Ship Demolition Management
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- Carbon intensity in 2024 decreased significantly by 62.74% compared to 2008
- Renewable energy usage at onshore business locations accounts for 2.53% of total energy input
- 100% of owned vessels have completed ballast water system installation
- Total usage of 61,238 tons of biofuel, achieving approximately 18.11% emission reduction benefit compared to conventional fuels

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3.1 Environmental Management Policy

Yang Ming upholds the core philosophy of achieving environmental sustainability through energy saving and emission reduction. In 1996, it became the first domestic shipping company to obtain ISM certification, and in 2004 obtained ISO 14001 Environmental Management System certification covering Qidu headquarters, Taiwan Business Department, Keelung Branch (including Keelung Yang Ming Container Yard), Taichung Branch, Kaohsiung Branch, and owned vessels, with 100% coverage of business locations. The highest management level, the Chairman, is responsible for approving environmental management policies and appointing management representatives to supervise management system implementation, system improvement, and action plan execution. ISO/ISM management review meetings are regularly held annually to report implementation performance to the Chairman and executives. Internal audits are conducted by the Audit Department and third-party verification is performed by external verification institutions. The Company continuously promotes green transportation, digital low-carbon transformation, and sustainable supply chain management, controls environmental risks, and is committed to protecting marine ecology, reducing carbon emissions and air pollution, co-creating a sustainable future with the Earth's environment.

To fulfill the concrete commitment to net-zero carbon emissions by 2050, the Company conducts annual greenhouse gas inventory and undergoes third-party verification to understand its total operational carbon emissions and formulate carbon reduction pathways and strategies. The Company's fleet is gradually replacing old vessels with new ones, continuously deploying energy-efficient or alternative energy fleets, and through intelligent ship center monitoring and utilizing big data and cloud intelligent technologies, enhances vessel energy efficiency management and vessel carbon intensity monitoring, while conducting energy-saving optimization retrofits for existing vessels. The Company has signed contracts for 5 vessels of 15,500 TEU LNG dual-fuel container ships, expected to be delivered and put into operation successively from 2026, and continues to plan the deployment of new energy-efficient vessels, while simultaneously positioning in the fuel market for emission-reducing fuel acquisition, such as green methanol and bio-methane. Additionally, a dedicated unit has been established to actively monitor various types of vessel energy-saving devices and future marine fuel development trends, joining as a founding member of The Silk Alliance, Getting to Zero Coalition, and The Society for Gas as a Marine Fuel (SGMF) to work together with maritime industry chain operators on fuel transformation. Starting in 2024, the Company will use sustainable biofuels in our operating fleet, and we will continue to deploy more dual-fuel capable and energy efficient vessels to further reduce the impact to the environment. Furthermore, Yang Ming's offices have activated ecological green roofs and promoted renewable electricity procurement, implemented energy-saving and carbon reduction measures to improve energy use efficiency, and implemented local procurement, green procurement, and source reduction measures to reduce energy use and minimize resource waste, further reducing greenhouse gas emissions, with the goal of becoming a sustainable leader in the global shipping industry.

Environmental Protection Policy and Certifications

Decarbonization Pathway and Strategy

2050 — Net-zero emissions

2030
- Scope 1 carbon emission intensity reduced by 10% compared to 2024
- Scope 2 total carbon emissions reduced by 20% compared to 2024

2025
- Scope 1 carbon emission intensity reduced by 1% compared to 2024
- Scope 2 total carbon emissions reduced by 1% compared to 2024

2021 — ISO 14064 Greenhouse Gas Inventory Baseline Year *

* 2021 greenhouse gas inventory baseline year: Scope 1+2 totaling 4,000,525.4688 tons CO_2e

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Decarbonization Strategies and Goals

	Operating Fleet	Onshore Business Locations
Energy Efficiency Improvement	▪ Hull optimization (adopting energy-saving propellers and hull design as per the practical operating profile) ▪ Main engine adopts Low-Load Tuning EGB mode ▪ Monitoring with the smart Green Shipping Module ▪ 100% modification of main engine power limitation (EPL) ▪ Regularly monitor the management of operating ships' fuel consumption (the CII goal is to receive a C rating or higher) ▪ 100% installation of alternative maritime power by 2030	▪ Adoption of energy-efficient LED lighting equipment, zoning lighting, and induction lights ▪ Elevators, water dispensers, computers, and copier equipment automatically enter power-saving mode ▪ Server room's average Power Usage Effectiveness (PUE) reduced by 5% compared to 2024, and by 15% by 2030 ▪ Headquarters Qidu building conducts rainwater recovery system construction project ▪ In coordination with information room air conditioning equipment updates, UPS rooms and duty rooms select first-class energy efficiency multi-split variable frequency air conditioners
Equipment Update	▪ Delivery of 5 LNG dual-fuel container ships starting from 2026 ▪ 50% of the overall operating fleet are eco-friendly and energy-efficient ships by 2030 ▪ Continue planning deployment of new energy-efficient vessels for fleet renewal	▪ Electrify 100% of newly purchased operating equipment by 2030 ▪ 100% of official passenger vehicles adopt pure electric vehicles by 2030 ▪ Evaluate installation of charging stations in coordination with official vehicle pure electric vehicle timeline
Low-carbon Innovation	▪ Achieve normalized use of biofuel ▪ Achieve 5% net-zero fuel usage in vessels by 2030 ▪ Research, analysis and assessment on the selection of low-carbon and green fuels design for new building ships and onboard carbon capture technology ▪ Position in fuel market for acquisition of emission-reducing fuels such as green methanol and bio-methane	▪ Except for Chongqing Building, headquarters Qidu building will install 9.6kW solar photovoltaic system and 19.2kW energy storage equipment ▪ Headquarters Qidu building establishes various carbon reduction targets, monthly statistics of energy and resource usage, and timely adjustments to achieve carbon reduction effectiveness ▪ Taiwan owned office buildings use renewable electricity: RE20 in 2024, RE30 in 2025, RE40 in 2030 ▪ Promote office digital transformation, implement paperless document management and digitalization of shipowner billing

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3.2 Energy Use and Consumption

Yang Ming actively promotes energy management, reducing carbon emissions through multiple measures and implementing the core philosophy of environmental sustainability. In 2024, the Company continued monitoring and management through various programs to ensure the effectiveness of energy management strategies, covering the entire fleet's actual fuel consumption, Carbon Intensity Indicator (CII) performance, biofuel usage, and shore power usage status.

To accelerate low-carbon transformation, the Company promotes maritime biofuel testing programs and negotiates with long-term chartered vessel owners to participate in testing. Based on test results, continue optimizing biofuel application models to gradually achieve normalized use of biofuel. The Company will continue promoting biofuel usage programs to increase renewable energy proportion, moving toward the 2050 net-zero carbon emission goal.

Energy Consumption for Organizational Operations

In 2024, vessels were mainly affected by Panama Canal navigation restrictions and Red Sea crisis, causing vessels to detour, increasing voyage distance and time using more fuel. However, the Company still actively adopted control measures, with calorific value increasing only about 7.93% compared to 2023. With 2024 annual operating revenue increasing 58.37% compared to 2023, energy use intensity decreased 31.85% compared to 2023.

Energy Type	Calorific Value in 2022	Calorific Value in 2023	Calorific Value in 2024
Diesel fuel (GJ)	3,231.99	73,003.62	72,231.38
Gasoline (GJ)	545.34	8,539.70	8,156.18
Kerosene (GJ)	-	10.68	4.98
Purchased electricity (GJ)	23,703.30	90,730.15	91,220.24
Renewable energy (GJ)	-	464.51	2,369.34
Shore power (GJ)	57,198.59	56,131.92	49,400.11
Very Low Sulfur Fuel Oil (VLSFO) (GJ)	33,466,443.04	28,563,539.46	23,394,375.62
High Sulfur Fuel Oil (HSFO) (GJ)	14,537,037.11	20,487,932.06	27,285,672.57
Ultra Low Sulfur Fuel Oil (ULSFO) (GJ)	594,938.22	383,192.90	196,565.40
Marine Gas Oil (MGO) (GJ)	2,956,389.07	2,719,264.53	3,005,667.74
Biofuel (B24, B30)	-	-	2,433,074.70
Total (GJ)	51,639,486.66	52,382,809.53	56,538,738.26
Annual consolidated operating revenue (NT$ million)	375,899.874	140,623.713	222,705.949
Energy use intensity (GJ/NT$ million)	137.38	372.50	253.87
Heavy fuel oil total energy (GJ)	48,598,418.37	49,434,664.42	53,309,688.29
Percentage of heavy fuel	94.11%	94.37%	94.29%
Percentage of renewable energy	-	0.001%	0.004%

* Energy use intensity calculated using total energy calorific value/Company's consolidated operating revenue for that year.

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Energy Consumption of Onshore Business Locations

	Fuel Type	Usage (kiloliters)	Calorific Value (GJ)
2024	Diesel fuel	2,053.7314	72,231.38
	Gasoline	249.7408	8,156.18
	Kerosene	0.1400	4.98
2023	Diesel fuel	2,075.6882	73,003.62
	Gasoline	261.4841	8,539.70
	Kerosene	0.3000	10.68
2022	Diesel fuel	91.8941	3,231.99
	Gasoline	16.6984	545.34

* 2023-2024 Scope 1 emissions cover subsidiaries within consolidated financial reporting boundaries.

Energy Input of Onshore Business Locations

	Fuel Type	Usage (MWh)	Calorific Value (GJ)
2024	Electricity (purchased)	25,333.1848	91,220.24
	Renewable energy	658.0000	2,369.34
2023	Electricity (purchased)	25,197.0806	90,730.15
	Renewable energy	129.0000	464.51
2022	Electricity (purchased)	6,582.7506	23,703.30

* 2023-2024 Scope 2 emissions cover subsidiaries within consolidated financial reporting boundaries.

Goal

2025
- Taiwan owned office buildings use renewable energy to achieve RE30
- Office electricity consumption does not exceed 2024 (baseline year)

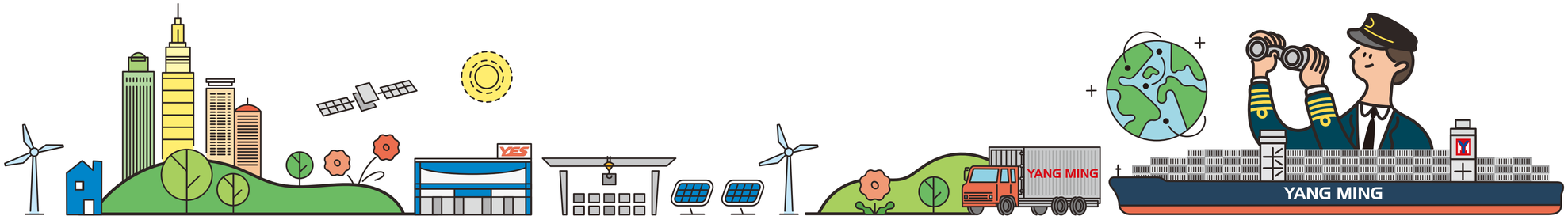
2030
- Taiwan owned office buildings use renewable energy to achieve RE40

Use of Shore Power to Reduce the Impact of Ships on the Environment

Yang Ming's US invested company WBCT establishes and manages 16 Alternative Maritime Power (AMP) systems. Additionally, the Company's invested Kao Ming Container Terminal Corp. is an environmentally friendly green energy container terminal equipped with 6 AMP systems for container ships to use when docked at port. In addition, Kao Ming actively cooperates with the Ministry of Environment in shore power promotion to facilitate the development of environmental protection in Taiwan.

During vessel port operations, necessary uses such as lighting and air conditioning still require power from the vessel's own generators. To reduce air pollution caused by generator fuel usage, 58.16% of the Company's vessels are equipped with shore power equipment, and actively cooperate with terminals to connect shore power at ports including Los Angeles, Oakland, Busan, Yantian, Shanghai, Ningbo, Shekou, Xiamen, Guangzhou, Kaohsiung, reducing carbon emissions and air pollution from generator usage. In 2024, vessel shore power usage totaled 13,719,127 kWh, saving over 3,200 tons of marine fuel, equivalent to reducing approximately 4,800 * metric tons of greenhouse gas emissions, while also reducing emissions of sulfur compounds, nitrogen oxides and other air pollutants.

* Using shore power can reduce greenhouse gas emissions generated by vessels through fuel-powered generation. The emission reduction benefit estimation method is "emissions generated by vessel fuel-powered generation" minus "emissions generated by using shore power."



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Yang Ming's Operating Ships Installed with AMP Systems

Total fleet

23
fixed-type

+

34
AMP container modules

Proportion
58.16 %

Goal

2025
- Operating vessel shore power equipment installation ratio reaches 57%

2030
- Self-owned operating vessels equipped with shore power equipment reaches 100%

Shore Power

Port	Consumption in 2022 (MWh)	Calorific Value in 2022 (GJ)	Consumption in 2023 (MWh)	Calorific Value in 2023 (GJ)	Consumption in 2024 (MWh)	Calorific Value in 2024 (GJ)
Kaohsiung	-	-	-	-	40.0427	144.19
Yantian	135.4980	487.90	354.8820	1,277.87	1,110.0640	3,997.14
Shanghai	-	-	2.0590	7.41	68.1260	245.31
Qingdao	-	-	-	-	98.5249	354.77
Ningbo	-	-	168.5810	607.03	315.5900	1,136.38
Shekou	-	-	78.5400	282.81	53.9892	194.41
Xiamen	-	-	26.7000	96.14	241.7460	870.48
Guangzhou	-	-	0.3500	1.26	11.7000	42.13
Shenzhen	-	-	-	-	194.1248	699.01
Los Angeles	13,268.7315	47,778.31	9,937.7500	35,784.05	7,188.9541	25,886.13
Long Beach	1,270.1440	4,573.56	1,395.8220	5,026.10	261.9960	943.40
Oakland	1,204.0050	4,335.41	3,522.9980	12,685.68	4,038.4990	14,541.91
Busan	6.5000	23.41	100.9680	363.57	95.7709	344.85
Total (GJ)	57,198.59		56,131.92		49,400.11	

* In 2023, China's Shanghai, Ningbo, Shekou, Xiamen, Guangzhou terminals began supplying shore power. In 2024, Taiwan's Kaohsiung, China's Qingdao, Shenzhen terminals began supplying shore power.

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Vessel Energy Consumption

Fuel Type	Unit of Measure	Consumption in 2022	Calorific Value in 2022 (GJ)	Consumption in 2023	Calorific Value in 2023 (GJ)	Consumption in 2024	Calorific Value in 2024 (GJ)
Very Low Sulfur Fuel Oil (VLSFO)	Metric tons(t)	840,485.2840	33,466,443.04	717,352.4400	28,563,539.46	548,320.2290	23,394,375.62
High Sulfur Fuel Oil (HSFO)	Metric tons(t)	365,087.0740	14,537,037.11	514,539.4560	20,487,932.06	671,158.3590	27,285,672.57
Ultra Low Sulfur Fuel Oil (ULSFO)	Metric tons(t)	14,941.4390	594,938.22	9,623.6100	383,192.90	4,338.1590	196,565.40
Marine Gas Oil (MGO)	Metric tons(t)	69,236.2780	2,956,389.07	63,683.0100	2,719,264.53	74,648.5940	3,005,667.74
Biofuel (B24, B30)	Metric tons(t)	-	-	-	-	61,238.1930	2,433,074.70
Total	GJ	51,554,807.44		52,153,928.94		56,315,356.03	
Energy intensity	Megajoules/TEU-kilometer	0.52		0.49		0.50	

Energy Saving Strategies

Onshore business locations

Energy Saving Strategies

- Headquarters Qidu building purchased one new hybrid official vehicle in May 2024, replacing an old official vehicle with average fuel consumption of 12.3 km/L (diesel engine); the newly purchased hybrid official vehicle has fuel consumption of 18.7 km/L, traveling an additional 6.4 kilometers per liter of fuel. Keelung Branch also purchased one new hybrid official vehicle at the end of September 2024, saving approximately 35 liters of gasoline per month compared to the replaced gasoline official vehicle.
- Keelung Branch's chilled water host machines were completely replaced, using R410A to replace R22. R410A is a new type of environmentally friendly refrigerant that does not damage the ozone layer and has higher refrigeration efficiency.
- Keelung Building's air conditioning host machines on each floor were replaced with 24 second-class energy efficiency 10-30 ton air conditioning host machines and 24 high-efficiency (IE3) 2HP-5HP chilled water motors; additionally, cooling towers and cooling water pumps were equipped with variable frequency control, with overall energy saving benefits estimated at approximately 18%.
- After lunch, lights are turned off (except where special needs require lighting).
- In unoccupied office spaces (such as unused conference rooms, office spaces), air conditioning, lights, and equipment power are turned off promptly.
- Setting up printers in power saving mode to have them automatically enter power saving mode when not in use for a period of time.
- Elevators are programmed with linked control, with low floors set to automatic return during peak hours to achieve energy saving.
- Office computer equipment is set to power-saving mode, automatically entering low-energy sleep mode after 5-10 minutes of inactivity.
- Adoption of energy-efficient LED lighting equipment, zoning lighting, and induction lights.
- Priority procurement of first-class energy label (energy-saving) products, such as energy-saving refrigerators and energy-saving air conditioners.
- Water dispensers on each floor have automatic sleep function to save energy consumption.
- Air conditioning systems adjust chilled water host machine temperature settings according to different seasons and temperatures, combined with electric fans to help air circulation and improve cooling effectiveness.
- Kaohsiung Branch holds "Turn Off Lights, Love Earth Activity" on Monday noon during the last week of each month from 12:00-13:00 or 12:30-13:30 (depending on each unit's lunch break time).
- Under the premise of complying with office area lighting regulations, Kaohsiung Branch reduces public area corridor and walkway lighting by 25% in office buildings.

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Reefer containers

Energy Saving Strategies

- Reefer containers incorporate inverter compressor models, with usage proportion accumulating from 3% in 2021 to 15% in 2024.

Fleet

Energy Saving Strategies

- Implement Ship Energy Efficiency Management Plan SEEMP Part I / II / III to enhance effective fuel utilization and record according to regulations, achieving energy saving and carbon reduction purposes.
- Smart Ship Center - Monitoring with the Green Shipping Module.
- Determination of optimal routes with weather routing systems.
- CII Task Force continues to monitor environmental regulations trends from various international organizations such as IMO and EU.
- Sailing with ultra-low speed in line with the sailing schedule to save energy and reduce carbon emissions.
- In cooperation with national energy saving and carbon reduction policies, connect to shore power facilities when berthed at ports.
- Regularly conduct vessel hull cleaning.

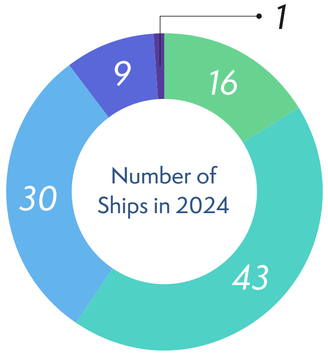
Fleet's Energy Use

In response to the Paris Agreement and global carbon reduction strategies, the International Maritime Organization (IMO) has approved amendments to Annex VI of the International Convention for the Prevention of Pollution from Ships (MAPOL) and passed two new regulations, requiring that ships applicable from January 1, 2023 must calculate the "Energy Efficiency Existing Ship Index (EEXI)" and the "Carbon Intensity Indicator (CII)." EEXI is a technical measure and CII is an operational measure adopted for the reduction of emissions from ships. Through calculating "Carbon Intensity Indicator (CII)," poorly performing vessels must formulate corrective plans and incorporate them into Ship Energy Efficiency Management Plan (SEEMP).

The Company internally established a CII Task Force in September 2022, including technical, vessel, liner planning, and operations planning units. In addition to conducting cross-departmental discussions according to EEXI regulations to arrange appropriate inspection schedules and reduce vessel carbon emissions based on maximum horsepower restrictions after implementation; inventory each vessel's CII rating on routes, monitor CII rating changes and annual fuel consumption in real-time through digital tools, and hold regular monthly meetings to discuss the timing of using 21 rating optimization measures for each vessel. For vessels with poor ratings, conduct cause analysis and adopt different improvement measures for targeted solutions, with each vessel's CII rating targeting C-level as the annual goal.

The following table shows 2024 estimates for the Company's self-operated fleet efficiency data (fuel consumption / sailing distance):

Total number of vessels	94
C-level and above ratio	95.74 %



Total number of vessels	99
C-level and above ratio	89.90 %

Goal

2025

- Annual target: 90% of vessels achieve C-level CII or above

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All the EEXIs obtained by the Company meet the requirements:

New vessel name / model	Attained EEXI / Required EEXI
YM Increment/I Type	18.65 / 18.67
YM Celebrity/C Type	15.7 / 16.8
YM Cosmos/M Type	13.00 / 13.02
YM Efficiency/E Type	13.70 / 13.71
YM Masculinity/M+ Type	11.66 / 11.68
YM Maturity/M+ Type	11.53 / 11.54
YM Uniform/U Type	11.10 / 11.12
YM Express/E+ Type	13.47 / 13.48
YM Success/M Type	12.99 / 13.00
YM Wonderland / W Type	8.41 / 8.77
YM Travel /T Type	7.88 / 8.89

The following are the measures adopted by the Company in response to the EEXI and CII:

Issue / Regulation Description and Planning

Energy Efficiency Existing Ship Index (EEXI)

EEXI must be submitted to Classification Society for approval to obtain International Energy Efficiency Certificate (IEEC certificate, same as EEDI, one-time verification).

Suggested Improvement Methods from Classification Societies

- Shaft/Main Engine Power Limitation
- Conversion of fuels into low-carbon fuels or installation of energy saving devices

Yang Ming's Practices

- Existing ship retrofitting with energy-saving equipment: Main engine power limitation (EPL) retrofit has reached 100%: Reduce the main engine's maximum output speed and horsepower, thereby reducing fuel consumption.

Issue / Regulation Description and Planning

Carbon Intensity Indicator (CII)

Annual calculation and reporting of annual CII value, with annual rating from A-level to E-level. If a vessel falls into D-level for 3 consecutive years or E-level for 1 year, a corrective plan must be formulated.

Suggested Improvement Methods from Classification Societies

- Hull cleaning and anti-fouling paint optimization (hull cleaning / coating)
- Propulsion system (electric, new energy-saving) (ESD) efficiency management
- Fleet management and logistics planning (weather routing/waste heat recovery system /improved logistics)
- Sailing optimization
- Ship speed control
- Fuel replacement (alternative fuel)

Yang Ming's Practices

- Installation of energy saving equipment and energy-efficient modifications on existing ships:
  - Fleet energy-saving bulbous bow retrofitting to reduce vessel resistance.
  - Energy-efficient modifications are made to the propellers on ships in the fleet.
- Smart Ship Center (SSC) for real-time vessel monitoring with data analysis support, reducing maritime risks and enhancing vessel energy efficiency management.
- The use of weather routing helps:
  - Optimize routes to shorten sailing time.
  - According to schedule requirements, maintain relatively stable power output, allowing speed and RPM to fluctuate appropriately under different weather conditions, reducing unnecessary fuel consumption.
- Adopt 19 fuel-saving measures, AI collects GPS vessel positions and calculates actual route distances precisely.
- Hull cleaning: Previously vessels over 10 years old were cleaned every 5 years, now changed to every 2.5 years to save fuel consumption and improve efficiency.
- Vessels plan to use biofuel certified by International Sustainability & Carbon Certification (ISCC) process certification to replace traditional fuel, expected to reduce vessel fuel well-to-wake lifecycle carbon emissions by approximately 20% compared to traditional fuel.

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The Company's newbuild vessels' Energy Efficiency Design Index (EEDI) all exceed current regulatory requirements and have obtained Energy Efficiency Design Index certification. The management practices mentioned above are compliant with regulatory requirements and undergo an external audit annually.

New Ships' EEDI

E+ type	
2013~2024 delivery quantity (vessels)	5
EEDI (g CO_2/ton - nautical mile)	16.22

C type	
2013~2024 delivery quantity (vessels)	10
EEDI (g CO_2/ton - nautical mile)	15.70

W1 type	
2013~2024 delivery quantity (vessels)	10
EEDI (g CO_2/ton - nautical mile)	9.22

W2 type	
2013~2024 delivery quantity (vessels)	5
EEDI (g CO_2/ton - nautical mile)	8.88

W3 type	
2013~2024 delivery quantity (vessels)	5
EEDI (g CO_2/ton - nautical mile)	8.52

T1 type	
2013~2024 delivery quantity (vessels)	5
EEDI (g CO_2/ton - nautical mile)	8.06

T2 type	
2013~2024 delivery quantity (vessels)	9
EEDI (g CO_2/ton - nautical mile)	7.87

Average EEDI
(g CO_2 /ton - nautical mile)
10.78

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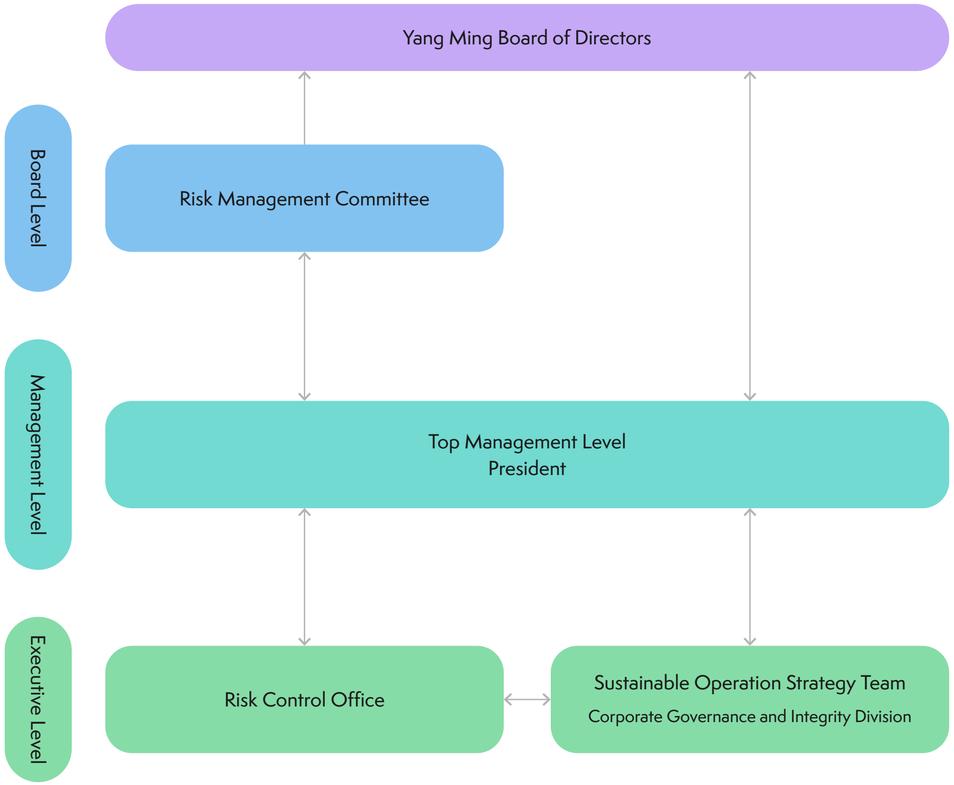
3.3 Natural and Climate Change Governance Strategy

3.3.1 Task Force on Natural and Climate-Related Financial Disclosures

Natural and Climate Governance Structure

Yang Ming's Board of Directors serves as the highest climate governance body, responsible for supervising and deciding on related policies, strategies, and targets, and managing climate-related risks and opportunities and promoting related affairs through the Risk Management Committee and Sustainable Operation Strategy Team. After annual Group climate-related risk and opportunity identification is completed, assessment results are reported to the Board of Directors and Risk Management Committee. Additionally, the Sustainable Operation Strategy Team's annual climate-related target execution status is reported to the Board of Directors for approval at least once a year to strengthen our response measures to various climate issues and resilience to risks. Information regarding our governance frameworks is explained in the following table:

Natural and Climate Change Governance Organizational Structure and Segregation of Duties



Board Level

Board of Directors

Meeting Frequency	Description of Responsibilities
At least once per quarter	▪ Serves as the highest supervisory body for natural and climate change management, responsible for reviewing annual Group risk report results and continuously tracking natural and climate change risk management results and performance to ensure effective implementation of related management systems.

Risk Management Committee

Meeting Frequency	Description of Responsibilities
At least once per quarter	▪ Natural and climate change risks are among the Company's key concerns. To maintain normal Company operations while achieving sustainable business goals, the Risk Management Committee is responsible for reviewing various risk management policies, framework systems, regulatory standards, and risk appetite or tolerance, adjusting according to environmental changes.

Management Level

President

Meeting Frequency	Description of Responsibilities
At least once per quarter	▪ The President serves as the highest management level for natural and climate change management, responsible for supervising discussions and collaboration on natural and climate risk management, and coordinating the Company's departmental expertise and resource integration.

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Executive Level

Sustainable Operation Strategy Team - Corporate Governance and Integrity Division

Reporting Frequency
At least once per year

Description of Responsibilities
- The Corporate Governance and Integrity Division under the Sustainable Operation Strategy Team is responsible for executing natural and climate risk management-related discussions and risk identification, and regularly conducting trend education and training on related issues and natural and climate-related risk and opportunity assessments annually to enhance colleagues' awareness of global natural and climate change trends.
- Departments under the Sustainable Operation Strategy Team identify derived risks and opportunities based on different climate scenarios and formulate corresponding risk mitigation measures for each item. For identified material risks and opportunities, response plans will be reported to the Chairman and President to strengthen overall management of future climate-related risks and opportunities.

Risk Control Office

Reporting Frequency
Quarterly reporting

Description of Responsibilities
- Annual company risk assessment operations have incorporated natural and climate change-related risks and opportunities into risk assessment sources and scope.
- In case of residual risk assessed as "high" or above, the Risk Control Office conducts regular tracking quarterly and demands continuous improvements by departments. The results of the said assessment and tracking are submitted to the Chairman for approval before being presented to the Board of Directors.

Natural and Climate-Related Risks and Opportunities Management Process

To effectively manage natural and climate risks and opportunities that the Company may face in overall operations, the Sustainable Operation Strategy Team incorporates natural and climate change-related risks into assessment and tracking scope, continuously monitoring risk events that may impact Company operations, while focusing on opportunities that natural capital and climate change may bring to the Company. For identified natural and climate risk issues with substantial material impact, they will be incorporated into assessment and tracking scope, with assessment results provided to management and the Board of Directors for operational decision-making and supervisory reference. Specific measures for each procedure are referenced in the following process flow:

Natural and Climate Risk Identification

Based on departmental functions and scenario analysis methods, referencing external trends in the shipping industry, design natural and climate risk and opportunity topic lists and establish transmission pathways.

▼

Natural and Climate Risk Assessment

Design questionnaires based on occurrence probability and impact degree settings from risk assessment standards, with unit supervisors scoring to determine risk and opportunity levels.

▼

Materiality Identification

- Set materiality thresholds based on risk and opportunity analysis results and create risk and opportunity matrix diagrams.
- This year, 4 climate-related risks and 2 opportunities exceeded the threshold.
- This year's identified material nature-related risks total 4 items, with 4 opportunities.

▼

Financial Impact Analysis and Response

- For climate risks and opportunities exceeding materiality thresholds, conduct financial impact assessments through data statistics and scenario analysis and establish response strategies.
- For material natural and climate-related risks and opportunities, relevant units will formulate response strategies and plan action programs.

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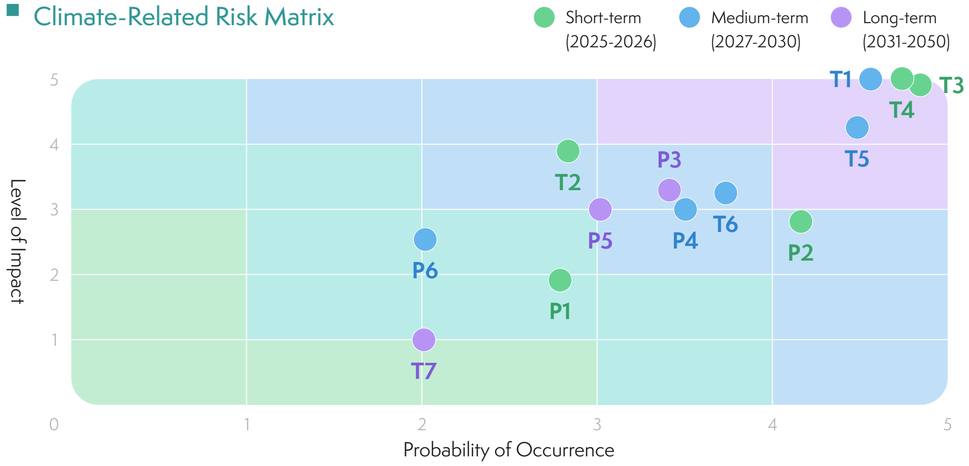
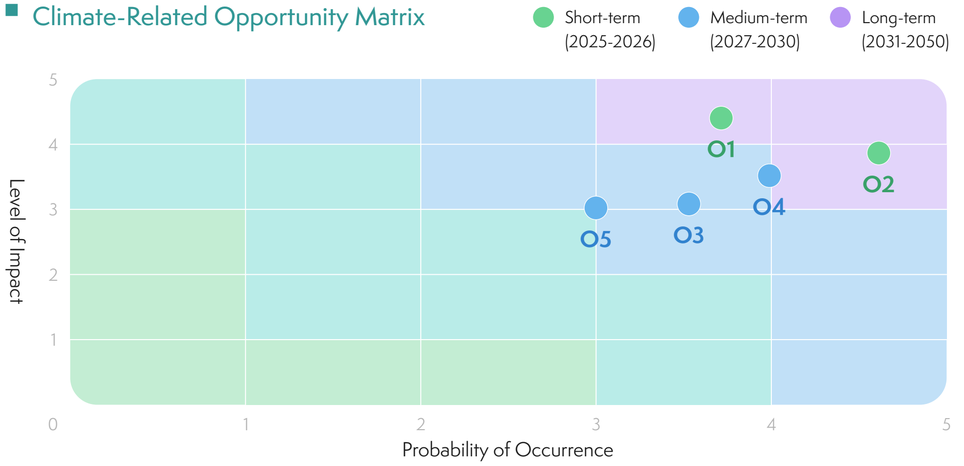
Climate-Related Risk Matrix



Risk Category		Risk Issue
T3	Policy and Legal - Requirements and regulation of existing products and services	Maritime Organization fuel efficiency standards tightening
T4	Low-carbon technology replacing existing products and services	Owned vessel emission reduction technology introduction
T1	Increased greenhouse gas emission pricing	Impact of cap-and-trade implementation by advanced economies
T5	Transition to low-carbon technology	Emerging low-carbon vessel operational uncertainty
T6	Changes in customer behavior	Increased demand from downstream customers for low-carbon transportation
P2	Increased severity and frequency of extreme weather events such as typhoons and floods	Increased intensity of typhoon/hurricane/cyclone events (port entry/drifting)
P3	Increased severity and frequency of extreme weather events such as typhoons and floods	Increased intensity of typhoon/hurricane/cyclone events (extreme wave heights)
T2	Enhanced emission reporting obligations	Incomplete mandatory information disclosure reporting
P4	Changes in precipitation patterns and extreme climate	Increased drought events at important transportation hubs
P5	Average temperature rise	Rising seawater temperatures leading to biological proliferation or increased acidity
P1	Increased severity and frequency of extreme weather events such as typhoons and floods	Heavy rainfall events causing flooding
P6	Sea level rise	Increased storm surge events due to sea level rise
T7	Increased stakeholder attention or negative feedback	Reduced willingness of investors/financial institutions to invest in or finance Yang Ming

Climate-Related Opportunity Matrix



Opportunity Category		Opportunity Issue
O2	Adoption of low-carbon energy	Cooperating with shore power facilities to reduce emissions
O1	Using more efficient transportation methods	Introduction of energy-saving equipment
O4	Development of climate adaptation, resilience and risk insurance solutions	Extreme climate solutions
O3	Development and/or expansion of low-carbon emission products and services	Low-carbon transportation services
O5	Entering new markets	Investment in low-carbon fuel market

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Material Climate-Related Risks and Opportunities

Based on climate-related risk ranking results, we have 4 material risks and 2 material climate opportunities exceeding the significance threshold. Considering stakeholder concern about physical risks, we additionally include the highest-ranking physical risk and identify potential financial impacts, occurrence timing, and impact scope of related risks and opportunities as reference for determining future Company climate change-related countermeasures.

Order	Risk Category		Risk Issue	Risk Description	Occurrence Time	Impact Scope	Potential Financial Impact
1	T3	Policy and Legal - Requirements and regulation of existing products and services	Maritime Organization fuel efficiency standards tightening	IMO short-term measures CII for actual operational efficiency rating and EU FuelEU regulations, medium-term implementation of Goal-Based Marine Fuel Standard (GFS), economic measures taken may impact Yang Ming's fuel expenditure.	Short-term	Operating vessels	Increased operating costs due to increased alternative fuel usage and fuel price differences
2	T4	Technology - Low-carbon technology replacing existing products and services	Owned vessel emission reduction technology introduction	For Yang Ming's owned operating vessels requiring energy-saving technology measures introduction (such as main engine adjustments, hull modifications, etc.), equipment expenditure may increase.	Short-term	Operating vessels	Installing energy-saving equipment or vessel modifications will increase capital expenditure
3	T1	Policy and Legal - Increased greenhouse gas emission pricing	Impact of cap-and-trade implementation by advanced economies	Affected by cap-and-trade implementation by advanced economies, routes operating in regulated areas may need to purchase certificates to pay related fees.	Medium-term	Operating vessels - European routes	As emission trading system coverage increases and certificate unit prices rise, if unable to pass through costs successfully, operating costs will increase
4	T5	Technology - Transition to low-carbon technology	Emerging low-carbon vessel operational uncertainty	In response to International Maritime Organization net-zero emission trends, heavy oil vessels will gradually be replaced by new energy fuel vessels in the short term, increasing capital expenditure for new energy fuel vessels.	Medium-term	Operating vessels	New low-carbon emission vessel construction may increase capital expenditure
5	P2	Acute - Increased severity and frequency of extreme weather events such as typhoons and floods	Increased intensity of typhoon/hurricane/ cyclone events (port entry/drift)	Strong winds from typhoons may prevent vessels from smoothly entering ports or limit container yard equipment operations. May delay cargo unloading and loading operations, affecting transportation efficiency. Additionally, due to navigation restrictions, vessels may need to detour or dock at other ports, increasing fuel consumption and pushing up fuel costs.	Short-term	Operating vessels	Vessels need to detour or increase sailing time, leading to increased fuel consumption

Order	Opportunity Category		Opportunity Issue	Opportunity Description	Occurrence Time	Impact Scope	Potential Financial Impact
1	O2	Energy Source - Adopting low-carbon energy	Cooperating with shore power facilities to reduce emissions	For port phases, Yang Ming continues to cooperate with shore power policies, which not only reduces greenhouse gas emissions but also reduces fuel costs during port berthing.	Short-term	Operating vessels/ operating ports	Using shore power not only cooperates with policies to reduce berthing fuel costs but may also reduce additional certificate expenditure when used at European ports
2	O1	Resource Efficiency - Using more efficient transportation methods	Introduction of energy-saving equipment	Through energy-saving equipment to improve vessel energy consumption performance, thereby reducing fuel usage, enabling Yang Ming to save fuel costs and reduce carbon emissions.	Short-term	Operating vessels	Reducing fuel consumption through energy-saving equipment can reduce operating costs

* Occurrence time interval definitions: Short-term (2025-2026), Medium-term (2027-2030), Long-term (2031-2050).

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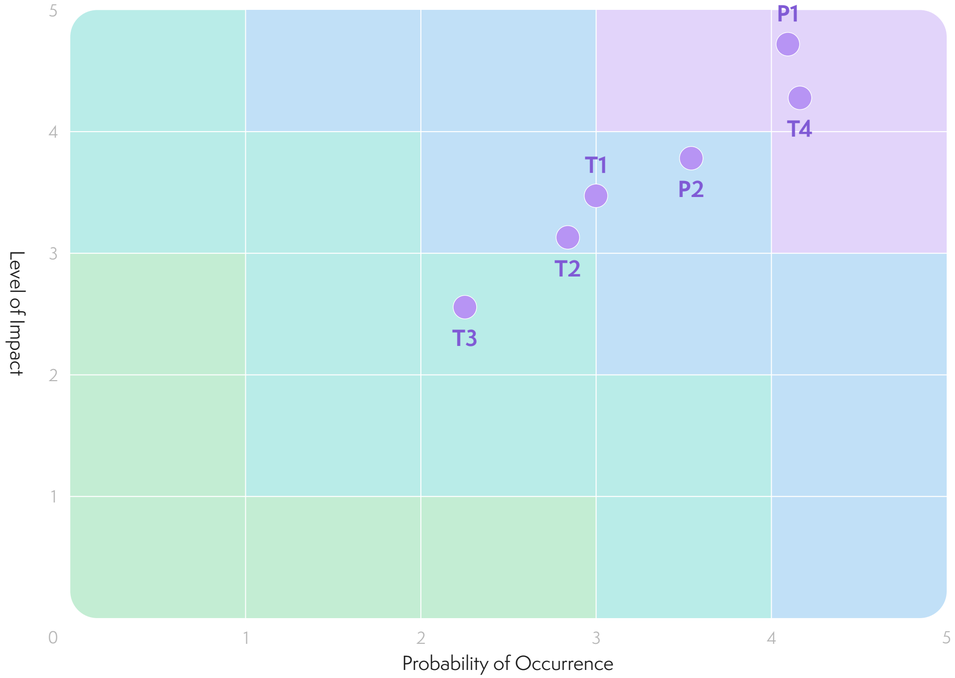
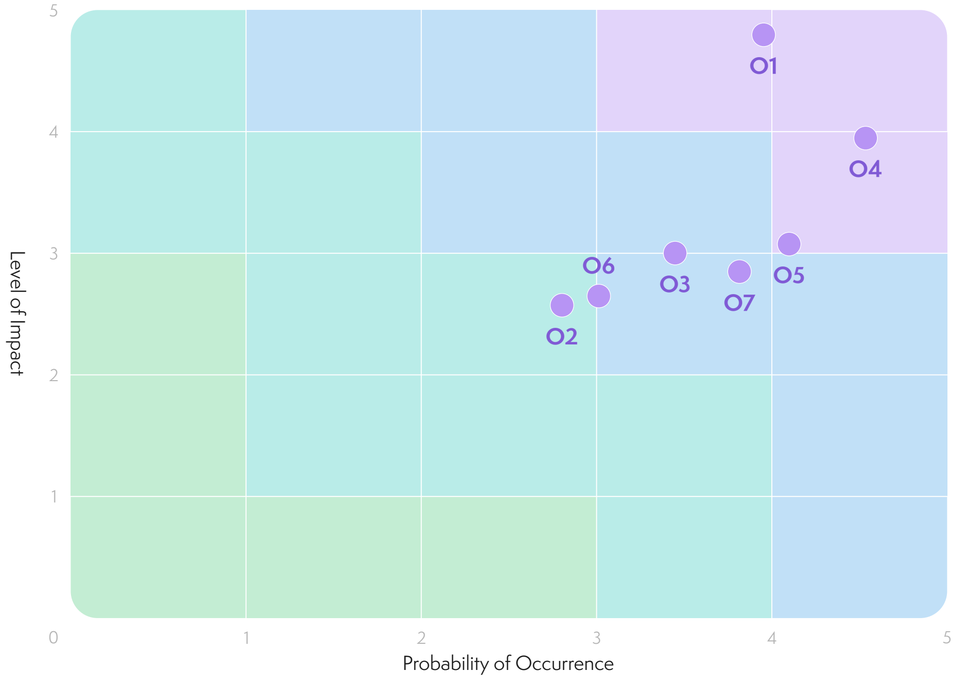
Nature-Related Risk Matrix



Risk Category	
P1	Water flow regulation failure impacting operations
T4	Requirements from international organizations
P2	Climate change causing supply chain disruption
T1	Policy changes causing market volatility
T2	Production stagnation due to technical failures
T3	Impact of human resource shortages

Nature-Related Opportunity Matrix



Opportunity Category	
O1	Implement environmentally friendly operational measures
O4	New business models
O5	Conservation of threatened marine species
O7	Reduce costs or increase revenue
O3	Investment in environmentally beneficial equipment
O2	Circular utilization reduces energy costs
O6	New technologies and materials that are environmentally friendly

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Material Nature-Related Risks and Opportunities

To manage nature-related risk and opportunity issues faced by the Company's business activities during operations, we adopt the LEAP (Locate/Evaluate/Access/Prepare) methodology steps. Based on material dependencies and impact items identified in the Evaluate phase in Section 3.8.1, considering actual navigation operational events and current international regulatory policies, and from TNFD shipping industry draft guidelines regarding dependencies and impact pathways, we identify how ecosystem services and impact drivers generate nature-related risks and opportunities.

Then in the Assess phase, we conduct material nature-related risk and opportunity identification, along with recommendations from departments related to vessel/route planning within the Sustainable Operation Strategy Team, evaluating the occurrence probability and impact degree of various nature-related risks. Finally, we create risk and opportunity matrices using occurrence probability and impact degree dimensions to rank material risk and opportunity issues. This year's identified material nature-related risks total 4 items with 4 opportunities, and corresponding strategic responses are proposed.

Material Issues		Impact Content	Risk/Opportunity Category	Response Strategy
T4	Requirements from international organizations	Must comply with net-zero carbon emission targets set by international organizations and respond to environmental pollution responsibilities in ship recycling processes.	Transition risk	Participate in industry international organizations and comply with international conventions, implement net-zero carbon emissions in phases
P1	Water flow regulation failure impacting operations	Such as drought causing route diversions and cost increases.	Physical risk	1. Adopt climate change mitigation and adaptation measures 2. Cooperate with dynamic biofuel usage
P2	Climate change causing supply chain disruption	Affects port operations, increases accidents, container losses, and raises operating costs.	Physical risk	1. Adopt climate change mitigation and adaptation measures 2. Strengthen key supplier sustainability risk assessment and engagement
T1	Policy changes causing market volatility	Markets experience price changes due to environmental regulation changes.	Transition risk	1. Adopt climate change mitigation and adaptation measures 2. Strengthen supply chain engagement and monitor market trends
O4	New business models	Use alternative fuels to reduce transportation carbon emissions for vessels, creating new market services.	Opportunity	1. Provide green transportation services 2. Cooperate with vessel operations using biofuel 3. Deploy new vessels using alternative energy
O5	Conservation of threatened marine species	Corporate investment in marine environmental restoration programs helps maintain marine environment and benefits corporate reputation.	Opportunity	1. Invest in coral restoration programs in biodiversity-related environmentally sensitive areas, such as supporting coral restoration work at National Museum of Marine Science & Technology 2. Respond to National Oceanic and Atmospheric Administration (NOAA) "Protecting Blue Whales & Blue Skies" Program for protecting blue whales through vessel speed reduction
O1	Implement environmentally friendly operational measures	Slow sailing reduces biological collisions, decreases underwater noise, reduces air emissions, and lowers fuel costs.	Opportunity	1. Complete vessel fleet renewal and energy-saving programs 2. Respond to Vancouver Fraser Port Authority Eco Action Program 3. Use of vessel shore power
O7	Reduce costs or increase revenue	Port fee discounts or participation in competitions, enhancing corporate reputation.	Opportunity	1. Participate in environmental awards and international evaluations 2. Respond to Vancouver Fraser Port Authority Eco Action Program 3. Participate in Singapore Port energy-saving incentive programs 4. Provide green transportation services

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Climate Scenario Analysis

To understand the financial impacts of climate change on the shipping industry, we conduct quantitative analysis research and discussions of different scenarios, performing scenario analysis on our main core business operations including vessel routes, port operations, business operations, and related value chains, further evaluating resilience methods and developing response measures. We reference climate scenarios published by international organizations, including the "Intergovernmental Panel on Climate Change (IPCC)" and "International Energy Agency (IEA)," and additionally consider "International Maritime Organization (IMO)" targets at different time points for assessment to develop response strategies for various risk and opportunity issues.

Scenario Analysis Overview

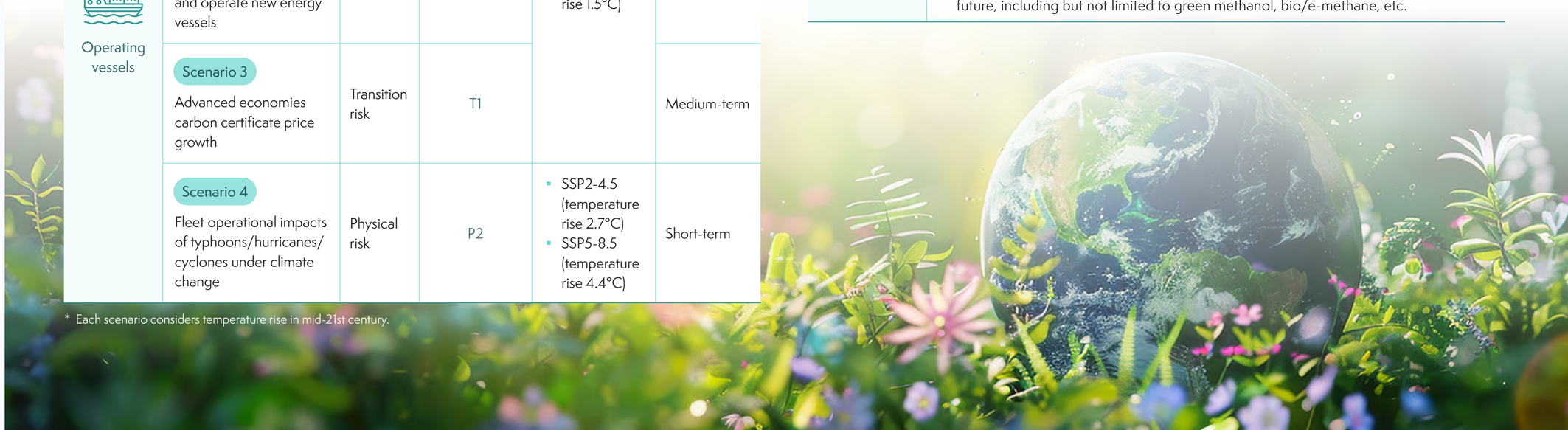
Value Chain	Scenario Description	Risk Category	Corresponding Risk/ Opportunity Issues	Reference Scenario	Analysis Time Point
Operating vessels	Scenario 1 International Maritime Organization complying with its policies and targets	Transition risk	T3	▪ IEA STEPS (temperature rise 2.4°C) ▪ IEA NZE (temperature rise 1.5°C)	Short-term ~ Medium-term
	Scenario 2 Shipping industry needs to introduce emission reduction technology and operate new energy vessels	Transition risk	T4/T5/ O1/O2		Short-term ~ Medium-term
	Scenario 3 Advanced economies carbon certificate price growth	Transition risk	T1		Medium-term
	Scenario 4 Fleet operational impacts of typhoons/hurricanes/ cyclones under climate change	Physical risk	P2	▪ SSP2-4.5 (temperature rise 2.7°C) ▪ SSP5-8.5 (temperature rise 4.4°C)	Short-term

* Each scenario considers temperature rise in mid-21st century.

Operating Vessel Scenario Analysis

Scenario 1 International Maritime Organization complying with its policies and targets

Corresponding Risk Event	T3 Maritime Organization fuel efficiency standards tightening
Scenario Assumption Background	According to the "Initial IMO Strategy on Reduction of GHG Emissions from Ships" formulated by the 72nd Marine Environment Protection Committee (MEPC) under the International Maritime Organization, and maintained at the 80th session, Yang Ming's operating vessels are committed to reducing unit transportation carbon emissions and tracking ratings of operating vessels through Carbon Intensity Indicator (CII). The Company adopts policy assumptions for the maritime sector in IEA NZE scenario, evaluating that if the Maritime Organization continues to tighten CII indicators, additional biofuel costs will need to be incurred to respond.
Risk Aspect Assessment	To meet IMO short-term and medium-term carbon intensity reduction targets, expanding procurement of B24 or B30 biofuel is the main approach to achieve targets. Based on estimated expanded biofuel procurement volumes, short-term operating costs will increase, with medium-term operating cost increases higher than short-term.
Response Strategy	1. Regular meeting discussions: For low-carbon fuel usage, include in regular meeting reports of the vessel carbon emission project team to facilitate cross-departmental negotiation solutions and jointly reduce operating costs. 2. Strategic procurement of low-carbon products: Negotiate with low-carbon product suppliers or sign long-term contract prices to reduce expenditure costs. 3. Alternative fuel acquisition: Continue communication with market alternative fuel suppliers to ensure smooth acquisition of clean alternative fuels when needed in the future, including but not limited to green methanol, bio/e-methane, etc.



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Scenario 2

Shipping industry needs to introduce emission reduction technology and operate new energy vessels

Corresponding Risk Event	T4 Owned vessel emission reduction technology introduction/T5 Emerging low-carbon vessel operational uncertainty/O2 Cooperating with shore power facilities to reduce emissions/O1 Introduction of energy-saving equipment
Scenario Assumption Background	According to the IMO Fourth GHG Study report, besides promoting alternative fuels, improving fuel efficiency and adjusting operational modes can also reduce fuel usage for transportation services. IEA NZE scenario estimates show that if IMO achieves 2030 targets, biofuel energy demand should reach 10%, low-emission methanol 8%, hydrogen fuel 4%, requiring shipping operators to plan heavy oil fleet replacement programs.
Risk Aspect Assessment	1. New energy vessel operational impact: Assuming traditional heavy oil vessels are replaced by new energy vessels, additional depreciation costs for new energy vessels must be included. 2. Vessel emission reduction technology impact: Between 2025-2030, vessels are expected to add shore power equipment, causing increased capital expenditure. 3. Energy saving and emission reduction benefit assessment: Based on 2024 shore power applications and route planning introduction, approximately 47,403 tons of fuel consumption was saved.
Response Strategy	1. New vessel deployment: In 2025, report to Board approval for 7 vessels of 15K LNG dual-fuel type and 6 vessels of 8K dual-fuel ready new generation energy-saving vessel types, expected to use LNG with dual-fuel ready new generation energy-saving main engines after delivery to reduce fuel consumption and overall greenhouse gas emissions. 2. Existing vessel emission reduction: Plan to use 120,000 tons of biofuel in 2025, with estimated emission reduction of approximately 70,000 tons. 3. Replace old energy-consuming vessels with new environmentally friendly energy-saving vessels: I. Plan for 16 self-owned operating fleet vessels to install shore power (AMP) systems in 2025, reducing fuel usage and carbon emissions during port berthing. II. Plan for 24 operating fleet vessels to opportunistically perform hull cleaning and propeller polishing in 2025, reducing hull navigation resistance and fuel consumption and carbon emissions. III. Continue monitoring marine carbon capture technology and international regulatory approval processes. 4. Main engine horsepower limitation and speed reduction: Starting from 2023, the existing fleet implements main engine horsepower limitation and speed reduction to achieve goals of reducing fuel consumption and carbon emissions. 5. Route planning and vessel sailing speed optimization: Coordinate with vessel arrival times at ports, utilize meteorological navigation weather information to plan optimal routes and vessel speeds to enhance vessel efficiency, reduce carbon emissions, and optimize Carbon Intensity Indicator (CII) ratings.

Scenario 3

Advanced economies carbon certificate price growth

Corresponding Risk Event	T1 Impact of cap-and-trade implementation by advanced economies
Scenario Assumption Background	The EU Emissions Trading System has incorporated the shipping industry into cap-and-trade scope, requiring vessels entering and leaving EU ports to pay certificate fees to comply with relevant regulations. Starting from 2026, all emissions will be included in EU ETS collection scope. According to Net Zero Emissions (NZE) estimates, carbon certificate prices in advanced economies are expected to be approximately 140 USD/t-CO_2e in 2030, potentially reaching 200 USD/t-CO_2e in 2050.
Risk Aspect Assessment	This analysis focuses on European routes (NEA/NEL/FE4/FP2/MD1/MS2/IBX) as the main impact scope. If starting from 2026, 100% of greenhouse gas emissions are included in collection scope and considering carbon price growth trends in international literature, operating costs are expected to increase.
Response Strategy	Domestic and international regulatory trend tracking: Relevant units regularly provide, track, and update EU and national environmental protection, carbon tax, and other regulatory details and changes to enable operating units to respond appropriately.

Scenario 4

Fleet operational impacts of typhoons/hurricanes/cyclones under climate change

Corresponding Risk Event	P2 Increased intensity of typhoon/hurricane/cyclone events (port entry/drift)
Scenario Assumption Background	Under SSP5-8.5 worst-case scenario, although the number of typhoons affecting Taiwan decreases, the proportion of strong typhoons will double, maximum wind speeds will increase by 4%, potentially approaching Level 17 gusts. For major route affected areas in the Western Pacific, North Atlantic, and North Indian Ocean regions, the expected number of typhoons will decrease, but the proportion of strong typhoons will increase.
Risk Aspect Assessment	Due to port closures caused by extreme weather, vessel stay times are extended, leading to increased fuel consumption. Statistics show that annual port closures due to typhoons or strong winds cause vessels to be delayed 4-5 days, generating additional fuel costs.
Response Strategy	1. Accurately grasp meteorological information and adopt optimal route services: Vessels follow route planning from weather routing systems, implementing vessel acceleration and deceleration to avoid adverse weather and sea conditions. The Company has used the weather routing services provided by Weathernews Inc. to monitor the Company's ships' navigation and fuel consumption and to keep track of improvements in case of performance abnormalities. 2. Enhance crew risk awareness: Increase crew risk awareness and provide case studies for fleet reference and response use.

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Metrics and Targets

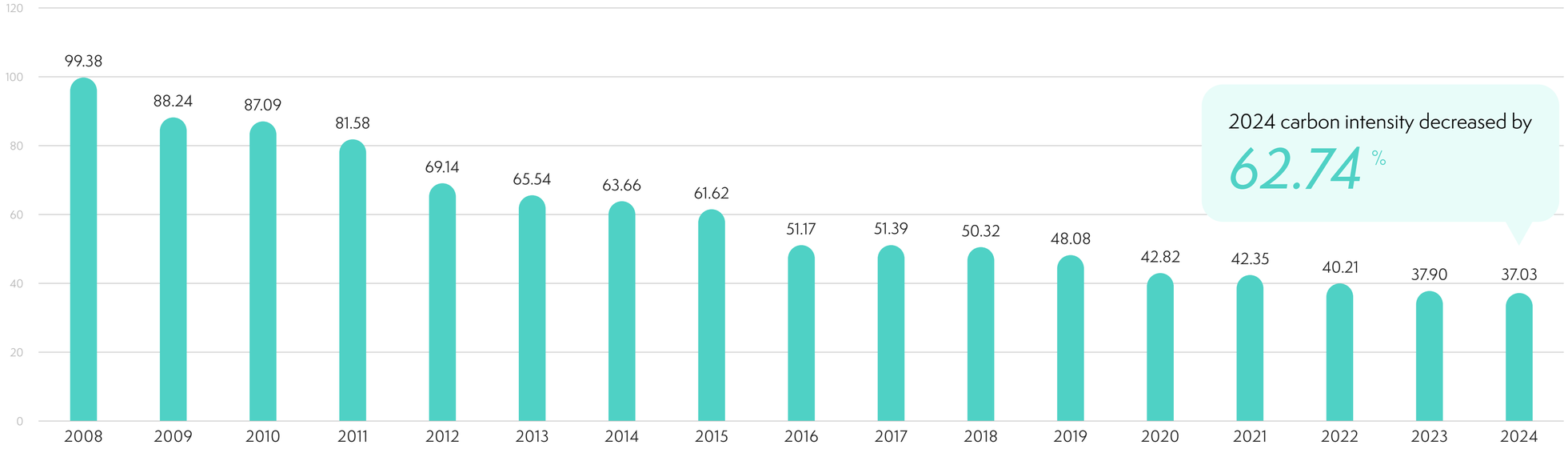
Management of the Fleet's Carbon Emissions

The Company continues to exceed international regulatory requirements, adopting management measures including hull optimization, introducing environmentally friendly new vessels, optimal speed control, intelligent monitoring systems, and existing vessel modifications. As a result, 2024 operating vessel carbon intensity was 37.03 g/TEU-km, a 62.74% reduction compared to 2008, achieving the IMO 2030 target of 40% reduction ahead of schedule.

Additionally, due to vessels extending sailing distances to avoid Red Sea crisis, fuel consumption and carbon emissions could not be reduced; however, starting from 2024, the fleet began using biofuel, reducing carbon intensity by 0.87 g/TEU-km, an improvement of 2.30%.

Indicator - Fleet Carbon Intensity Change

Unit: CO_2 (g/TEU-km)



Goal

2025

- Carbon intensity reduced by 1% compared to 2024

2024 Vessel Greenhouse Gas Emissions

Carbon dioxide (CO_2) 4,211,561.1052	Methane (CH_4) 1,826.1820	Total Scope 1 and Scope 2 emissions 4,278,713.0440 (metric tons CO_2e)
Nitrous oxide (N_2O) 61,948.0583	Hydrofluorocarbons (HFCs) 3,377.6985	

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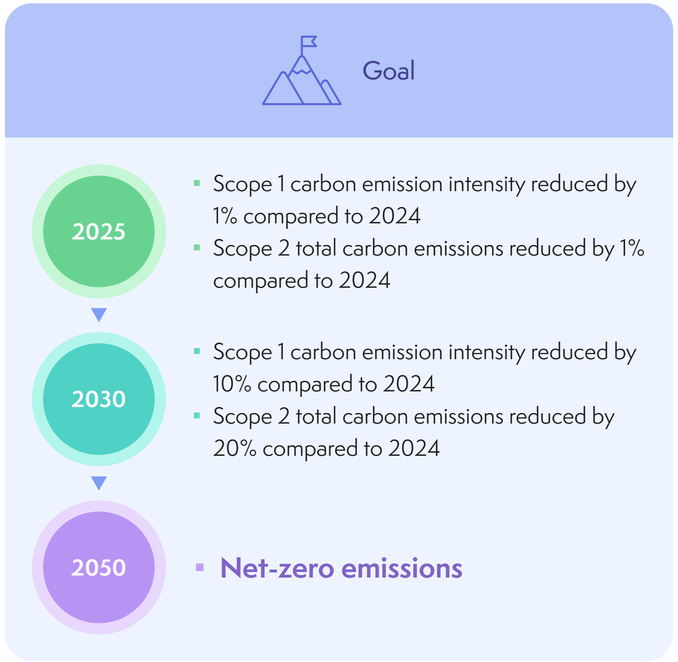
3.3.2 Greenhouse Gas Emission Management

GHG Inventory Results

Emissions Category		Emissions in 2022 (tCO_2e)	Emissions in 2023 (tCO_2e)	Emissions in 2024 (tCO_2e)
Scope 1	Category 1 - Direct emissions	4,034,299.5445	4,214,595.4986	4,356,300.6872
Scope 2	Category 2 - Indirect greenhouse gas emissions from imported energy	11,200.4093	18,136.9886	17,032.6671
Scope 3	Category 3 - Indirect greenhouse gas emissions from transportation	3,691.7967	2,537.5598	1,588.1372
	Category 4 - Indirect greenhouse gas emissions from products used by the organization	591,848.4237	1,473,243.6116	1,186,550.6676
	Category 5 - Indirect greenhouse gas emissions from the use of products from the organization	52,501.2755	33,782.3770	45,326.7864

[1] Category 3 in 2022 added inventory of employee commuting and business travel; Category 4 added inventory of emissions from purchased goods, capital goods emissions, and carbon emissions from vessel waste treatment.
[2] Category 4 in 2023 added office equipment and shipbuilding capital goods.
[3] Category 1 & 2 emissions for 2023-2024 cover subsidiaries within consolidated financial reporting boundaries.



Scope 1 total emissions increased by 3.36%, mainly due to operating vessels continuously detouring around the Red Sea in 2024, resulting in extended sailing distances and increased fuel usage, preventing reduction in fuel consumption and carbon emissions, but overall intensity decreased by 34.73%. Scope 2 and Scope 3 emissions decreased by 6.09% and 18.29% respectively, showing that the Company's continued promotion of energy-saving and carbon reduction measures has been effective. In the future, the Company will continue to expand renewable energy and shore power usage, gradually introduce biofuel into shipping operations to reduce carbon emissions from traditional fossil fuel usage.

Unit: tCO_2e

Emissions Category		2022	Carbon intensity	2023	Carbon intensity	2024	Carbon intensity	Two-year (2023, 2024) carbon emission changes	Two-year (2023, 2024) intensity changes
Scope 1	Category 1	4,034,299.5445	15.4563	4,214,595.4986	29.9707	4,356,300.6872	19.5608	3.36%	-34.73%
Scope 2	Category 2	11,200.4093	0.0429	18,136.9886	0.1290	17,032.6671	0.0765	-6.09%	-40.71%
Scope 3	Categories 3-5	648,041.4959	2.4828	1,509,563.5484	10.7348	1,233,465.5912	5.5385	-18.29%	-48.41%

[1] Carbon intensity calculated as emissions per unit currency tCO_2e / 2024 consolidated operating revenue of NT$222,705.949 million.
[2] 2023 boundary coverage extended to consolidated subsidiary companies using consolidated financial statement operating revenue of NT$140,623.713 million, so 2023 data was adjusted accordingly.
[3] 2022 boundary was parent company using individual financial statement operating revenue of NT$261,012.906 million.

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3.4 R&D and Investment in Low-Carbon Technologies

As global environmental awareness deepens, such as IMO regulations for annual carbon intensity reduction targets or the European Commission's proposal for 75% reduction by 2050 relative to 2020 baseline, Yang Ming actively commits to low-carbon technology investment and R&D, continues to monitor low-carbon industry development, pragmatically seeks clean energy and related transportation vessel investment opportunities, and adopts diverse strategies including developing alternative fuel deployment, researching vessel energy-saving technologies, and industry-academia cooperation to meet global zero-carbon challenges and achieve green sustainability goals. Total environmental investment expenditure in 2024 was NT$2,010,092 thousand.

Environmental expenditure

Unit: NT$ (thousands)

Type	Item	2023	2024
Capital Investments	Environmental protection equipment, energy-saving and low-carbon ship construction, ship modification	12,368,153	1,922,022
	Ballast water equipment modification, wastewater filtration and separation equipment for the container washing area	13,947	31,080
	Green roof (solar energy, rainwater harvesting system)	300	348
Operating Expenses	Environmental protection equipment testing, environmental management system maintenance, other equipment	38,388	45,823
	Renewable energy procurement expenses and renewable energy certificates	785	4,142
	waste and wastewater management	7,453	6,678
Total Expenses (= Capital Investments + Operating Expenses)		12,429,027	2,010,092
Cost savings (reduced costs for energy, fuel, raw materials; additional income from waste recycling, etc.)		3,355	8,540
Percentage of business covered by environmental management systems		100%	100%

Development of Alternative Fuels and Energy-saving Technologies

The Company continues to monitor the technological maturity of different types of vessel alternative fuels (such as biofuel, methanol, hydrogen, ammonia), completeness of supply chain vertical integration, and development of international environmental regulations. The Company has signed contracts for 5 vessels of 15,500 TEU LNG dual-fuel container ships Which are expected to be put into operation successively from 2026. LNG fuel carbon emissions are reduced by approximately 20% compared to traditional fuels, and it is currently the most mature alternative fuel. Through selecting cleaner LNG-powered dual-fuel vessels for newbuild planning, while planning to use biofuel certified by International Sustainability & Carbon Certification (ISCC) process certification to replace traditional fuels, it is expected to reduce vessel fuel well-to-wake lifecycle carbon emissions by approximately 20% compared to traditional fuels. This aims to reduce carbon emissions and enhance overall fleet operational competitiveness. Starting from 2024, seed seafarers have been arranged to obtain LNG basic and advanced training certificates and engine type training in accordance with the (IGF Code) to meet operational needs after the LNG newbuild delivery.

For the research and development of energy-saving technologies for ships, the Company has made continuous efforts and achieved progressive outcomes. Currently, the research focuses on carbon capture systems, Air lubrication system, energy-saving wind shields, energy-saving propellers, shaft generators, and exhaust/waste heat recycling systems. Evaluate alternative fuel-related infrastructure (such as bunkering ports), fuel supply chains, and main/electric engine technology development maturity. Meanwhile, the Company will continue to invest resources in seeking innovation and breakthroughs in energy-saving technologies to help achieve green shipping goals.

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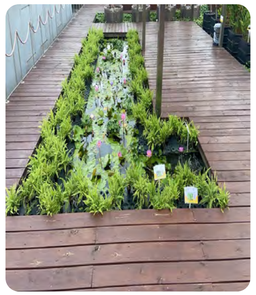
Low-carbon Investments for Onshore Business Locations

Ecological green roof



In support of the government's net-zero carbon emissions policy, the Company has installed a multi-functional "Ecological Green Roof" on its office building in Taipei. By installing rainwater harvesting and solar energy systems and using plants for carbon fixation, it can bring green into the workplace and the urban environment, achieving a green economy and environmental sustainability. Expected to significantly reduce rooftop floor surface temperatures, with indoor temperature differences of up to 5 degrees Celsius in lower floors, combined with solar photovoltaic systems to generate electricity. In 2024, approximately 2,240 kWh of electricity was saved, with annual carbon reduction of approximately 1.0618 metric tons CO_2e, helping to save energy costs and increase the proportion of renewable energy in total electricity consumption. The headquarters Qidu building rooftop will also install a 9.6 kW solar photovoltaic system and 19.2 kW energy storage equipment, with an expected annual reduction of approximately 3.8201 metric tons CO_2e. Meanwhile, the ecological green roof utilizes a rainwater recovery system to irrigate diversified landscape plants such as mint, rosemary, marigold, and perennial vines with recycled water resources, creating green spaces that combine environmental protection and aesthetics, thereby strengthening urban greening benefits, enhancing building environmental friendliness and increasing ecological value. In 2024, 134 tons of rainwater were recovered, with annual carbon reduction of approximately 0.0142 metric tons CO_2e. The total annual carbon sequestration by all plants is expected to reach approximately 0.0416 metric tons CO_2e, reducing urban drainage pressure and protecting water resources, also helping to mitigate climate change. The rainwater recovery system construction project for the headquarters Qidu building is expected to be completed in February 2025.

[1] 2024 Chongqing building solar photovoltaic system generated 2,240 kWh total, annual carbon reduction: 2,240 kWh × 0.474 kg/kWh (Taipower 2024 electricity emission factor) ÷ 1,000 ≈ 1.0618 metric tons CO_2e; Qidu building rooftop solar photovoltaic system estimated generation: 9.6 kW × 365 days × 2.30 kWh/day/kW (calculated based on Taiwan Power Company's 2024 Keelung City daily average generation of approximately 2.30 kWh) = 8,059.2 kWh/year, estimated carbon reduction: 8,095.2 kWh × 0.474 kg/kWh (Taipower 2024 electricity emission factor) ÷ 1,000 ≈ 3.8201 metric tons CO_2e.

[2] 2024 Chongqing building rainwater recovery totaled 134 tons, annual carbon reduction: 134 tons × 0.10595 kg CO_2e (Taipei Water Department's 2023 carbon dioxide equivalent per ton of water) ÷ 1,000 ≈ 0.0142 metric tons CO_2e.

[3] Plant carbon sequestration: Calculated based on Building Site Greening Design Technical Standards, carbon sequestration 32.01 (plant carbon sequestration equivalent Gi × planting area Ai) × α ecological greening correction factor 1.3 times ÷ 1,000 ≈ 0.0416 metric tons CO_2e.

Annual carbon reduction of approximately

4.9377 metric tons CO_2e

Promotion of Renewable Energy Procurement

Yang Ming has actively promoted renewable energy procurement since 2023, responding to the Company's renewable energy policy. The Qidu headquarters building and northern, central, and southern operational offices purchased 658 renewable energy certificates in 2024, with 658,000 kWh transferred through green electricity, equivalent to reducing approximately 325.052 metric tons CO_2e emissions. It is expected to achieve the goal of approximately 30% renewable energy use for daily power supply at onshore office locations in 2025, reducing dependence on traditional energy, and will gradually increase the proportion of renewable energy use annually, implementing Yang Ming's commitment to environmental sustainability.

Transportation and Container Yard Equipment Electrification

Official motorcycles use electric motorcycles, official vehicles are gradually being replaced with hybrid vehicles accounting for 17.65%, with each vehicle saving 3 liters of fuel per 100 kilometers compared to traditional vehicles. All official vehicles are expected to save 600 liters annually, reducing approximately 1.4131 metric tons CO_2e.

The new gantry cranes at Keelung Container Yard have been certified by both the American Bureau of Shipping and TÜV Rheinland for energy efficiency and safety. Power can be supplied directly to equipment through power lines, reducing losses that previously occurred when electricity was transmitted through intermediate transformer stations, while reducing average energy consumption per container handling operation. The new gantry cranes consume only one-sixth the electricity of old gantry cranes, saving an average of 98,666 kWh annually, equivalent to reducing 48.8397 metric tons CO_2e. The decommissioned diesel rubber-tired gantry cranes can reduce approximately 934.22 million liters of diesel consumption annually, equivalent to reducing 251.3909 metric tons CO_2e, totaling approximately 296.0548 metric tons CO_2e reduction.

Loaded container storage area: Yang Ming was the first to place the container pickup lane in the middle of the storage area to shorten the distance that gantry crane trolleys have to move, enhancing pickup efficiency. Loaded containers are placed on both sides of the lane, and container cement and steel-reinforced container pads are used to deal with the rainy weather in Keelung and avoid stacking the containers on the waterlogged ground, effectively reducing the risk of moisture damage to cargo. The area has a storage capacity of 2,160 TEUs, and there are 336 reefer container plugs for import/export and transshipment containers, which effectively expands the service capacity of Yang Ming at Keelung Port.

Goal

2025

- New official passenger vehicles 100% use hybrid electric or pure electric vehicles
- Replace electric equipment when replacing old equipment

2030

- Official passenger vehicles 100% use pure electric vehicles
- Electrify 100% of newly purchased operating equipment

Based on Da'an Forest Park's annual carbon dioxide sequestration of approximately 242.55 tons,
Expected annual **reduction** of approximately **631.614 metric tons CO_2e**, equivalent to **2.6** Da'an Forest Parks' carbon dioxide sequestration.

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3.5 Air Pollution Management

The sulfur limit of the International Maritime Organization (IMO) requires that the content of sulfur in marine fuel shall not exceed 0.5%. Since it took effect in January 2020, all ocean carriers have been under enormous pressure in terms of reducing SOx emissions. Yang Ming's fleet met the requirement early in the fourth quarter of 2019. Compared to the heavy fuel oil formerly used, the newly-used fuel's SOx emissions have been reduced by 86%.

As of 2024, the Company's vessel scrubber installation ratio is 53%, with remaining vessels all using low-sulfur oil to reduce sulfur oxide emissions. Average unit nitrogen oxide emissions decreased by 2.86% compared to 2023, with no change in sulfur oxide emissions. Vessels are not equipped with particulate matter (PM10) measurement equipment; total particulate matter (PM10) emissions are estimated at approximately 8,797.21 tons through coefficient calculation, with average unit transportation operation emissions of approximately 0.078 g/TEU-km.

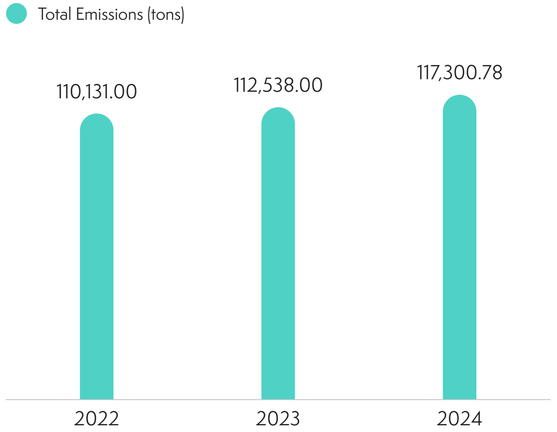
Chlorine atoms act as catalysts for ozone decomposition, causing ozone damage. The 1987 Montreal Protocol requires countries to gradually restrict chemical substances such as Halon, chlorofluorocarbons (CFCs such as R-12), and hydrochlorofluorocarbons (HCFCs such as R-22). Yang Ming strictly complies with relevant regulations. In 2024, there were no emissions of substances that could damage the ozone layer.

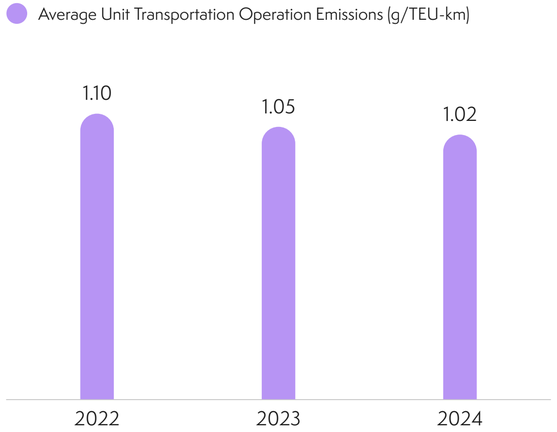
To respond to environmental protection and improve air quality, new containers in 2024 fully used water-based paint. Compared to full use of solvent-based paint, this effectively reduced VOC organic gas emissions by approximately 1,051.8 tons, demonstrating the Company's emphasis and efforts on air pollution control.

* Particulate matter (PM10) emissions (tons) = fuel consumption (tons) × emission factor; emission factors reference coefficients provided by EcoTransIT World (main engine HFO = 0.00699, MGO = 0.00068, auxiliary engine HFO = 0.00603, MGO = 0.00059, boiler HFO = 0.00603, MGO = 0.00059).

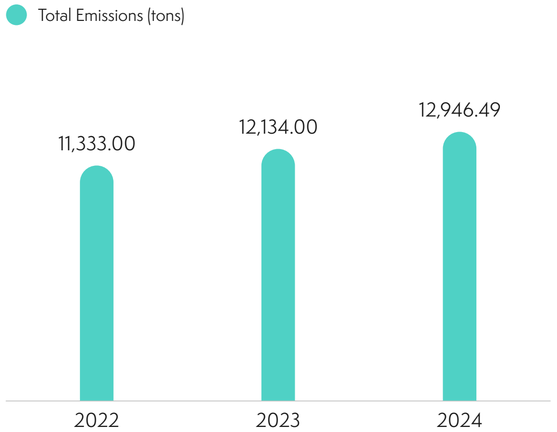
Air Pollution Emissions

Nitrogen Oxides (NOx)





Sulfur Oxides (SOx)



* According to the 2008 research report by the National Technical University of Athens Maritime Transport Laboratory, SOx consists of SO_2 and SO_3, with SO_3 accounting for extremely low amounts, so SO_2 is considered as SOx. SO_2 calculation is based on average × sulfur content of each oil product, with each ton of oil product × sulfur content × generating 20g of SO_2 ((consumption tons × 1,000 × 20g) ÷ 1,000 ÷ 1,000).NOx is calculated based on fuel consumption, with medium-speed engines generating 57g NOx and low-speed engines generating 87g NOx. Conventionally, heavy fuel oil is used in low-speed engines and marine gas oil (MGO) is used in medium-speed engines. Calculation method: ((heavy fuel oil × 1,000 × 87g + marine gas oil MGO × 1,000 × 57g) ÷ 1,000 ÷ 1,000).

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3.6 Waste and Ship Demolition Management

As Yang Ming has developed more energy-efficient ships and continued the expansion of service routes as a leading global ocean carrier, the replacement of old ships with new ones and the increasing waste production volume as a result of rising demand have become important issues. Effective management is achieved through policy development and by sorting, disposing of and recording/controlling the waste produced in the course of operations as well as disposing of decommissioned ships.

Onshore Waste Management Measures

- Promote waste reduction and resource recycling measures to employees quarterly.
- Implement waste sorting and recycling to ensure proper waste treatment and improve recycling quality.
- Encourage colleagues to bring their own utensils and eco-friendly cups, avoiding single-use utensils.
- Take appropriate portions at lunch to avoid waste and reduce food scraps.
- 2024 paper usage decreased by approximately 19.83% compared to 2023, and promoted paper document destruction, recycling, and reuse.
- General waste is entrusted to qualified removal contractors for transport and treatment, with each operational location handling according to local environmental regulations.
- Promote environmental education courses to cultivate employee environmental and sustainability awareness.

Total waste disposed

The Company actively promotes various waste reduction and resource recycling measures to achieve goals of resource circulation and environmental sustainability. In 2024, total non-recyclable waste decreased by 43.78% compared to 2023, showing that waste reduction management mechanisms have been effective. Meanwhile, total recyclable waste increased by 46.63% compared to 2023, reflecting the Company's proactive actions and continuous improvement in resource recycling and classification management.

Unit: Metric ton

Type	2022	2023	2024
Non-recyclable non-hazardous waste	306.94	379.87	214.03
Non-recyclable hazardous waste	0.00	0.81	0.00
Total non-recyclable waste	**306.94**	**380.69**	**214.03**
Recyclable non-hazardous waste	12.10	26.51	21.44
Recyclable hazardous waste	16,710.36	19,542.70	28,673.76
Total recyclable waste	**16,722.46**	**19,569.21**	**28,695.20**

Goal

2025

- Office non-recyclable waste generation not exceeding 2024 (baseline year), resource recycling ratio reaching 10%
- Office paper consumption not exceeding 2024 (baseline year)

2030

- Office and container yard non-recyclable waste reduced by 3% compared to 2024 (baseline year), resource recycling ratio reaching 10%
- Office paper consumption reduced by 3% compared to 2024 (baseline year)

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Disposal of Waste from Onshore Locations

Unit: Metric ton

Business Locations	Type		2022	2023	2024
Offices	Non-hazardous waste	General waste from business activities (incineration)	59.94	90.18	57.25
		Domestic waste from employees (incineration)	6.89	33.33	18.29
		Resource recycling [1]	12.10	26.51	18.55
Total			**78.93**	**150.03**	**94.09**
Container yard	Non-hazardous waste	Business waste (incineration)	187.14	200.48	48.71
		Resource recycling [2]	-	-	2.89
	Hazardous waste	Waste motor oil (recycled and reused)	2.00	2.00	1.71
Total			**189.14**	**202.48**	**53.31**

[1] Resource recycling volume in 2022 only included Qidu headquarters, 2023 included Keelung Branch. 2024 statistics cover domestic operational locations.

[2] Starting from 2024, container yards classify non-hazardous waste into business waste and resource recycling items.

Vessel Waste Management Measures

- Onboard waste classification collection and onboard waste treatment comply with MARPOL Annex V and local environmental regulations. Yang Ming's fleet has established garbage management plans regulating treatment of hazardous waste and solid waste generated onboard, including 5 major procedures: collection, classification, treatment, storage, and recording.
- Food waste is properly treated according to convention and port state legal requirements.
- In addition to waste and hazardous substance reduction, waste batteries/chemicals/waste fluorescent tubes/medical waste are arranged for shore recycling treatment.
- Used paper, empty barrels, empty boxes, and wooden boards are collected for reuse.
- Ships are equipped with stainless steel garbage bins marked with different colors for waste classification, with additional markings for combustible/non-combustible and recyclable/non-recyclable.
  - Plastics (red)
  - Food waste (green)
  - Operational waste/incinerator ash (black)
  - Cargo residue (Yellow)
  - Domestic waste (blue)
  - Electronic waste (White)
  - Waste cooking oil (brown)
- Garbage storage areas are regularly disinfected and cleaned.
- Promote online environmental education courses to cultivate seafarer's environmental and sustainability awareness.

Goal

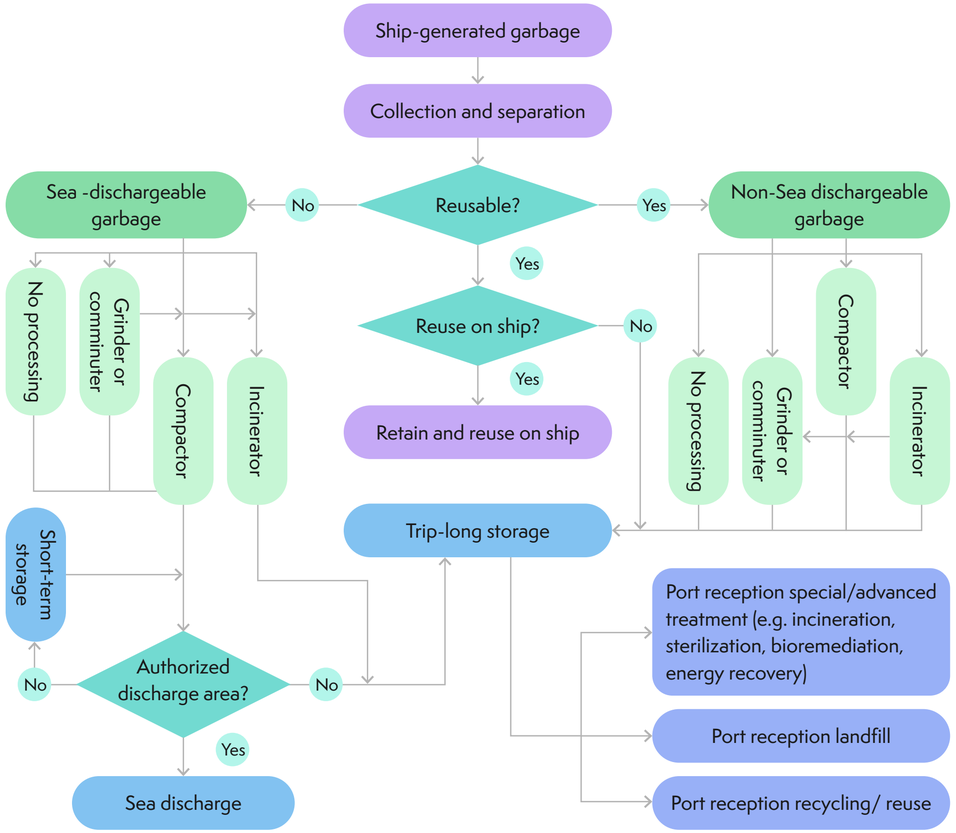
2025

- Operating vessel resource recycling ratio not lower than 2024 (baseline year)

2030

- Operating vessel non-recyclable waste reduced by 1% compared to 2024 (baseline year), resource recycling ratio reaching 40%

Waste Treatment Flow Chart



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Disposal of Waste from Ships at Sea

Unit: Metric ton

Business Locations	Type		2022	2023	2024
Vessels	Non-hazardous waste	Domestic waste from employees (incineration) [1]	52.97	55.88	89.78
	Hazardous waste	Oily waste (recycled and reused)	16,708.36	19,540.70	28,672.05
		Medical waste	0.00	0.81	0.00
Total			**16,761.33**	**19,597.39**	**28,761.83**

[1] International shipping practice calculates vessel waste discharge by volume. After annual compilation of fleet waste discharge quantities, reference relevant coefficients for conversion to weight disclosure (reference website: Volume-to-Weight Conversion Factors, April 2016); oily waste content has high water proportion so calculated as 1; waste cooking oil specific gravity calculated as 0.93.

[2] Disposal methods depend on the related regulations of port states. The subsequent transport and handling processes are conducted by vendors deemed qualified by local ports. All waste is disposed of off-site.

[3] Since 2022, GHG inventory has included ship waste.

[4] Starting from 2024, vessel waste statistics include chartered vessels.

Ship Recycling and Disposal

Yang Ming has established a green ship demolition policy. In handling retired vessels, the Company complies with the 2009 Hong Kong Convention (HKC) regulations and protects construction worker health, human rights, and marine environment through the requirements in the table below. The Company signed to join the Ship Recycling Transparency Initiative (SRTI) in 2022, updating ship recycling measures and conditions annually on the SRTI website. The Company had no ship demolition activities in 2024.

For responding to the "2009 Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships" and "EU Ship Recycling Regulation," progress implemented in 2024 is as follows:

100% of owned vessels in 2024 have obtained IHM certification

Green Ship Recycling Management Measures

- Preparation of Inventory of Hazardous Materials (IHM): Commissioned qualified professional assessment companies to prepare, regulating operational processes.
- Onboard sampling inspections: Areas with hazardous substances and pollutants undergo seafarers and sampling inspections by classification societies (IHM Part I).
- Careful selection of ship recyclers: Buyers are required to select HKC and ISO certified green ship recyclers to ensure eco-friendly ship recycling.
- Active tracking: The Company understands the situation with the buyer and ship breaker and asks them to provide a certificate and certification of completion of ship breaking.

Buyers Required to Select ISO Certified Green Ship recyclers

- ISO 9001 Quality Management System
- ISO 14001 Environmental Management System
- ISO 30000 Ship Recycling Management System
- ISO 45001 Occupational Health and Safety Management System

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3.7 Water Resource Management

Water resources are also a key concern for Yang. The Company strictly complies with water resource regulations established by competent authorities at operational locations, International Maritime Organization (IMO), International Convention for the Prevention of Pollution from Ships (MARPOL), and other international regulations for water resource use and discharge.

Water Resource Management Measures

Fleet

Ballast Water Treatment Equipment

- Please refer to Section 3.8 Conservation of Biodiversity and Marine Ecology for details.

Vacuum Toilet Systems

- Sanitary facilities in ship accommodation areas that reduce freshwater consumption during flushing while decreasing wastewater generation.

Clean Bilge Water Tank

- The tanks store clean condensation water produced by main engine air coolers to reduce the working load of oil-water separators.

Goal

2025

- Office water consumption not exceeding 2024 (baseline year)

2030

- Office water consumption reduced by 3% compared to 2024 (baseline year)

Onshore business locations

Install water-saving devices and regularly inspect pipelines

- Adjust faucet water output within usable range to avoid wasting water resources, prioritize purchasing water-saving label products, regularly inspect for pipeline leaks, and immediately analyze and improve when usage is abnormal.
- Water bottles are placed in toilet tanks to save water.
- The 2nd floor toilets in Taipei office use dual-flush water-saving toilets to conserve water, estimated to save 50% water consumption per use.

Reclaimed Water Reuse

- Taipei owned office building has installed a rainwater recovery system to irrigate various and landscape vegetation, expected to recover 134 tons of rainwater annually with annual carbon reduction of approximately 0.0073 metric tons CO_2e.
- Recycle wastewater for reuse in watering flowers, grass, and trees.

Office Wastewater Management

- Keelung Xinyi Building domestic wastewater and washing wastewater are directly discharged to Keelung City public sewerage system.
- Kaohsiung Building septic tank is pumped at least twice annually; discharge water is sampled and tested for legally required water quality testing items at discharge points (twice annually); storm drains are irregularly inspected and immediately cleaned when sludge and foreign objects are present.
- Qidu Building domestic wastewater and washing wastewater from 2nd floor and above are directly discharged to Keelung City public sewerage system; 1st floor and below are pumped from basement wastewater pumps to public sewerage system.

Container Washing Wastewater Management at Container Yard

- Industrial wastewater: Container washing areas are equipped with wastewater filtration separation equipment to perform oil-water separation of container washing water to meet Ministry of Environment discharge water standards before sea discharge, with annual water quality testing and irregular audits by the Ministry of Environment.
- Domestic wastewater: Approximately 40,000 liters monthly average discharged to septic tank, with Ministry of Environment commissioned septic pumping operations twice annually.

Water Resource Education and Promotion

- Water conservation awareness campaigns are conducted quarterly.
- Promote environmental education or online advocacy courses to cultivate employees' water conservation and sustainability awareness.

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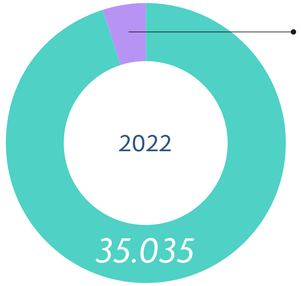
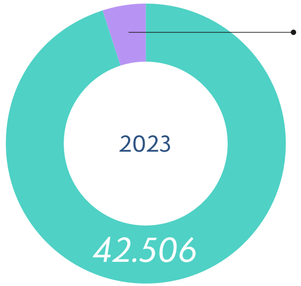
Water Consumption at Onshore Business Locations

Unit: million liters



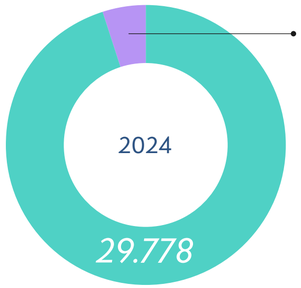
Total water withdrawal	Total water discharge
36.779	36.779

Office - Tap water (third-party water) Container yard - Tap water (third-party water)



Total water withdrawal	Total water discharge
44.248	44.248

Office - Tap water (third-party water) Container yard - Tap water (third-party water)



Total water withdrawal	Total water discharge
31.438	31.438

Office - Tap water (third-party water) Container yard - Tap water (third-party water)

[1] The above table sources are freshwater (≤ 1,000 mg/L total dissolved solids).
[2] The Company's onshore business locations do not extract water from water-stressed areas.
[3] Yang Ming's Qidu headquarters building and Kaohsiung Branch use RO systems to recover partial wastewater annually and reuse it for domestic water.

Water Use of Offshore Vessels

To reduce purchasing third-party tap water, Yang Ming vessels are all equipped with fresh water generators. The fresh water generator uses the vessel engine's cylinder liner cooling water as its heat source and converts seawater into distilled water through vacuum distillation heating and vaporization condensation. While the fresh water generator operates, it also removes heat from the cylinder liner cooling water, thereby enhancing engine cooling effectiveness. The freshwater produced by the fresh water generator is mainly used for boilers and domestic water. The drinking water for seafarers is mainly replenished when vessels dock at terminals, with no water extraction from water-stressed areas.

Vessel water consumption is divided into machinery equipment and accommodation personnel consumption. Since there are no measuring devices, discharge volumes are not recorded. The Company's management measures are described as follows: Yang Ming vessels' engine room bilge water uses oil-water separators complying with International Maritime Organization (IMO) and International Convention for the Prevention of Pollution from Ships (MARPOL) regulations and adopts coastal and port environmental protection policies exceeding convention requirements, conducting legal operations beyond 15/25 nautical miles offshore, under conditions of appropriate vessel speed, oil pollution concentration below 15ppm, and non-Antarctic areas for sea discharge. Greywater includes drainage from dishwashing water, bathing water, laundry water, shower and washbasin drainage. Currently, the International Convention for the Prevention of Pollution from Ships does not regulate greywater treatment. Yang Ming exceeds convention requirements by installing or retrofitting greywater storage tanks. Future newbuilds will all be equipped with greywater storage tanks. Current vessels do not discharge within 15/25 nautical miles of shore, storing greywater in onboard greywater storage tanks.

Water Consumption of Offshore Vessels

Unit: million liters

Year	2022	2023	2024
Fresh water	196.566	198.440	197.506
Tap water (third-party water)	-	70.995	77.849
Total water withdrawal	196.566	269.435	275.355

[1] Tap water sources are freshwater (≤ 1,000 mg/L total dissolved solids).
[2] Water replenishment volume was not recorded in 2022. Since vessels are not equipped with flow meters, discharge volumes cannot be recorded.

Water Resource Usage Purposes

Unit: million liters

Water Resource Usage Purposes		2024
Domestic water use	Onshore locations	29.778
	Vessels	197.506
Vessel industrial water use	Container washing	1.660
	Vessel machinery equipment	77.849

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3.8 Conservation of Biodiversity and Marine Ecology

Yang Ming's transportation services are closely related to marine natural resources. Therefore, climate change and biodiversity protection (especially marine ecosystems) are crucial and significant to us. Yang Ming supports harmonious coexistence of all species and participates in conservation to achieve global environmental sustainability goals. In 2024, Yang Ming passed the "Protecting Biodiversity and Zero Net Deforestation Commitment" through Board approval, declaring determination to participate in environmental protection. Furthermore, referencing the Taskforce on Nature-related Financial Disclosures (TNFD) industry guidance draft for the shipping industry (including cruise industry) released in January 2025, as well as ENCORE assessment tools and UN Biodiversity Lab (UNBL) database, the Company analyzes corporate dependencies and impact items on natural capital and adopts LEAP methodology to assess Yang Ming's nature-related risks and opportunities in ecosystems, developing response strategies, management targets, and indicators (for nature-related risk assessment, please refer to Section 3.3 Natural and Climate Change Governance Strategy) to strengthen the company's ability to respond to risks and seize opportunities, promote balanced relationships with nature, and make positive contributions to a sustainable future.

3.8.1 Value Chain Biodiversity Sensitive Areas and Major Dependency Impact Management

Yang Ming Value Chain

Upstream Suppliers

Ship construction companies, equipment suppliers, oil product manufacturers, etc.

Yang Ming Business Activity Scope

Type	Service Content
Onshore - Port Terminals	Vessel berthing, container loading/unloading
Offshore - Vessel Navigation	Maritime transportation services
Onshore - Container Yards	Container distribution centers
Onshore - Service Counters and Office Buildings	Business services, administrative office

Downstream Customers

Ship agency operators, importers/exporters, etc.

Yang Ming follows the LEAP methodology to preliminarily identify the Group headquarters' business footprint and value chain, including upstream suppliers in the operational value chain (such as: ship construction companies, equipment suppliers, oil product manufacturing); own business activities (container terminal operations, maritime cargo transport, land trucking transport, service counters and office buildings) and international transportation services required by downstream customers as the selected assessment scope or services. By referencing the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) assessment tool jointly developed by the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) and Capitals Coalition, Yang Ming identifies its value chain's dependencies and impacts on nature and ecosystems, and further evaluates how related operational activities interface with nature for business activities with potential medium and high dependencies and impacts. From ENCORE methodology identification of value chain environmental dependencies and impacts, business activity locations (service counters and office buildings) have the lowest degree of dependency and impact on natural ecosystems compared to other business activities, while offshore vessel navigation has the most close and significant dependency and impact on ecosystems.

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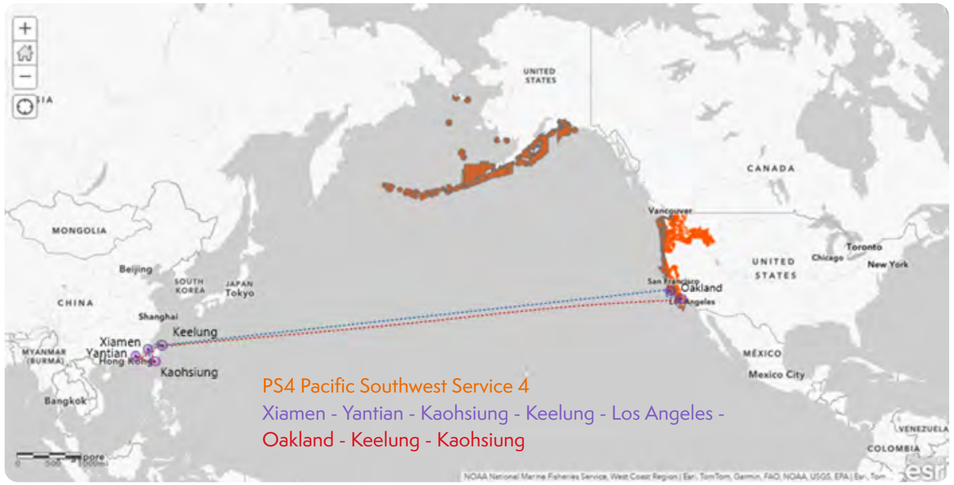
Business Activity Scope Dependency and Impact Analysis

Color VH: Very High | Color H: High | Color M: Medium | Color L: Low | Color VL: Very Low | Not involved

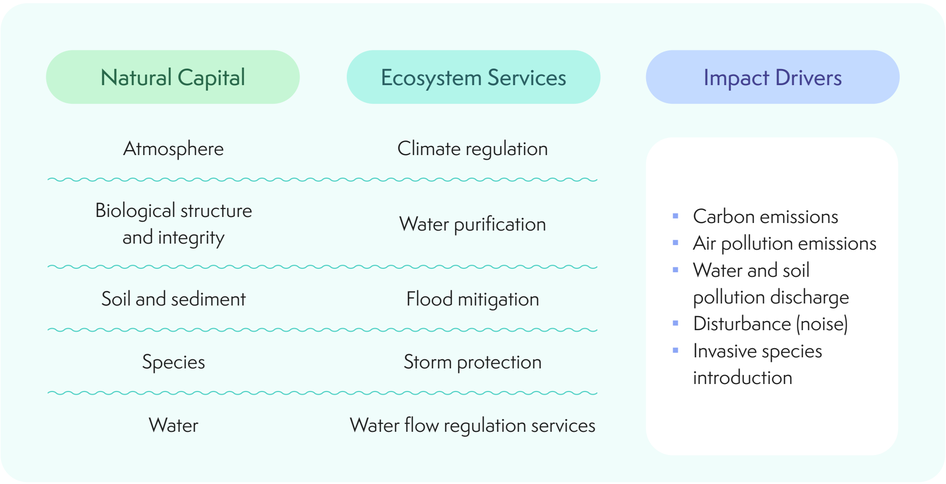
Business Activity Scope	Dependencies					Impacts						
	Ecosystem Services					Environmental Pressures						
	Climate regulation	Water purification	Flood mitigation	Storm protection	Water flow regulation	Disturbance	GHG emissions	Solid waste	Water and soil pollution discharge	Seabed use area	Air pollution emissions	Invasive species introduction
Onshore - Port Terminals												
Offshore - Vessel Navigation												
Onshore - Container Yards												
Onshore - Service counters and office buildings												

Considering that the ENCORE database provides industry-level analysis, and also referencing the global biodiversity database platform UN Biodiversity Lab (UNBL), this platform shows that under climate change pressure drivers, Pacific coastal ecosystems in the Asia-America region are experiencing increasing human impacts annually. Considering that the Company's operational volume is busiest in Pacific waters between Asia and America, the Asia-America Pacific route path (Keelung-Los Angeles) was selected as the primary analysis target. For map application, overlay analysis was conducted using critical biological habitats designated by NOAA Fisheries (National Oceanic and Atmospheric Administration, Fisheries) along the U.S. West Coast. The overlay results show that the operational navigation activity range borders critical biological habitats in the Los Angeles area of Southern California, indicating this region may be a naturally sensitive area that should be monitored during operations.



* Orange areas represent endangered species distribution areas along the U.S. West Coast; blue-red lines represent Yang Ming's PS4 route map and berthing ports.

Maintaining vessel navigation requires ecosystem services including climate regulation, water purification, flood mitigation, storm protection, water flow regulation, biological control, etc., which need support from natural capital such as water, atmosphere, habitat, soil, etc. Impact drivers generated by Yang Ming's operations such as: carbon emissions, invasive species introduction, water resource utilization, etc., may cause impactful changes to natural capital. To effectively manage losses that specific ecosystem service loss may cause to vessel navigation and mitigate pressure that vessel navigation generates on the environment, Yang Ming evaluates various possible risk events and establishes related indicators, measurement units, and operational targets as benchmarks for subsequently establishing response measures.



* Relationship between Yang Ming's dependence on ecosystem services, impact drivers, and natural capital.

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Indicators, Measurement Units, and Targets for Major Dependencies and Impacts

Dependency/Impact	Risk Event	Risk Indicator	Measurement Unit	2025 Operational Target
Dependencies	Disastrous sea conditions	Operations affected by disasters ▪ Vessel container damage ▪ Increased fuel consumption to catch up with schedules	▪ Increased costs due to route changes affected by climate ▪ Container loss amount	1. Incorporate climate risk factors into investment, route design, and operational assessment. 2. Maintain vessel configuration and loading safety: Zero container overboard and container collapse incidents. 3. Implement vessel operational safety.
	Flooding			
	Wind disasters	Wind disasters affecting port operations ▪ Vessels unable to berth ▪ Port operations interrupted or stopped	▪ Port-skipping due to wind disaster effects, increasing transshipment costs ▪ Container loading/unloading operation delays	1. Incorporate climate risk factors into investment, route design, and operational assessment. 2. Zero container overboard and container collapse incidents. 3. Zero errors in special cargo safety control. 4. Implement vessel operational safety.
	Erosion	Marine algae affecting vessel navigation efficiency	Number of vessel dry dock cleanings	Complete underwater inspection and propeller cleaning for at least 10 long-term chartered vessels.
	Drought or flood	Navigation channels affected by drought or flood	▪ Distance of climate-affected detours ▪ Increased fuel costs and carbon emissions due to detour effects	1. Incorporate climate risk factors into investment, route design, and operational assessment. 2. Cooperate with dynamic biofuel usage.
Impacts	Disturbance	Reduced speed navigation through protected areas	Participate in blue whale protection program	Continue participating in blue whale protection program.
	Air pollution emissions	Air pollution emission management	Comply with International Maritime Organization (IMO) sulfur limit regulations	Continue recording vessel NOx and SOx emissions.
	Water and soil pollution discharge	Wastewater discharge management	Comply with International Maritime Organization (IMO) and International Convention for the Prevention of Pollution from Ships (MARPOL) regulations	1. Discharge in compliance with international regulations. 2. 100% of ships are equipped with a ballast water management system.
	Solid waste	Vessel waste management	▪ Generation volume (metric tons) calculation ▪ Owned vessel certification ratio for [Inventory of Hazardous Materials]	Vessels continue recording total waste volume, resource recycling ratio not lower than 2024 (baseline year).
	Invasive species introduction	Install ballast water treatment system (Ballast Water Filter System)	Owned ship installation ratio	100% of owned ships are equipped with a ballast water management system.
	Carbon emissions	Greenhouse gas inventory (Scope 1~3)	Greenhouse gas emissions (metric tons CO_2e)	1. Carbon emission intensity reduced by 1% compared to 2024. 2. Inventory greenhouse gas emissions of companies within financial statement scope.

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3.8.2 Marine Ecosystem Protection

The Kunming-Montreal Global Biodiversity Framework adopted at COP15 in 2022 aims for relevant global departments to protect 30% of the earth's land, inland waters, coastal and marine areas by 2030, enabling biodiversity resources to achieve sustainable use. Yang Ming's operations span major waters worldwide. Combining the International Maritime Organization's continued attention to various marine environmental issues with ENCORE database analysis, the Company will continue promoting mitigation measures in operational activities to maximize avoidance (Avoid) and reduction (Reduce) of impact driver effects, including reducing invasive species risks, decreasing disturbance to marine life, and minimizing environmental pollution impacts. In 2024, the company further collaborated with the National Museum of Marine Science & Technology to invest in coral restoration programs, responding to the company's biodiversity conservation policy.

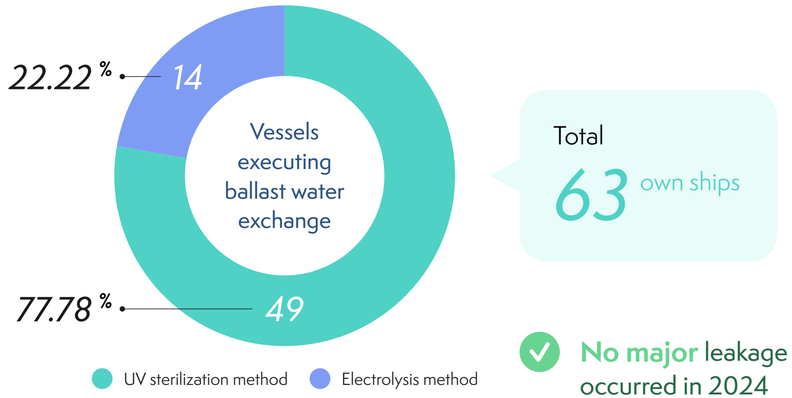
Reducing Invasive Species Risks

Ballast Water Discharge Management

"Ballast water" is pumped in from the sea to maintain vessels' stability and balance. However, as the ballast water may carry local aquatic organisms, the "Ballast Water Treatment System" has been installed on our vessels to eliminate invasive aquatic organisms and pathogens species contained in the ballast water in order to avoid harming the marine environment and ecological balance. Yang Ming complies with the International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM), installing ballast water treatment equipment on vessels and completing new Ballast Water Management Plan (BWMP) submissions and delivery to vessels. All ballast water management is subject to Port State Control (PSC) inspections and meets port state requirements.

By the end of 2024, **63** owned ships have **100%** completed ballast water system installation and completed new Ballast Water Management Plan (BWMP) submissions.

Ballast Water Treatment Methods



Total
63 own ships

No major leakage incidents occurred in 2024

The total time that the fleet sailed through marine protected areas was 543 days in 2024. The sailing details are shown below:

Protected/Reserved Marine Areas Names Traversed by Vessel Navigation	Location of Area	2022 Total Navigation Time (Days)	2023 Total Navigation Time (Days)	2024 Total Navigation Time (Days)
Offshore Sousa Chinensis Reserve in Coastal Changhua	Eastern Asia	21	102	209
San Francisco Traffic Separation Scheme/Southern California Waters	Southwest coast, the U.S.	77	176	229
Offshore Alaskan Whale Sanctuary in the U.S.	Northern America	1	0	61
Australia Coral Sea PSSA Area	The Great Barrier Reef area in Australia	64	50	44
Total Days		**163**	**328**	**543**

* Protected/reserved marine areas follow SASB (International Sustainability Standards Board) definitions.

Flighted Spongy Moth Complex Regulations

The Company's fleet complies with announcements jointly issued by the U.S. Department of Agriculture (USDA), Animal and Plant Health Inspection Service (APHIS), and Canadian Food Inspection Agency (CFIA) regarding harmful Flighted Spongy Moth Complex (FSMC), taking relevant measures for vessels calling at FSMC regulated areas during specific risk periods:

- Vessels undergo inspection and FSMC-free certification by approved certification institutions.
- Vessels must arrive at North American ports without FSMC; if FSMC is discovered upon arrival, port authorities require departure for cleaning and vessels must completely clear FSMC before reapplying for port entry to reduce potential risks of FSMC entering North America. To avoid vessel delays, shipping companies must conduct intensive vessel self-inspections before arrival to find, remove (scrape off) FSMC and properly handle or destroy all egg masses and FSMC in any state before entering U.S. and Canadian ports.
- Vessels must provide a two-year port call list to their Canadian or U.S. agents at least 96 hours before arriving at North American ports.

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Reducing Disturbance to Marine Life

Plan for Vessel Speed Reduction to Protect Blue Whales

From May to November annually, to avoid vessel collisions with endangered large marine creatures such as blue whales, humpback whales, and fin whales in Southern California and San Francisco Bay waters, allowing whales to safely migrate to these waters for feeding, the Company has continuously responded since 2016 to the "Protecting Blue Whales & Blue Skies" Program led by the National Oceanic and Atmospheric Administration (NOAA), with the fleet voluntarily reducing speed to below 10 knots and receiving the highest honor Sapphire Award for two consecutive years.

Minimizing Environmental Pollution Impact

Great Barrier Reef Protection

The Company regularly calls at Sydney, Melbourne, and Brisbane ports in Australia. During voyages from Asian ports to the aforementioned ports, vessels consistently use low-sulfur oil with sulfur content below 0.5%, navigating in the Particularly Sensitive Sea Area (PSSA) waters east of the Great Barrier Reef according to Weathernews Inc. recommendations, without sailing in the Great Barrier Reef core waters, to protect coral reefs and demonstrate the Company's dedication and determination to protect marine ecological environments.

Preventing Vessel and Container Surface Chemical Pollution of Oceans

The bamboo flooring of the Company's containers must meet Yang Ming's testing requirements. Before assembly, the flooring undergoes permanent preservative treatments according to the container quarantine and inspection procedures of the Australian Federal Departments of Health and Transport and in accordance with the Australian Quarantine and Inspection Service's requirements. After container use, each handover inspection must comply with The Institute of International Container Lessors (IICL) regulations, completing cleaning without leaving organic substances to avoid affecting marine water quality. Additionally, considering that heavy metal accumulation in marine life potentially affects human health, Yang Ming's vessels use new tin-free marine paints for ship hulls to avoid marine pollution.

Species Conservation

Coral Restoration Program

The Company's coral restoration program in cooperation with the National Museum of Marine Science & Technology launched in March 2023, establishing two breeding tank hardware facilities at the National Museum of Marine Science & Technology Tide Pool Marine Center, with Company employees participating in tank maintenance as one-day volunteers. As of 2024, 16 species totaling approximately 1,064 coral seedlings have been cultivated, with the earliest cultivated coral seedlings having grown to one and a half times their original size.

These practical actions not only enhance biological habitats, foster marine biodiversity resilience, and promote nearshore marine biological resource recovery, achieving biodiversity protection and climate change mitigation effects. Since coral cultivation activities began, over 100,000 visitors have visited, showcasing the beauty of coral ecological environments to the public through Yang Ming's breeding tanks, implementing the Company's " Protecting Biodiversity and Zero Net Deforestation Commitment" and continuously promoting environmental sustainability awareness.

Coral breeding tanks

Prohibition of Shark Fin and Illegal Wildlife Transportation

Yang Ming joined the global shark fin ban commitment in 2015 to protect natural resources. Shark fin is a controversial commodity whose trade activities cause serious damage to marine ecosystems and shark populations. We are well aware that sharks, as an important part of the marine ecosystem, are crucial to maintaining the ecological balance of the ocean. Therefore, Yang Ming prohibits transportation of cargo with "Shark Fin" commodity names, incorporates this into booking system controls, actively participates in global shark fin trade prohibition actions, and requires global agencies to comply with this regulation, working together to achieve global shark fin trade prohibition goals. Starting in 2024, the Company declared the "Biodiversity and Zero Net Deforestation Commitment," following species protected by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and listing them as prohibited booking items, implementing the Company's emphasis on combating illegal wildlife smuggling, promoting species conservation and maintaining sustainable development.

YANG MING

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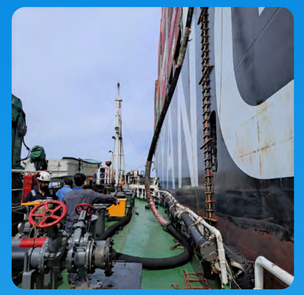
Environmental Highlights
Biofuel Implementation

Yang Ming's YM Inception was bunkered with biofuel at Hong Kong on March 7, 2024

Yang Ming's YM Masculinity was bunkered with biofuel at Singapore on March 8, 2024



Yang Ming's YM Together bunkered the B30 HSFO biofuel at Pusan Port, South Korea on June 26, 2024

7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Yang Ming responds to the 2050 net-zero emission target. In addition to actively implementing energy-saving measures in daily fleet operations and gradually using renewable energy at onshore locations, to further control annual vessel greenhouse gas emissions and progressively advance sustainable development measures, the fleet began adding biofuel starting in 2024 to actively reduce greenhouse gas emissions.

On March 7 and 8, 2024, Yang Ming added marine sustainable biofuel to the 1,805 TEU YM Inception in Hong Kong and the 6,600 TEU YM Masculinity in Singapore respectively. YM Inception is deployed on Japan to/from Taiwan, Hong Kong, Thailand, Vietnam service (JTC), while YM Masculinity operates on Far East to Middle East service (CGX). Fuel was provided by Chimbusco Pan Nation Petro-Chemical Co., Ltd. and KPI OceanConnect, consisting of ISCC (International Sustainability & Carbon Certification) certified FAME B24 biofuel, composed of Fatty Acid Methyl Ester (FAME) and traditional Very Low Sulfur Fuel Oil (VLSFO), reducing vessel fuel well-to-wake lifecycle carbon emissions by approximately 20%.

On June 26, 2024, YM Together deployed on Trans-Pacific routes (PN3) used B30 biofuel at Busan Port, South Korea, becoming the first foreign shipping company to use this fuel at the port. The fuel meets ISO 8217 standards and ISCC certification, mainly sourced from cooking oil (UCO) made of native plants, complying with the EU FuelEU Maritime Initiative and reducing greenhouse gas emissions by 25% compared to conventional marine fuels.

In December 2024, Yang Ming added 1,000 tons of B30 VLSFO at Pusan Port, South Korea. Fuel was supplied by Hanwa Co., Ltd., with bunkering operations performed by HD Hyundai Oilbank Co., Ltd. B30 VLSFO consists of 30% Used Cooking Oil Methyl Ester (UCOME) and 70% very low sulfur fuel oil, certified by ISCC, significantly reducing vessel carbon emissions.

In 2024, 31 Yang Ming fleet vessels used biofuel, totaling 61,238 tons of biofuel usage, with emission reduction benefits of approximately 18.11% compared to conventional fuels.

Yang Ming has long deepened sustainable development strategies through hull optimization, optimal speed control, and intelligent monitoring systems. Additionally, five newly constructed 15,500 TEU Liquefied Natural Gas (LNG) dual-fuel container ships are expected to be delivered successively starting in 2026. The fleet's 2024 carbon intensity decreased by 62.74% compared to 2008, achieving the IMO 2030 carbon reduction target of 40% ahead of schedule. In the future, the Company will continue seeking innovative fuel solutions, exploring cleaner and more efficient energy choices, advancing toward the 2050 net-zero vision and leading the shipping industry toward sustainable development.

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Environmental Highlights
Protecting Biodiversity and Zero Net Deforestation Commitment

Invasive Species Removal

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

14 LIFE BELOW WATER

15 LIFE ON LAND

Global ecosystems are facing challenges of climate change and biodiversity loss, affecting the stability of Earth's environment and human sustainable development. Yang Ming actively faces climate change challenges, responds to the UN Convention on Biological Diversity and Sustainable Development Goals (SDGs), promotes biodiversity conservation actions, and takes practical actions to maintain balanced development of Earth's ecosystems. In 2024, Yang Ming's " Protecting Biodiversity and Zero Net Deforestation Commitment" was approved by the Board of Directors. Through inside-out environmental impact mitigation strategies, including proactive speed reduction when vessels pass through sensitive waters and supporting coral restoration programs, the company jointly supports and responds to ecological environmental protection, enhances ecological protection awareness, and ensures the integrity and sustainability of global biodiversity.

To achieve "No Net Loss," "No Net Deforestation," and "Net Positive Impact" by 2050, Yang Ming commits to implementing zero deforestation policies for new operational locations before 2030, promoting zero deforestation knowledge to important key supply chain partners, continuously protecting key ecological areas, following local regulations, and avoiding operational activities near key biodiversity areas. Where unavoidable, ecological impacts will be reduced through "prevention, mitigation, restoration, and offsetting" to minimize impacts on ecological environments.

Simultaneously, through the Company's "Supplier Code of Conduct," supply chain partners are required to jointly comply with this commitment and related biodiversity protection regulations, avoiding destruction of protected forests, oceans, and species. Yang Ming also commits to implementing responsible transportation, complying with the "United for Wildlife Transport Taskforce - Buckingham Palace Declaration on the Illegal Wildlife Trade," avoiding procurement from suppliers that cause biodiversity loss or violate environmental regulations. Additionally, the Company continues promoting circular economy, enhancing resource use efficiency, and prioritizing FSC forest-certified products to reduce environmental burden.

Yang Ming actively participates in important domestic and international biodiversity initiatives and conducts environmental education to enhance stakeholder environmental awareness. Through collaboration with government institutions, non-governmental organizations, academia, communities, and others, the Company supports biodiversity conservation, afforestation carbon sequestration, marine blue carbon, and other programs to jointly promote global ecological sustainable development.

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Going Digital

Smart Operations Creating Sustainable Win-Win Situations

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12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Chapter Highlights

- No serious shipping-related major accidents occurred in 2024
- Zero container overboard and container collapse incidents, zero errors in special cargo safety control
- The global shipowner digital billing rate reached 100%
- Promoted various digital paperless initiatives, reducing approximately 5.3023 tons of CO_2e
- Won the first prize in the "Maritime and Port Big Data Creative Application Competition"
- Participation in "Intelligent Ship Analysis and Digital Monitoring Management Project" won the 2024 IT Matters Awards Digital Transformation Award
- Won the Taiwan International Ports Corporation's "Maritime Industry Innovation Application and Digital Transformation Award"

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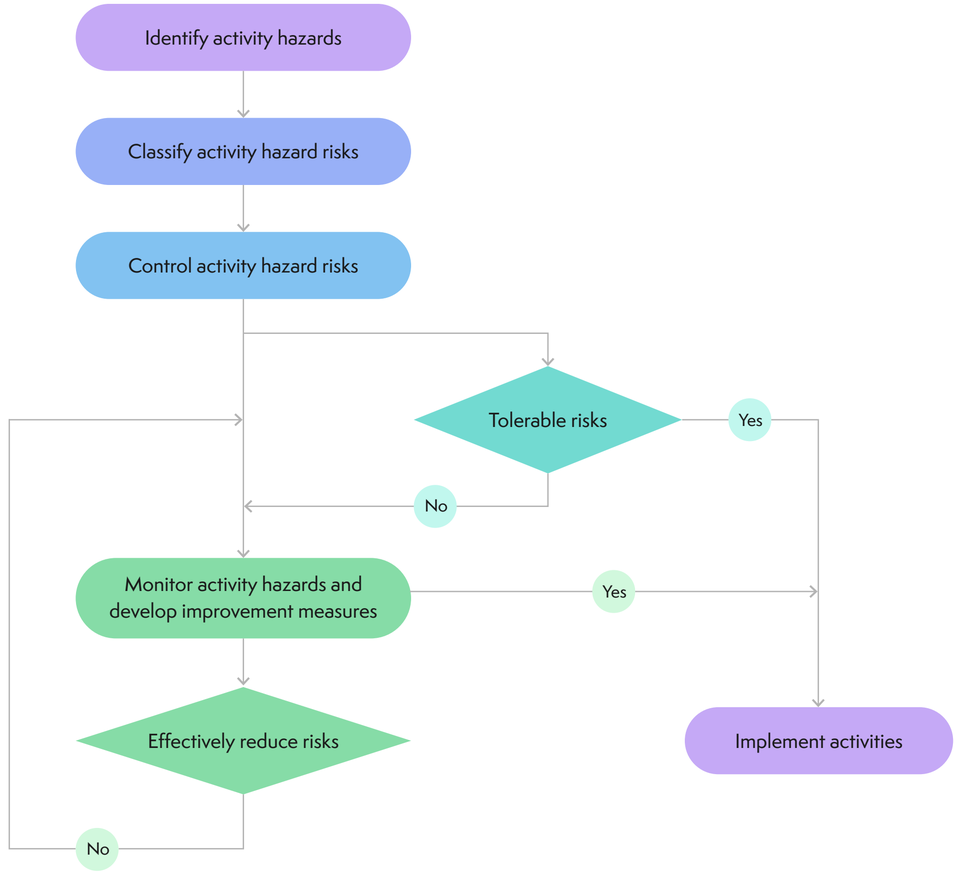
4.1 Navigation and Transportation Safety

4.1.1 Ship Safety Management

Ship Operation Regulations and Risk Management Procedures

In 1996, the Company became the first domestic shipping company to obtain International Safety Management Code (ISM CODE) certification. Through annual internal audits and external inspections, the Company has established comprehensive operational standards and management manuals according to International Maritime Organization (IMO) regulations. Following the requirements of Chapter IX "International Ship and Port Facility Security Code (ISPS CODE)" of the International Convention for the Safety of Life at Sea (SOLAS), the Company has established risk assessment and control procedures complying with the International Safety Management Code (ISM CODE), ensuring occupational health protection for seafarers and other personnel involved in vessel activities. Operating in a safe and sanitary environment through comprehensive management measures and operational guidelines, the Company is committed to enhancing vessel operation safety, environmental protection, and efficiency, effectively achieving goals of maritime life safety, cargo transportation safety, vessel information asset security, and marine environmental protection.

Safety management of vessel operations is crucial. Vessel managers assess risks based on specific situations, formulate control measures, and establish processes for responding to emergencies. Risk Assessment (RA) and Training Risk Assessment (TRA) have been implemented onboard. To strengthen vessel risk management, fleet risks are within controllable risk ranges, and acceptable risk tolerance levels are assessed based on onboard risk assessment forms. Through advance risk identification and monthly implementation of "Self-Identified Deficiency (SID) form" and additional control measures, both vessel and shore sides can quickly find problem solutions in the short term. Additionally, emergency manual procedures serve as response strategies for critical situations, providing all necessary procedures and checklists for onboard reference and compliance, effectively maintaining navigation safety and current conditions, ensuring fleet work safety. Furthermore, when vessels encounter emergency major accidents, the vessel side uses onboard satellite and radio communication equipment to send accident messages, while the shore side immediately establishes emergency response teams, contacts vessels, and provides support. The number of serious shipping-related major accidents in 2024 was 0 (according to SASB standard definitions, serious incidents include total vessel loss, loss of life, or serious environmental pollution).



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2024 Shipping-Related Accident Description

1	YM Mobility dangerous goods explosion accident	Description: Transit dangerous goods explosion accident occurred at Ningbo Port

Future Risk Control Measures

Prohibit collection of such high-risk sensitive dangerous goods, continue providing crew response capability and accident handling training; include in crew pre-job training highlights and annual crew training courses; such dangerous containers (IMO DG CLASS 5.2) are completely prohibited from vessel loading.

2	YM Unicorn Keelung Port grounding accident	Description: Grounding accident caused by avoiding fishing boats during port entry at Keelung Port

Future Risk Control Measures

Strengthen communication and coordination with pilots to formulate comprehensive port entry plans, use ship handling modules to establish safe Abort Points as emergency plan guidelines for the fleet.

3	YM Witness collision accident at Turkish terminal	Description: Chartered vessel YM Witness had an accident while berthed at Port of Evyap, Turkey

Future Risk Control Measures

Since chartered vessel operations are the shipowner's responsibility and the shipowner accepts maritime accident investigations, for accidents occurring during berthing, the shipowner actively investigates and clarifies with the competent authorities at the berthing port. According to reports, no personnel casualties or marine pollution incidents occurred at the scene.

International Safety Management (ISM CODE) Certification

Ship Maintenance and Inspection

To ensure adequate seaworthiness of the ships, the routine planned maintenance of the Company's fleet relies on the planned maintenance system (PMS) used by the Company, that is, using AMOS Business Suite for management and maintenance. AMOS provides a ship-to-shore management platform that can track the maintenance of ship equipment and the management of materials/parts in a timely manner, effectively assist the fleet in allocating accessories, record the storage location, and manage inventory. It also avoids waste caused by multiple applications. Additionally, a new EAM management system has been added. This system can generate work orders on a cyclical basis to remind crew members to perform machine maintenance and strengthen overhaul project implementation, improving vessel machinery equipment management levels and work efficiency. Furthermore, annual maintenance of all Yang Ming fleet equipment is coordinated with classification society inspection schedules, combined with the company's Planned Maintenance System (PMS) to control related machinery equipment maintenance, ensuring vessels meet navigation and operational requirements.

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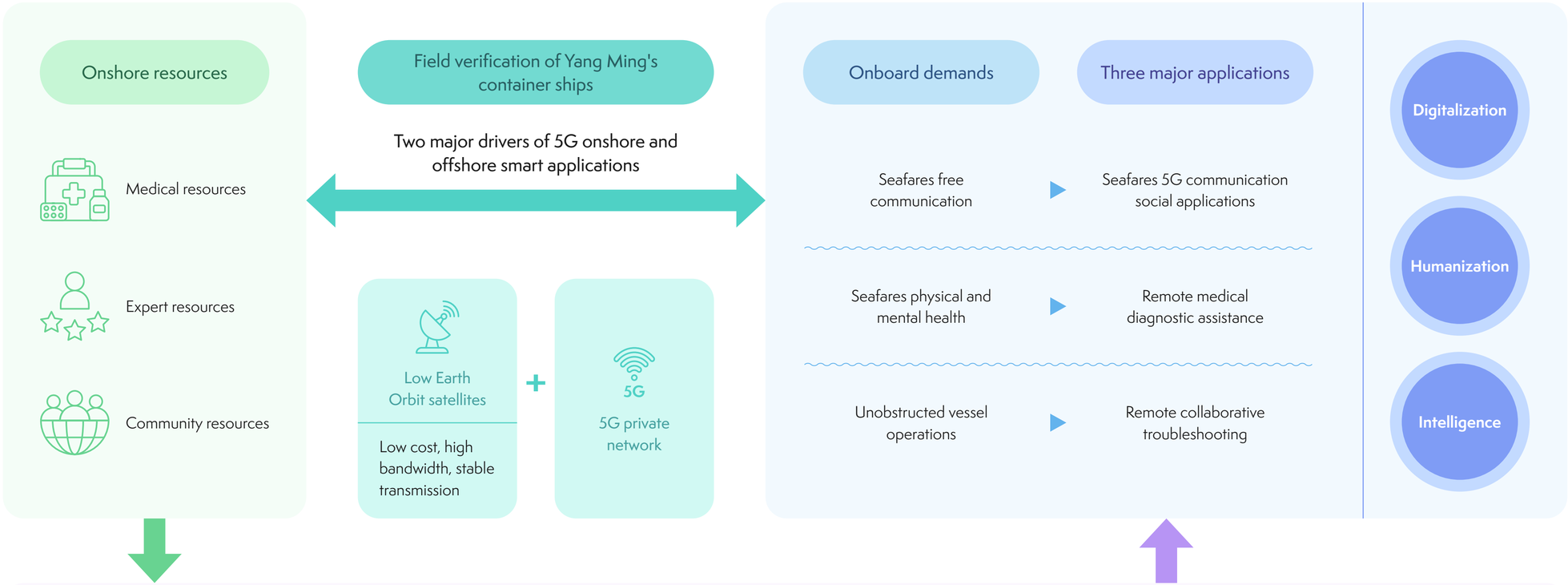
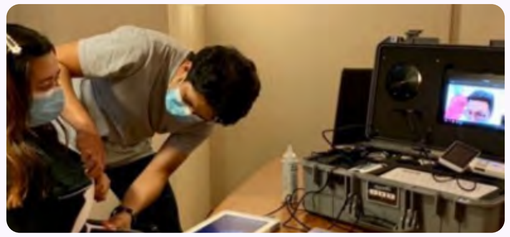
4.1.2 Vessel Low Earth Orbit Satellite Service Construction and Application

When emergency situations involving personnel or equipment abnormalities occur onboard, if onsite personnel cannot resolve problems themselves, they can only rely on company headquarters for support. However, due to transmission bandwidth and traffic limitations, effective assistance is difficult. Therefore, plans were made to utilize low earth orbit satellites' characteristics of low cost, high bandwidth, and stable transmission to address the above situations. In 2024, the engine room 5G environment was optimized, with continued planning to combine low earth orbit satellites (SpaceX) + 5G high-speed transmission to develop applications such as "remote medical diagnostic assistance," "remote collaboration (AR) and troubleshooting," and "seafarers 5G communication social applications."





Remote medical diagnostic assistance

Remote collaboration (AR) and troubleshooting

Seafarers 5G communication social applications

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Smart Ship Center (War Room)

Yang Ming's smart ships are combined with new ship building designs, incorporated with big data servers collecting voyage data and actual engine room operating data to monitor the speed and sailing schedule of ships and predict their sailing conditions in the future. Weathernews Inc. and supervision captains are in charge of monitoring the dynamics of the ships, and weekly meetings are held regularly for reporting. The energy efficiency performance of every ship in the fleet is monitored in a real-time manner through the data reported by Power BI. On the shore side, the energy efficiency performance is managed through satellite networks. Data analysis is conducted and equipment health and potential risks are also assessed to reduce fuel consumption while saving energy and reducing carbon emissions.

In response to the Company's digital transformation strategy, vessels have also introduced information systemization, effectively consolidating existing fleet information data and administrative process operations to provide shore-side synchronized fleet management monitoring.

Smart Ship Center (War Room) Three-Phase Planning 2021-2028

Phase 1	March 2021 (6 months)

Prepare existing data, provide a comprehensive display of alert values and rankings, and create a graphic map base.

Phase 2	January 2022 to December 2023 completed (24 months)

Administrative process inventory and optimization, promoting EAM QC (Enterprise Asset Management Quality Control) system and electronic fence integrated applications, advancing vessel big data to major vessels to enhance carbon intensity indicators and improve various application software WEB-based improvements.

Phase 3	2024 to 2028

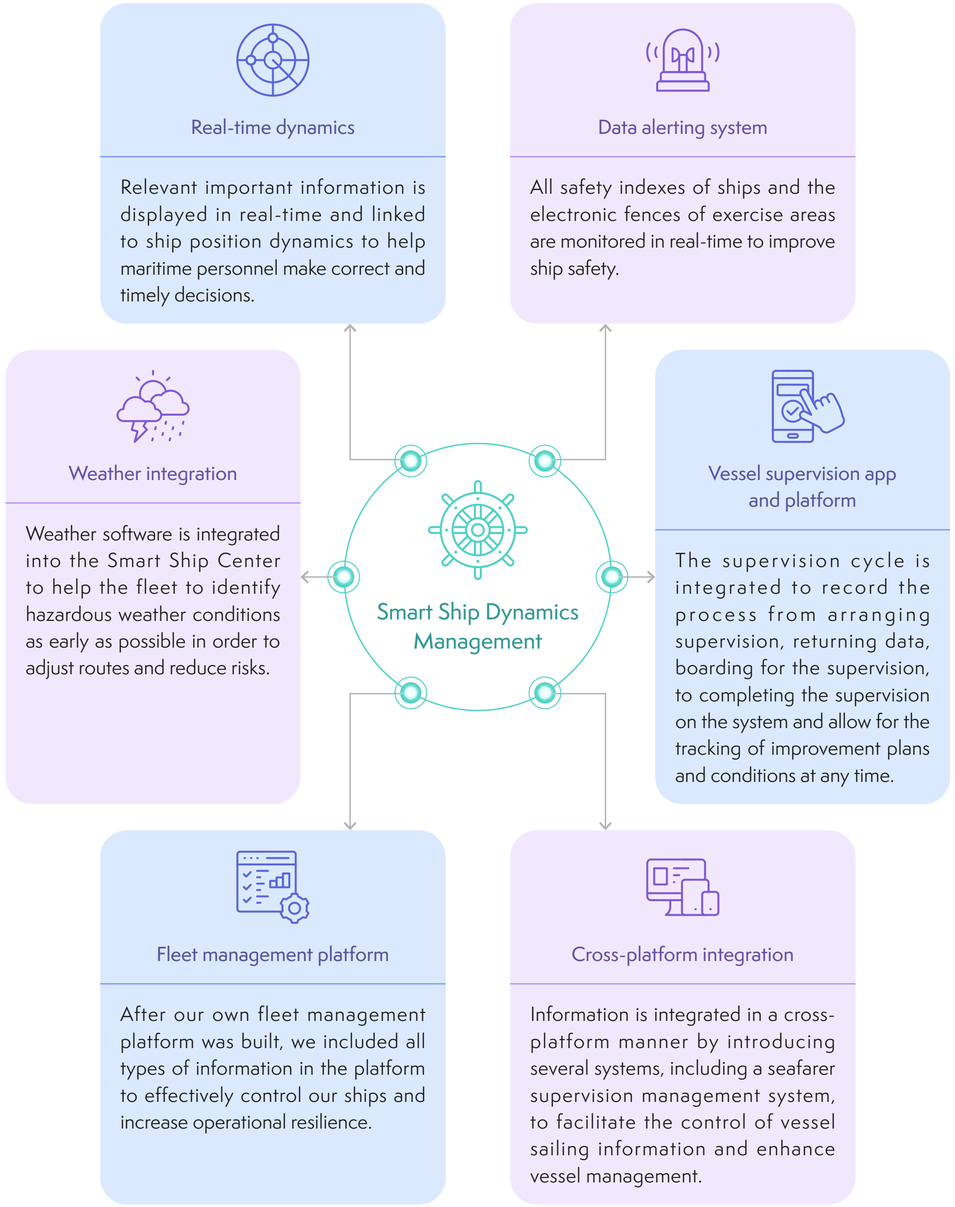
Perfect vessel information systems, allowing Yang Ming's internal senior executives to log in according to authority accounts, view cross-departmental information for decision-making use, and advance vessel big data systems to the entire fleet. 2024 completed projects:

- Material management system module construction completed, entering testing phase
- QC / MR / SHE system modules construction completed, already in online use

Future planning goals:

Enhance overall vessel operation and maintenance performance, including work report completeness and interface operation fluency. Planned modules include PMS (Planned Maintenance System), vessel dry dock, fleet supervision/audit, seafarers handover, fleet deficiency tracking and improvement management (QC), and newbuild vessels.

Smart Ship Dynamics Management



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4.1.3 Cargo Safety

To ensure cargo is safely delivered worldwide, Yang Ming strictly complies with various international conventions such as the International Convention for the Safety of Life at Sea (SOLAS), International Convention for the Prevention of Pollution from Ships (MARPOL), International Convention for Safe Containers, and International Maritime Dangerous Goods Code (IMDG CODE), and arranges and transports goods in coordination with legal regulations for cargo and dangerous goods at ports in various countries. Aside from abiding by the conventions and laws and regulations, the Company has introduced WNI's professional weather routing system for transportation to gain access to the safest route recommendations. All employees operating the system are required to receive various education and training courses to build complete knowledge of shipping and transportation safety and abilities to operate professional systems and software. With the aforesaid multiple control measures, the Company's cargo transport safety is effectively ensured. Safety measures such as risk control mechanisms and notification are initiated for ships entering high-risk areas.

According to statistics, there was 1 incident reported through the "Cargo Incident Notification System (CINS)" in 2024. This involved a Yang Ming vessel (YM Mobility) that experienced a serious explosion of a dangerous container from an alliance partner while operating at Ningbo Port. Preliminary investigation showed the container was Class 5.2 dangerous goods, using a reefer container instead of a dry container format, thus requiring no electrical connection. Immediate firefighting measures were taken at the scene, all crew members were safely evacuated. Follow-up investigation tracking showed that the Company's document review procedures for the dangerous container before loading complied with international regulations (IMDG Code) and the Company's dangerous goods acceptance policy. The dangerous container spontaneously exploded and caught fire. To maintain vessel safety and accelerate accident handling, six tugboats were dispatched for escort after the incident. Experts from the International Group of P&I Clubs, classification society, and surveyors all arrived at the scene to coordinate with competent authorities. The subsidiary Huan Ming (Shanghai) International Shipping Agency Co., Ltd. actively cooperated with competent authorities in emergency response. The Company has also commissioned relevant units to investigate the cause and responsibility of the incident.

Zero container overboard and container collapse incidents in 2024

Yang Ming's Safe Transportation Process

1 Education and Training

- Personnel must receive cargo stowage, special cargo, and dangerous goods education and training before executing related tasks. Detailed education and training content for seafaring personnel can be found in Section 5.2.4 Talent Cultivation - 2024 Seafaring Employee Skills Enhancement Training Implementation Status.

2 Pre-departure Safety Inspection

- Cargo safety

  Ship and shore personnel use Class-certified loading software with Apply Specific Route & Short Voyage functions and Lashing Force inspection software to review various loading safety data and perform Lashing Force and Max Stack Weight inspections.

- Route safety

  By utilizing data and suggested route provided by weather forecast companies, we can further reduce risk caused by weather.

- Various inspections and confirmations before and after cargo loading
  - ✓ After receiving the pre-stowage plan, stowage personnel use the Pre-Plan Checklist (PPC) to systematically inspect the pre-stowage plan, confirming all safety aspects comply with regulations.
  - ✓ When non-compliant vessel plans are discovered, terminals should make modifications and simultaneously transmit revised vessel plans to ship/shore sides for various safety data confirmations.
  - ✓ Only after the onboard personnel confirm that there is no safety issue may cargo be loaded.
  - ✓ If any difference between the final stowage plan and the pre-plan at the port of loading is found, even after cargo is loaded, the difference must be corrected immediately.

3 Navigation Safety Monitoring

- When any stowage safety issues are found after departure, either of the following 3 actions is taken to solve concerns about subsequent sailing:
  - ✓ Fix the issues by restowing at the next port.
  - ✓ Return to the loading port.
  - ✓ Look for the nearest port to solve the safety issues.
- When the captain observed that there are risk concerns about synchronous rolling or parametric rolling happening, necessary actions shall be taken immediately, such as changing the sailing direction or speed.

4 Review and Improvement

- Regular review and experience sharing:
  - ✓ A monthly safety management meeting about stowage planning is held regularly to review the causes of incidents, eliminate the causes of cargo shifting, and share stowage experiences.
- Yang Ming has joined international consisting of shipowners to discuss transport safety issues.

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4.1.4 Special Cargo Transportation

To enhance cargo transportation safety and achieve the goal of personnel, vessel, and cargo safety, Yang Ming has established a professional dangerous goods management team to strictly oversee safety inspections for all dangerous containers (including alliance partners) before vessel loading. All dangerous cargo containers carried by the Company have relevant documents prepared and submitted to the Operations Department for review before loading. Loading approval is only granted after confirming that declared information complies with International Maritime Dangerous Goods Code (IMDG CODE) regulations, dangerous goods operation restrictions at various port states, and Yang Ming Dangerous Goods Policy provisions. If our alliance partners intend to apply for loading dangerous goods on Yang Ming's ships, the goods may be loaded on the ships only after the same review procedures are completed.

The Company has established the Yang Ming Dangerous Goods Policy (YM DG Policy), considering the following regulatory formulations:

1. International Maritime Dangerous Goods Code (IMDG CODE) prohibited cargo
2. High-risk cargo
3. Cargo having a high frequency of abnormal incidents during shipping and is prohibited from shipping by most carriers

In addition to the three main regulatory considerations, the Company also incorporates professional knowledge and recommendations on cargo hazard characteristics provided by the "Cargo Incident Notification System (CINS)" into Yang Ming Dangerous Goods Policy for irregular revisions.

Key Points for Loading Dangerous Goods

Information Gathering	Participate in shipowner organizations such as the World Shipping Council (WSC), Cargo Incident Notification System (CINS), and International Vessel Operators' Dangerous Goods Association (IVODGA) to promptly understand transportation safety information and discuss related transportation safety issues.
Compliant Stowage	Stowage personnel must comply with International Maritime Dangerous Goods Code (IMDG CODE) segregation regulations, Document of Compliance for Carriage of Dangerous Goods (DOC), Yang Ming Dangerous Goods Policy (YM DG Policy), port operation regulations, and related special requirements when conducting dangerous container loading operations.
Implementation Assessment	Deliver dangerous goods documents to vessel side and transshipment ports, include in agency assessment items.
Agile Management	Based on dangerous goods abnormalities published by the Cargo Incident Notification System (CINS), promptly disseminate information and notify agencies to check for similar cargo situations.
Implementation Execution	Dangerous goods application data is properly recorded in the dangerous goods management system. Agencies should inspect dangerous goods declaration forms, dangerous goods labels, and check containers for external damage or leakage when receiving dangerous goods, and handle storage operations according to container yard dangerous goods operation regulations.

Thanks to the strict control of the shipping and transportation safety of each batch of dangerous goods, the Company did not violate the IMDG Code and the dangerous cargo loading/discharging operation regulations of each port state in transporting dangerous goods in 2024. Regarding customer non-compliant labeling, there were 7 cases in 2024 where dangerous container customers did not correctly label dangerous goods according to International Maritime Dangerous Goods Code (IMDG CODE), which is the shipper's responsibility. The Company immediately notified customers and assisted with supplementing and correcting dangerous goods labels to ensure subsequent transportation operations comply with regulations.

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Cargo Detection and Defense System (DDS)

This system collaborates with external vendors' dangerous goods concealment detection software. The Company maintains a keyword database of dangerous goods names and concealment names to execute suspicious concealment bill of lading detection operations, reviewing shipping instruction (SI) documents and official bill of lading content before loading. In addition to containing the names of dangerous goods in the IMDG Code, this database is updated by the members of the dangerous goods management team from time to time to add the names of undeclared goods. The system performs daily bill of lading scanning operations. If suspected dangerous goods or concealment keywords appear in bill of lading documents, the actual product name of suspected dangerous goods cargo is immediately tracked, and customers are further required to provide relevant product documents for confirmation to eliminate concerns about concealed dangerous goods reporting. If verification confirms that customer-declared product names match actual products in containers, loading will be approved according to original schedules. If verification confirms concealed dangerous goods reporting, loading port agencies are immediately notified to cancel loading arrangements to prevent undeclared dangerous goods from loading, thereby enhancing dangerous goods loading safety. 16 cargo concealment incidents were discovered in 2024.

System Use Procedure & Examples

Step 1 Scan all the bill of lading of cargo shipped by Yang Ming before loading on the vessel	After scanning, bill of lading content containing "Carbon" description is discovered.
Step 2 Identify cargo suspected to be undeclared dangerous goods	Search Yang Ming dangerous goods database: Carbon is classified as Class 4.2 spontaneously combustible substances in IMDG CODE.
Step 3 Track and verify whether the container contains undeclared dangerous goods	The cargo is included in the list of cargo requiring further tracking and verification.
Step 4 Prevent undeclared dangerous cargo from being loaded on the vessel	If non-dangerous goods, release for loading arrangement; if undeclared dangerous goods, immediately notify loading port agencies to prohibit loading arrangements.

Training

Ships' stowage planning and stowage safety have been key issues highly discussed recently. Maritime organizations and countries around the world strictly request container carriers to treat the issues as ones of the important shipping affairs and safe operational practices. To enhance maritime industry personnel's professional knowledge of dangerous container transportation operations, the Company has developed dangerous goods online education and training courses based on International Maritime Dangerous Goods Code (IMDG CODE) regulations and implemented "Dangerous Goods Operation Safety Training" and "Dangerous Goods Cargo Transportation Abnormal Case Studies" educational training courses, practicing IMDG CODE requirements for basic dangerous goods training of relevant personnel, thereby strengthening cargo control safety. Relevant professional courses and training are used to boost maritime workers' knowledge of business activities related to dangerous goods and their risk awareness for dangerous goods.

Training courses for relevant Company unit personnel (dangerous goods, special cargo)

Course Type	Total Trainees	Total Training Hours
Pre-boarding Safety Training and Pre-job Familiarization Training – Dangerous Container and Project Cargo Operation Precautions	93	46.5
Onshore seafarers Training Courses – Dangerous Goods General Knowledge Course and Transportation Abnormal Case Studies	155	899
Headquarters/Agency Professional Course Training – IMDG CODE Online Basic Course	90	180
Subsidiary Huan Ming (Shanghai)/Agency Professional Training - Specific Dangerous Goods Characteristics Explanation	165	330
Pre-boarding Safety Training and Pre-job Familiarization Training - Heavy Lift Cargo and Special Cargo Operation Introduction	93	46.5
Onshore seafarers Training Courses - Heavy Lift Cargo and Special Cargo Operation General Knowledge	155	310
Subsidiary Huan Ming (Shanghai)/Agency Professional Training - Heavy Lift Cargo and Special Cargo Operation Advanced	95	95

Promotion of Dangerous Goods Courses to Overseas Offices

Container shipping companies have experienced frequent accidents involving dangerous goods cargo in recent years, with continuously updated dangerous goods transportation regulations in various countries and increased risks due to deliberate concealment by exporters. To strengthen front-line business personnel's understanding of dangerous goods operation regulations and awareness, the dangerous goods management team of the Company's Operations Department conducts training courses for overseas business personnel on dangerous goods acceptance guidelines.

Confirming cargo attributes at first contact when accepting cargo is a crucial aspect of the maritime industry. Through course introduction, battery attribute classifications and corresponding regulatory restrictions can be clearly understood, avoiding abnormal incidents caused by inappropriate customer declaration names or concealed declarations. Additionally, business personnel must carefully confirm whether uncertain items can be accepted for risk, as climate changes during transportation may indirectly affect poor-quality dangerous goods in containers, increasing the likelihood of abnormal situations. Therefore, compared to general containers, dangerous goods containers have strict loading regulations for stowage segregation configurations onboard due to different product hazard characteristics or requirements to stay away from other heat sources.

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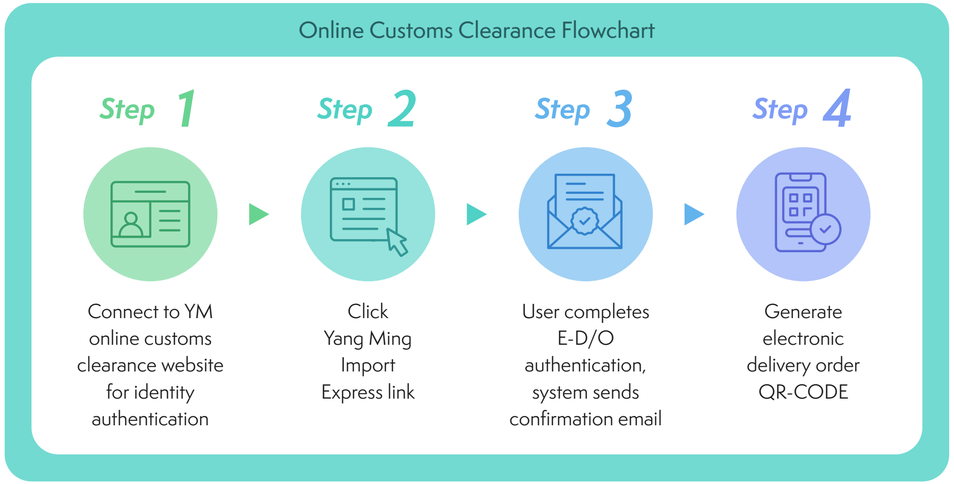
4.2 Digital Transformation and Green Innovation

4.2.1 Digital Cargo Collection

Innovative technology is changing operational models of global terminals and container yards. In recent years, the Company's container yards have actively promoted digital transformation, including: reefer container IoT, multi-payment options, Line bot, real-time imaging platforms, AI traffic flow recognition, and digital storage location management systems. Introducing innovative technology into traditional operational processes enhances operational efficiency, saves manpower, and improves customer experience. Combining yard online customs clearance and cargo collection express services, customers log into the system for online yard customs clearance, then obtain QR-Codes through system authentication of paper delivery orders (D/O) for cargo collection operations. In 2024, both Less than Container Load (LCL) and Full Container Load (FCL) cargo collection services have been launched, allowing import customers to complete all related operations online from obtaining delivery orders from shipping companies to collecting cargo at container yards without visiting counters, improving overall cargo collection efficiency and convenience. Service descriptions are as follows:

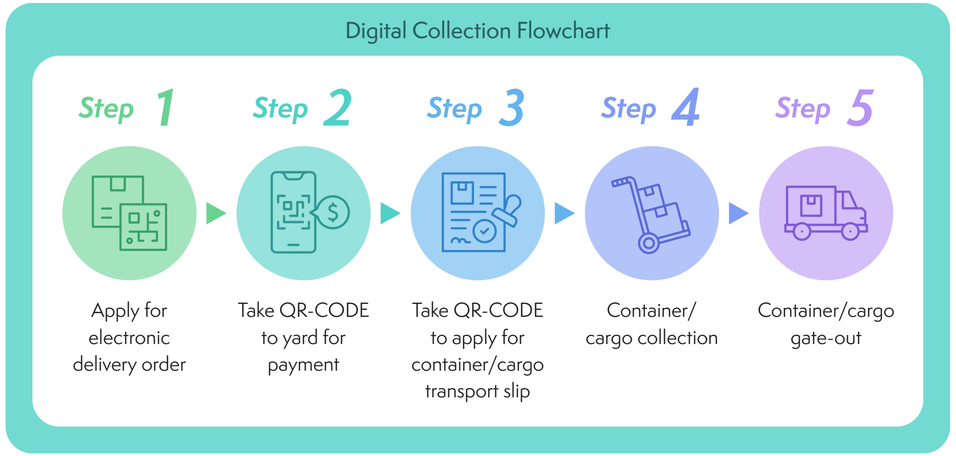
Phase 1 – Online Customs Clearance Service

Traditional counter customs clearance wastes manpower, time, and round-trip transportation costs. Therefore, online customs clearance services were first promoted, allowing applicants to complete customs clearance operations online without visiting sites. Each cargo collection saves approximately 1 hour of round-trip transportation time to container yards. In 2024, approximately 44% of clearances were completed through online customs clearance, down about 16.28% compared to 2023, possibly due to increased FCL quantities with lower online clearance ratios for FCL.



Phase 2 – Digital Collection (Electronic Delivery Order) Optimization Operations at the Yang Ming Keelung Container Yard

Continuing digital collection optimization operations, after applicants complete online yard customs clearance, they can choose to further process digital collection. The system generates QR-CODEs for applicants, which can be transmitted to drivers via mobile devices. Drivers carry these credentials to yards for container/cargo collection processes. Yard personnel scan QR-CODEs, and after system verification that containers/cargo have been released by all units and completed related procedures, exit slips are printed for container/cargo departure, completely changing traditional paper delivery order collection operations. LCL cargo went online at the end of July 2023; Keelung yard FCL container collection system also went online on September 16, 2024. The application process involves customs brokers applying for usage accounts through Trade-Van, receiving usage notifications after approval. After completing import bill of lading maritime customs clearance, customs brokers sequentially upload four documents (delivery orders, landing inspection applications, landing inspection undertakings, and import declarations) to the application platform to apply for landing tracking from the Third Special Police Corps. After Third Special Police Corps review completion, the system sends QR-Codes or collection codes for import collection operations at Yang Ming container yards. The collection process is illustrated. In 2024, 13 customs brokers registered. Keelung Branch Yard Management Team will continue promoting more operators to register and discuss optimization of collection processes with the Information Department.



As of 2024, **181** operators have registered

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4.2.2 Green Transformation of Operations

Yang Ming actively promotes digital transformation, advancing shipowner accounting processes toward digitalization and paperless operations, using this as a standard for evaluating Key Performance Indicators (KPIs) of global agencies. The company requires global agencies and suppliers to provide electronic bills (e-bills) in PDF or EDI formats, eliminating paper certificate printing, reducing cross-border express shipments to regional centers and Taiwan headquarters for account verification processes, and establishing a Cloud File Server (Cloud FS) to store electronic bills. The Company also collaborates with external R&D units and professional consultants to gradually introduce digital tools: Optical Character Recognition (OCR) + UiPath Robotic Process Automation (RPA). Since 2023, Power Automate automation processes have been added to enhance accounting processing efficiency. Currently, OCR recognition accuracy has reached 100%, integrating processes from receiving agency and supplier bills to completing account verification, significantly improving bill processing efficiency. In 2024, all China region shipowner bills were further uploaded to cloud servers, achieving 100% global shipowner bill cloud usage.

Benefits of Digital Transformation of Accounting with Shipowners' invoices

Electronic bills (e-bill)

2024 reduced **657,066** bills, reducing approximately **4.21** metric tons CO_2e. *

Establish Cloud File Server (Cloud FS)

Global digital bill ratio improved from 98.44% in 2023 to 100%, reducing more carbon emissions from paper transportation.

Introduction of Optical Character Recognition (OCR) + Robotic Process Automation (RPA) + Power Automate

In 2024, Netherlands RWG, Spain TCB, and Italy VOLTRI terminals fully implemented OCR+RPA+Power Automate, with an average monthly bill count of 600. The three terminals combined can save 95 hours of manual operation time.

Introduction of RPA Accounting Automation to Optimize Accounting Processing

In 2024, U.S. East Coast terminal welfare fund CRCCF fully implemented RPA combined with audit modules, automating processes and auditing. Average monthly bill count is 63, saving an average of 50 hours of manual operation time monthly.

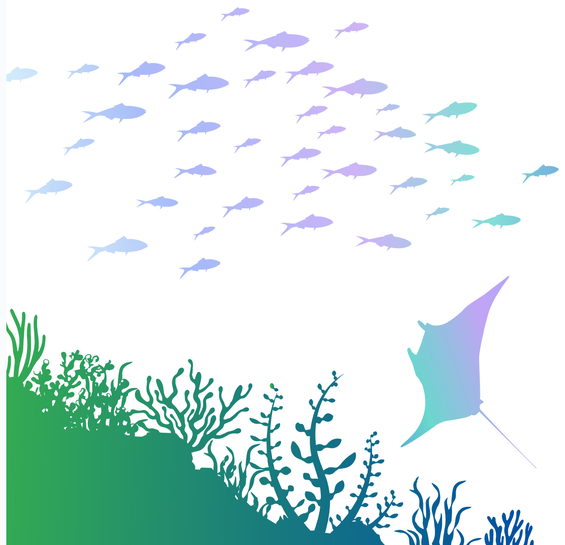
Electronic approval system

Online approval is not time-limited and strengthens query conditions and control mechanisms.

The global shipowner digital billing rate reached

100 %

* Conversion source references Carbon Footprint Information Network (cfp-calculate.tw).



Greenhouse Gas Inventory Management Platform

The Company introduced a greenhouse gas inventory management platform in 2024, officially launching in September. In late September, education and training and operational exercises were conducted for headquarters, branches, and overseas subsidiaries to ensure colleagues were familiar with system operations and could successfully upload supporting materials. All greenhouse gas inventory data for headquarters and consolidated subsidiary companies were collected and managed through this platform, covering headquarters and branch Scope 1 to Scope 3, and overseas subsidiary Scope 1 to Scope 2, to enhance greenhouse gas inventory operational efficiency and data management effectiveness.

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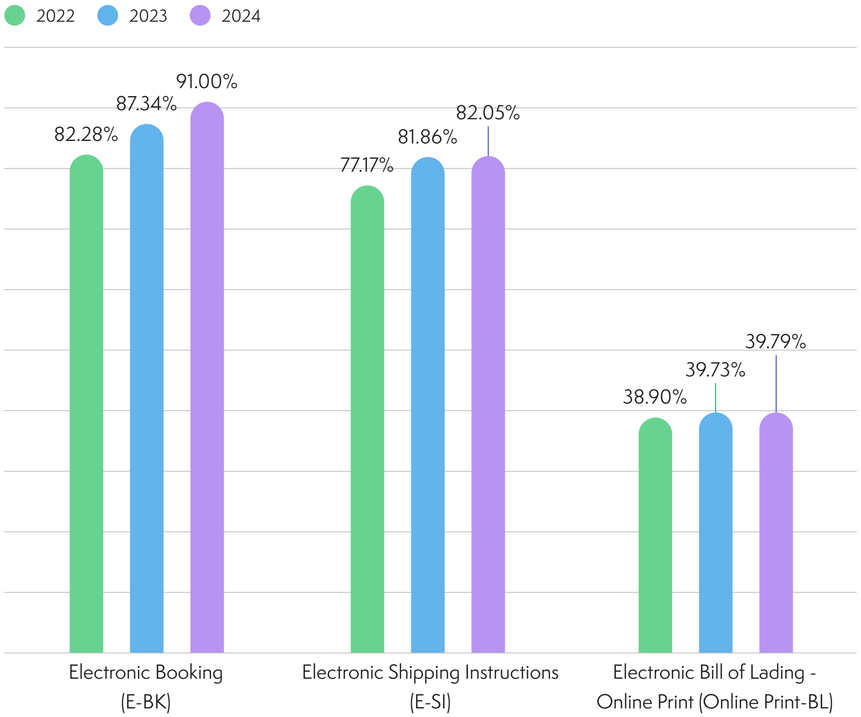
4.2.3 Digital Service Promotion

Yang Ming's E-Customer Service System

Yang Ming actively promotes digital transformation. In recent years, contactless economy and remote work have become the new normal. The Company continuously innovates throughout the logistics system, committed to providing customers with more convenient and smooth service experiences, while continuously strengthening and promoting e-services, continuing previously launched LINE CHATBOT, intelligent document systems, e-D/O (electronic delivery order service), export express release bill of lading electronification, E-counter, optimized mobile APP E-Service functions for customers to query and track cargo anytime, anywhere. Additionally, Web Customer Booking online booking functions have been enhanced, with new versions integrating with agency systems to directly import customer booking information into internal systems, avoiding agency rework and accelerating operational efficiency. Electronic receipts, invoices, and other digital services are also being progressively promoted to accelerate import/export operational efficiency and reduce paper and toner consumption. The Company joined the Digital Container Shipping Association (DCSA), developing and establishing APIs according to DCSA e-BK, e-BL, and JIT standards, planning to gradually promote e-BL starting in 2025, with a goal of achieving 100% e-BL adoption by 2030.

Web E-Service Usage Status



Web APP E-Service Usage Status

Mobile APP	Cumulative usage		Increase Percentage
Cargo tracking	2023 17,730,027	2024 23,992,034	Increase Percentage 35.32 %
Point-to-point inquiry	2023 4,778,074	2024 10,798,810	Increase Percentage 126.01 %
Vessel tracking	2023 1,214,260	2024 1,895,114	Increase Percentage 56.07 %
Reports and notifications	2023 5,781	2024 9,992	Increase Percentage 72.84 %
Track vessel dynamics by route	2023 4,964	2024 8,412	Increase Percentage 69.46 %

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Yang Ming E-Service Types

List of e-Services	Service Description	2024 Data Performance	Comparison with 2023
LINE Chatbot Container Yard Dialogue Robot	Improving traditional phone inquiry modes, through Yang Ming container yard instant messaging inquiry services, customers can add Yang Ming Line account on mobile phones to access latest vessel dynamic information.	In 2024, Keelung Yang Ming Container Yard, Taiwan Business Department, and Kaohsiung Hong Ming Terminal & Stevedoring Corp.'s LINE Chatbot services averaged approximately 58 daily inquiries.	Usage decreased by 2%.
e-D/O (Electronic Delivery Order Service)	Places Delivery Orders (i.e. "D/O") in cloud storage for import customers to download themselves, simplifying original import document exchange operations and accelerating import collection operations by at least half a day.	In 2024, e-D/O accounted for approximately 35.74% of import delivery orders, reducing 60,700 sheets and approximately 0.388 metric tons CO_2e.	e-D/O proportion of import delivery orders increased 3.48%, reducing carbon emissions by 1.33%.
E-Voucher (electronic voucher)	For needs requiring round trips when collection and cargo pickup locations differ, the Company launched E-Voucher service, accelerating and simplifying delivery order transmission through mobile authentication, effectively improving customer import operation speed and timeliness.	In 2024, electronic voucher accounted for 25.2% of import e-D/O ratio.	Increased by 2.2%.
E-Counter	The Company worked with multiple banks in Taiwan in launching the e-Counter service to cope with the communication limits resulting from the pandemic. The digital transformation of conventional import/export processes has been conducted e.g. by moving payment and D/O receipt processes online to increase customers' operational speed and timeliness and avoid the risk of contact between the customers and partners.	In 2024, online appointment service usage ratio reached 90.8%.	Online appointment service increased by 1.6%.
Digital Telex Release Bills of Lading	Export express release bill of lading electronification saves nearly 70% of paper and toner costs for Taiwanese enterprises export bills of lading, allowing customers to avoid counter collection and accelerating operational speed.	In 2024, overall export bill of lading electronification ratio reached 84.9%, reducing 109,052 sheets and approximately 0.698 metric tons CO_2e.	Export bill of lading electronification increased 0.5%, reducing carbon emissions by 0.5%.
Online manifest write off services for the Yang Ming Keelung Container Yard *	Customers need to handle customs clearance operations at yard counters before container collection. Launched online WEB manifest write off service, allowing customers to perform customs clearance in the cloud without sending personnel to the site.	In 2024, online manifest write off transactions totaled 14,336 (total transactions: 32,521), reducing Keelung Branch by 44% for customs clearance operations.	2023 total transactions: 24,719, with online accounting for 60%; 2024 total transactions: 32,521, with online accounting for 44%. The decrease in online proportion is due to 32% increase in imports in 2024 compared to 2023, mostly CY (CY: 9,556 transactions in 2023, accounting for 38.7%; 16,315 transactions in 2024, accounting for 50.2%). CY online customs clearance usage is lower due to Third Special Police Corps procedures.
Electronic receipt	Since launching electronic receipts in 2023, customers can immediately obtain receipts, and the company can reduce paper mailing operations and costs.	In 2024, electronic receipts accounted for approximately 1.9% of total receipts, reducing 986 sheets and approximately 0.0063 metric tons CO_2e.	Electronic receipts launched in the second half of 2023, so full-year data comparison is not possible.

* Online manifest write-off usage rate = Online manifest write-offs / CY + CFS total manifest write-offs.

Web Carbon Calculator

Global net-zero carbon emissions and EU Carbon Border Adjustment Mechanism require EU ETS collection for products transported to the EU, creating pressure for carbon reduction across the entire value chain. The Company has been developing web-based carbon emission calculation services since 2011, allowing customers to query carbon emission data for cargo transportation. In 2023, alliance carbon emission data was added, and the carbon calculator continues to be optimized to facilitate customer queries for complete point-to-point carbon emission information. In 2024, the carbon calculator was optimized by introducing external data - truck and feeder data and completing integration, providing more complete point-to-point carbon emission data.

Carbon calculator

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4.3 Information Security Management

A sound information security mechanism not only can enhance operational resilience, but also serves as the backbone for customer privacy protection. Furthermore, to ensure the effectiveness of operational information system protection security, under the obtained ISO 27001:2013 Information Security Management System certification, the Company not only promptly grasps security intelligence, patches vulnerabilities, and intensively studies various information security-related technologies, but also controls security risk events through SOC, SIEM and other monitoring mechanisms.

Regularly promote various information security activities and conduct information security risk education and training through management review meetings, and review annual targets and risk improvement progress to ensure company information security. The Company's information security policy is approved by Chairman, the highest level of management. Annual management review meetings are chaired by the Chairman or designated personnel, with participation from relevant department heads. Internal audits are conducted by the Audit Department and ISO 27001 third-party verification is performed by external verification institutions to confirm management systems and performance meet ISO requirements. To respond to information security issue changes and protection system improvements, the Company plans to transition its certification from ISO 27001:2013 to ISO 27001:2022 in 2025.

Information Security Policy and Certifications

The Company complies with Article 9-1 of the "Regulations Governing Establishment of Internal Control Systems by Public Companies" to establish a Chief Information Security Officer position. In 2022, the "Cyber Security Office" was established as a dedicated unit for information security monitoring, supervision, management, tracking, and security strategy formulation. In 2024, Yang Ming continued to initiate a series of information security programs internally, such as password strength increase, MFA, Zero Trust, and additional data encryption. We also plan to extend the programs externally to other operation-related units afterwards. To strengthen information security management intensity, the Company adopts a fortress-style information security strategy, gradually expanding outward in four major directions:

Fortress-like Information Security Strategies

Expand Information Security Identification and Risk Assessment

Responding to ISO 27001:2022 revision, expanding evaluation of program development security risks (Secure Coding) to prevent potential threats and improve security

Enhanced external vulnerability analysis SOC

The efficiency and accuracy of vulnerability identification are enhanced by improving machine learning models, analyzing statistical data, and adopting more AI technologies

Creating ScoreCard

Introducing ScoreCard comprehensive evaluation tools to test information security risks and vulnerabilities of headquarters and domestic/overseas subsidiaries, and adopt corresponding remedial measures for different risks and vulnerabilities

Enhance information security training

Regular training and simulation exercises are organized to raise employees' information security awareness and enhance their information security knowledge and response capabilities

Maintenance and Control of Yang Ming's Information Security

Information Security Management Review Meeting Procedure

1. One management review meeting is held annually and chaired by the Chairman or the person designated thereby. The participants include relevant departmental officers. At the meeting, relevant information and results are reported, and the implementation suitability, appropriateness and effectiveness of the information security management system is reviewed.
2. Management review meeting agenda includes:
   - How past management review proposals have been handled.
   - Change of internal and external issues related to the information security management system.
   - Information security performance feedback.
   - Feedback from interested parties.
   - Status of risk evaluation results and risk treatment plans.
   - Opportunities for continuous improvement.
3. Management reviews should come up with decisions related to opportunities for continuous improvement and see if there is any necessity to make changes to the information security management system.
4. Management review results should be recorded and retained according to related regulations.

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Information Security Risk Evaluation

According to Company information security policy requirements, annual information security risk assessments are regularly conducted, considering internal and external security issues, occurrence probability, impact level, influence degree scales, etc., to evaluate risk scores, including system architecture, system change management, project and resource management, asset and physical environment management, software and hardware authorization and compliance, etc. After assessment completion, mitigation measures are formulated for higher-risk items and reported at management review meetings.

Information Security Outcomes

Dimensions of Information Security	Observation Items	Target Value	Achievement in 2024
Confidentiality Information shall not be accessed, used, or tampered with by unauthorized personnel.	Number of quarterly reported incidents caused by information security invasion	≤ 1	Yes
	Quarterly information security bulletins	=100%	Yes
Integrity Avoiding data inadvertent or intentional damage that cannot be recovered.	Quarterly regulation archiving and identification	=100%	Yes
	Number of quarterly reported incidents caused by viruses damaging information security	≤ 1	Yes
Availability Ensuring the normal use of information and the continuing operation of systems.	Availability of databases and important hosts	≥ 99.5%	Yes
	Firewall host availability	≥ 99.5%	Yes
	WAN availability	≥ 99.5%	Yes

Information Security Reporting and Handling

To promptly respond to and handle information security incidents, employees can report encountered incidents at any time. Upon receiving reports, the Cyber Security Office processes incidents according to classification. In December 2024, the Company suffered a network hacker attack. When monitoring alarms sounded, comprehensive defense mechanisms were immediately activated, external information security company technical experts were commissioned for joint handling, and relevant departments were legally notified with continued strengthening of information security management.

Information Security Response Exercise Plan

Annual specific simulated information security-related scenario scripts are established, such as: from Security Operation Center (SOC) notifications, system detection, or user reports of computer and network abnormal events, to various units counting infected machine numbers, communication coordination, and immediate response measures. To strengthen enterprise tolerance and resilience against security attacks, review information security incident handling processes through drills, familiarize with operational stages, correct response and recovery plans, and continuously revise and improve based on drill results.

Red Team Exercises

2024 red team exercises were conducted as planned. Testing methods simulating actual attacker behavior to evaluate organizational defense capabilities and identify potential vulnerabilities and weaknesses. Unlike traditional penetration testing, red team exercises mimic real hacker attack strategies, testing organizational defense systems' response capabilities when facing real attacks.

Information security awareness, education and training

To enhance employee awareness of information security, the Company conducted multiple social engineering exercises and company-wide online information security awareness and training in 2024 to improve personnel security awareness and protect information assets from interference, destruction, intrusion, or any malicious behavior. Additionally, different information security awareness, education and training methods are planned for different personnel as shown in the table below:

Information Security Personnel	Cyber security professional education courses
Information Personnel	Professional awareness and training courses for information personnel
General Personnel	Social engineering exercise awareness and training, company-wide employee information security education and training
New Personnel	Information security awareness and training for new employees

Vessel Information Security

Yang Ming's intelligent vessel information security management has the following three points:

1. Incorporated into ISM regulations, establishing vessel information security officers, with annual inspections by port states, internal audits, and external (third-party) verification.
2. Engine room monitoring systems (ICMS) provided by intelligent vessel equipment manufacturers obtain classification society (CLASS) information security certificates.
3. Information Technology Management (IT) is outsourced to external communication vendors for Security Operation Center (SOC) fleet monitoring services, using quarterly vessel information security monitoring management reports from external communication vendors as management tools. Operation Technology Management (OT) is managed by the Marine Department for fleet personnel access control and equipment operation monitoring.

The Company published a vessel information security manual in 2021. As of the end of 2024, 51 ships in the fleet introduced corporate information security monitoring center services. The ship information security system is audited by a third-party verifier regularly. Social engineering exercises and training are organized for seafarers, and those who fail in the exercises and training are required to participate in remedial education and training. In 2024, no property loss occurred to the fleet due to information security.

To maintain customer privacy and shipping safety, the Company has independently established a vessel information security monitoring platform to monitor various data usage in real-time, serving as an important checkpoint for defense when information security anomalies occur, providing customers with peace of mind and secure service experiences.

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4.4 Customer Service Quality and Satisfaction

Yang Ming adheres to the service philosophies and policies of Teamwork, Innovation, Integrity, and Pragmatism and is devoted to offering customers high-quality services. For operational strategies, we enhance the efficiency of integrating global operational resources by collaborating with other well-known carriers around the world. As for customer management, the Company has developed customer relationship management policies and kept in close touch with local agents and sales employees on a daily basis to understand customers' needs and market trends and thereby make timely responses. In addition to contact with local agencies, the Company also provides official website customer service windows for customers to contact headquarters customer service 24 hours a day and receive responses within 24 hours. For commonly used e-Service functions, customers can also use Quick survey functions to provide immediate user feedback for the Company's continuous improvement of website functions.

In order to enhance customer satisfaction and service quality, the Company has organized the "From Responsibility to Accountability" course that helps build employees' awareness of service quality and personal accountability and motivates them to comply with the three main principles for handling customer complaints: listening, apologizing, and being lenient, put themselves in customers' shoes, show empathy, understand the customers' needs, and provide assistance with a positive and active attitude. When customers experience damage situations, front-line business personnel and local agencies understand and listen to customer problems, discuss with relevant headquarters personnel to formulate solutions, and notify the Insurance & Claim Department-Cargo Claim Team. Relevant departments clarify problem points and responsible parties, while the Business Department plays a coordination role requesting local agencies to handle according to instructions, providing customers with complete and acceptable handling methods, thereby maintaining good customer relationships and promoting future development.

Customer Complaint Handling Process

1 Customer dissatisfaction with Company-provided services or other opinion expression

Submit complaints through telephone, written, or official website customer service email.

2 E-commerce and Customer Service Team receives customer opinions and determines complaint cases

Transfer cases to relevant parties for cause clarification according to cases.

3 Responsible parties receive complaint cases transferred by E-commerce and Customer Service Team

Understand customer dissatisfaction and complaints about the Company and provide solutions and improvements, while reporting complaint case handling results to the E-commerce and Customer Service Team.

4 E-commerce and Customer Service Team and headquarters responsible parties

After case completion, record in [Customer Complaint Handling Record] forms, documenting case details and corrective measures for case closure and filing.

5 E-commerce and Customer Service Team

Compile filed complaint cases into reports at quarter-end and distribute to relevant responsible parties.

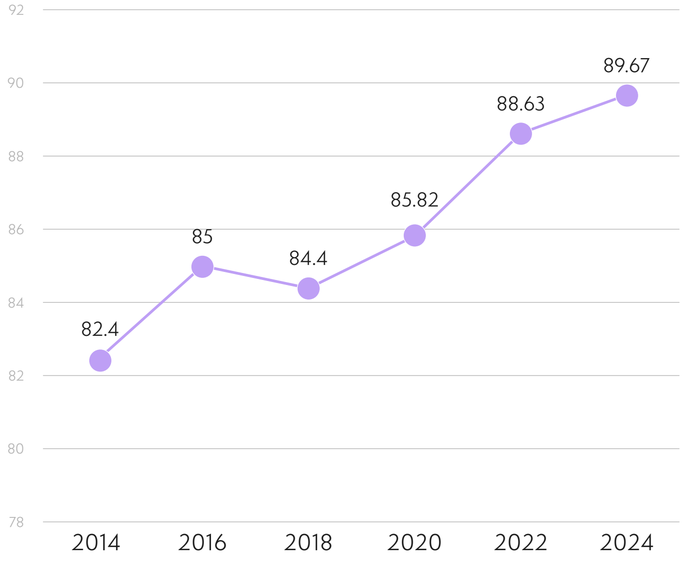
6 Responsible party personnel

Continuously track whether customers are satisfied with complaint cases and continue using Company transportation services.

Customer Satisfaction Survey

Oriented towards customer needs, Yang Ming continues to deepen the logistics services, enhance service quality, create values for customers, and optimize procedures through digital transformation to respond to the customers' requirements in a timely manner.

Customer satisfaction surveys are conducted every 2 years. The overall satisfaction score in 2024 reached 89.67 points.



The Company will continue to enhance service quality to improve customer satisfaction. 2024 customer satisfaction survey results show annual customer satisfaction ratio of 94.2%, with a long-term (2030) target of 95% customer satisfaction.

2024 overall satisfaction score	2024 annual customer satisfaction ratio
89.67 points	94.2 %

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Digital Highlights

Yang Ming Wins First Prize in "Maritime and Port Big Data Creative Application Competition"

Yang Ming achieved first place in the 4th "Maritime and Port Big Data Creative Application Competition" with the entry "Green Shipping, Sustainable Port Area." The team used RPA to crawl port pollution monitoring, AIS vessel, and marine meteorological data, integrating trade data from the iMarine port development database and incorporating OpenAI functionality to allow users to query and analyze data through dialogue. The platform also provides navigation carbon emission estimation models and random forest regression algorithms, presenting real-time port carbon emissions and various data trend predictions through Power BI visualization. This innovation provides crucial data support for port management authorities in formulating carbon reduction and air pollution policies, helping Taiwan's ports move toward a more environmentally friendly future.

Yang Ming wins first prize in the 4th "Maritime and Port Big Data Creative Application Competition" with "Green Shipping, Sustainable Port Area"

Yang Ming Wins 2024 IT Matters Awards Digital Transformation Award

Yang Ming is committed to implementing digital transformation concepts. While the Information Technology Department continuously integrates various units and departments, this time it collaborated with the Marine Department and Engineering Department to construct a ship big data command center platform (hereinafter referred to as command center system). Through Intelligent Ship Analysis and Digital Monitoring Management Project's participation in the 2024 IT Matters Awards Digital Transformation Award guided by the Ministry of Digital Affairs, among 253 companies, the Company broke through the competition and won this honor. On December 11, 2024, Senior Vice President Chang, Hsi-Chang from the Information Technology Department represented the Company to receive the award.

Facing the intensely competitive maritime market, digital transformation and innovation have become mainstream in the post-pandemic era. Based on current ship-shore operational methods and informatization conditions, digital transformation goals and strategies were progressively established to build the command center system. The entire project promotion is divided into three phases: digitization, digital process optimization, and digital automation, developing and promoting step by step.

The digitization phase involves digitalizing current ship-shore operational paper materials. There are numerous paper operations between ships and shore, such as internal and external audit operations and seafarer dry dock reports, which are not only prone to input errors but also relatively difficult in data transmission, retrieval, and preservation. Therefore, digitalizing paper materials is the first step in establishing the entire ship-shore digital process and is the most important foundational engineering for digital transformation. In the digital process optimization phase, many businesses operational processes are cumbersome and cannot be effectively managed. This phase re-examines existing operational system processes, using digital technology to establish new operational models that better adapt to current conditions and improve efficiency. Finally, in the digital automation transformation phase, automation tools are applied to various levels of digital processes, generating automated processing and intelligent business analysis to produce various types of statistical reports, effectively reducing labor costs and maximizing digital transformation benefits.

In the user feedback list provided by the Marine Department, average satisfaction reached 4.1 points (out of 5). Information Technology Department colleagues Huang, Yi-Cheng and Hsieh, Zhen-Yang represented the Company in this selection, comprehensively introducing the command center system's improvements to ship-shore business processes and introducing the system's advantages in predictive analysis and risk control. We also hope that through this system and the experience of winning the IT Matters Awards Digital Transformation Award, we can provide all company departments with a digital transformation case study and demonstrate the Company's determination for digital transformation.

Average satisfaction (out of 5)

4.1 points

Yang Ming's "Intelligent Ship Analysis and Digital Monitoring Management Project" wins 2024 IT Matters Awards Digital Transformation Award, with Senior Vice President Chang, Hsi-Chang from the Information Technology Department representing to receive the award.

YANG MING

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5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Chapter Highlights

- 100% pass rate in 2024 for the online "Gender Equality and Sexual Harassment Prevention" education and training course and test for all onshore employees
- Cooperation with three maritime universities to cultivate 35 Class A seafaring personnel
- Keelung Container Terminal has achieved zero occupational injuries for 1,347,586 consecutive hours and continues toward 1.5 million zero-injury hours
- Female employee ratio increased by 0.46% compared to last year, female manager ratio increased by 3.15% compared to last year

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5.1 Human Rights Protection and Diverse Communication Channels

5.1.1 Yang Ming's Human Rights Policy

Human Rights Policy Declaration

Yang Ming has operated worldwide for a long time and has been dedicated to respecting and maintaining internationally acknowledged human rights and ensuring the compliance of business activities with local laws and regulations as well as international standards, thereby providing a fair and equal working environment and making sure that the rights and interests of our employees and partners are respected and protected. When it comes to human rights, we respect and protect all internationally acknowledged human rights and never engage in any activities that neglect and involve human rights violations. The Company has formulated its human rights policy with reference to international human rights conventions including the International Bill of Human Rights, the United Nations Global Compact, and the International Labour Organization's core conventions. The Company has also established internal regulations, and for violations of laws and internal regulations, disciplinary measures are implemented through relevant punishment procedures.

The Company commits to complying with internationally recognized labor rights in all operational locations, ensuring no unequal treatment based on race or gender, freedom of association, collective bargaining rights, respect for privacy, care for vulnerable groups, prohibition of child labor, prohibition of harassment, prohibition of forced labor, etc., and is committed to eliminating all forms of forced labor and discrimination in employment. The Company offers reasonable working conditions, maintains the physical and mental health of its employees, endeavors to reduce factors hazardous to safety and health, and ensures thorough protection of the personal privacy of all customers, employees and stakeholders, fulfilling human rights protection responsibilities.

Human Rights Policy

Human Rights Governance

Yang Ming adapts to changes in international human rights trends. The Human Resources Department regularly reviews external environmental changes, legal changes, and other factors to determine whether human rights policy revisions are necessary. If revisions occur, the Human Resources Department will discuss with corporate governance units whether the revised version complies with international standards and local regulations where operations are located, with final approval by the Board of Directors.

Human Rights Education and Training

The Company's education, training, and propaganda on the Human Rights Policy aim at raising employees' awareness of human rights protection. The Company organized a 0.5-hour course for all onshore employees in 2024, and 1,493 employees completed the course, with a test pass rate of up to 99.93%. This mandatory course will continue to be promoted through systems and policy emails to strengthen all employees' awareness of human rights. The human rights policy is disclosed on the company's official website, internal website, and YM e-learning Platform for all colleagues to view at any time, strengthening employee human rights awareness through policy implementation explanations and case discussions. For employees who do not complete the course, the Human Resources Department will compile a list for the manager of each department for follow-up management.

5.1.2 Human Rights Due Diligence

The Company values human rights issues. In 2023, it first introduced the concept of human rights due diligence, initially summarizing human rights issues within its operational scope by analyzing international human rights issue trends, interviewing internal supervisors, and reviewing internal labor-related documents. In 2024, a human rights due diligence project was conducted to gradually expand and implement the depth and breadth of human rights management. The project is divided into three phases, with each phase conducting due diligence on different subjects:

- Phase 1: Human rights due diligence for employees within own operational scope (including onshore employees and seafarers), with survey results showing low risk for women, children, migrant workers, etc.
- Phase 2: Human rights due diligence for suppliers
- Phase 3: Human rights due diligence for joint ventures and/or other stakeholders

Currently, Phase 1 has been completed, with the remaining project phases expected to be progressively promoted and completed by the end of 2025.

Phase 2 investigation was launched in January 2025, implementing human rights self-assessment questionnaires for suppliers, with written and on-site reviews expected to be completed by the end of April. Subsequent Phase 3 operations are expected to begin in May of the same year, continuously strengthening human rights risk identification and management mechanisms.

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Human Rights Risk Issue Identification Process

The human rights risk issue identification process follows UN Guiding Principles on Business and Human Rights (UNGPs), planning and implementing human rights risk issue identification procedures, consolidating themes including labor rights (working conditions and work environment), safety and health, labor relations, and behavioral ethics standards, totaling 21 labor rights issues. Through document review, questionnaire surveys, employee focus group interviews, and on-site visits, the frequency and impact level of human rights issues are identified, and the above assessment and verification results are fed back to various management levels as basis and reference for human rights measure improvements.

Identifying and Focusing on Human Rights Issues

Gathering and organizing relevant regulations such as international human rights conventions, GRI, and the Social and Human Capital Protocol, as well as the Company's historical due diligence data, to identify and focus on human rights issues related to the maritime industry

Measuring and Verifying Human Rights Risks

Measuring and verifying human rights risks through different methods, including:

- Collection and review of written data
- "Employee Care Questionnaire" distribution included 1,490 shore-based employees and 968 seafaring employees, survey period: 2024/2/20~2024/3/3, final questionnaire response rate: 88%
- Management and professional staff focus interviews to understand employee voices and expectations for the company
- On-site visits to offices, employee dormitories, container yards, and vessels

Analyzing the Impact of Human Rights Risks

Analyzing the impact of human rights risks in terms of the frequency of occurrence and impact based on the measurement and verification results

Mitigating and Remedying Human Rights Risks

For higher-risk human rights issues, propose mitigation and remedial measures for subsequent tracking and improvement

Tracking and Communication

Regularly tracking the implementation results of mitigation measures, communicating with and explaining to relevant stakeholders

Employee Human Rights Risk Identification Matrix

After collecting and analyzing various employee-related human rights risk assessment results, a "Human Rights Risk Identification Matrix" is drawn based on "Likelihood" and "Impact" to identify human rights issue risks.

The initial assessment results indicate that none of the issues are considered high-risk issues. 9 issues are medium-risk issues and the other 12 are low-risk issues.

* Risk level comprehensively assesses the likelihood and impact of human rights issues. Through quantitative and qualitative data collected from employee questionnaire surveys and employee focus group interviews, comprehensively evaluate the occurrence frequency and negative impact of 21 risk issues, dividing occurrence frequency and impact level into high, medium, and low three levels respectively to obtain risk level scores.

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Mitigation and Remedial Measures for Human Rights Issues

The Company establishes corresponding mitigation and compensation measures based on human rights risk assessment results and regularly tracks implementation results. Among 2024 human rights concerns, there were no high-risk items, so prevention and mitigation measures were set for medium-risk items.

Human Rights Concerns	Personnel Issues	Targets of Impact	Risk Measurement Method	Risk Mitigation Measures	Risk Remedial Measures
Reinforced management of working hours	▪ Working hours ▪ Work-life balance ▪ Physical and mental health	All employees	▪ Regularly review and analyze the records of employees' annual leave use. ▪ For employees' expired and unused annual leave, legally convert to salary compensation for employees and regularly review and analyze employee attendance records	▪ Implement the overtime work application system ▪ Adopt a flextime system ▪ Adopt a flexible office system ▪ Shore-based personnel can apply for overtime pay or compensatory leave if working from home due to business needs; seafaring personnel receive 85 hours of fixed overtime pay monthly, with additional overtime pay calculated separately for excess hours	▪ Ensure that overtime or compensatory time off is given in accordance with the law ▪ The head of each department regularly checks employees' overtime work status on the system and re-examines the work assignment and manpower arrangement for employees who work excessively long hours ▪ Assign additional manpower to offshore routes to ensure sufficient rest time for seafarers
Strengthen the communication between labor and management	▪ Freedom of Association ▪ Collective bargaining ▪ Freedom of speech and expression	All employees	▪ Track and manage labor-management meeting issues ▪ Employee engagement survey	▪ Hold an union exchange meeting monthly ▪ Hold a labor-management meeting quarterly ▪ Annual employee engagement surveys conducted, latest annual engagement recognition result: 61 points	▪ Discuss the issues raised in union exchange meetings and labor-management meetings, and announce the resolution results
Establish a diverse and inclusive workplace culture with fair opportunities	▪ Employment and occupational discrimination	All employees	▪ Regularly review the gender promotion ratio and analyze the salary level ▪ Regularly review the proportion of employees with special needs employed (such as indigenous people and people with disabilities)	▪ Provide comprehensive maternal health protection plans, including maternity leave, breastfeeding room setup, and application for unpaid parental leave ▪ Continue to optimize the human resource management system and emphasize a performance-oriented organizational culture ▪ In 2024, a 0.5-hour online education and training course and test on the Human Rights Policy were conducted for all onshore employees. A total of 1,493 people completed the course, with a test pass rate of 99.93% ▪ In 2024, 0.5-hour online education and training courses and tests on the "Codes of Ethical Conduct of Yang Ming Group," "Ethical Corporate Management Best Practice Principles," and "Procedures for Ethical Management and Guidelines for Conduct" were conducted for all onshore employees. A total of 1,470 employees completed the courses, with a test pass rate of 100% ▪ In 2024, a 0.5-hour online education and training course and test on "gender equality and sexual harassment prevention" were conducted for all onshore employees. A total of 1,505 employees completed the course, with a test pass rate of 100% ▪ In 2024, the "Management Skill Workshop for First-Time Managers" was held, with 40 participants ▪ In 2024, the "Performance Interview Skill for First-Time Managers" training was held, with 28 participants	▪ Provide internal and external complaint channels, and handle all cases of discrimination or unequal treatment
Creating a safe and harassment-free work environment	▪ Bullying and harassment	All employees	▪ Handle and follow-up on employee complaints and reports	▪ Formulate complaint and reporting processes, and set up complaint and reporting channels or hotlines ▪ Have various complaint channels available for seafarers ▪ Anti-harassment and anti-bullying education, training, and dissemination activities ▪ Provide Employee Assistance Programs (EAPs)	▪ Any violations of relevant regulations will be punished according to the Company's regulations after being complained of or reported and confirmed through investigation

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5.1.3 Smooth Communication Channels

Communication Channels for Onshore Employees

Yang Ming's Human Resources Department is responsible for employee mailboxes and complaint hotlines, allowing employees to easily express opinions through email in real-time. When encountering discrimination, sexual harassment, and workplace violence in the workplace, employees can also file complaints through the Chairman's mailbox, independent director mailbox, whistleblowing mailbox (supervised by the Head of Audit Department), or submit complaints to the department. Any person can report any illegal act or violation of the work rules, Codes of Ethical Conduct, Ethical Corporate Management Best Practice Principles, and Procedures for Ethical Management and Guidelines for Conduct through the aforesaid channels. In 2024, 2 employee complaints about workplace illegal violations were received. After evaluation committee voting, both were ruled as not established cases, with results subsequently communicated to the complaining employees for reference.

Communication Channels for Seafarers

To understand seafaring personnel voices, 5 questionnaire surveys are conducted during seafaring personnel training, including seafaring personnel complaint channel surveys. Independent complaint email boxes and sexual harassment reporting mailboxes for seafaring personnel have been established, with access limited to the Chief Technology Officer and Marine Department supervisors, and sexual harassment hotlines are provided for seafaring personnel to offer suggestions and complaints. In addition, all ships of the Company's fleet have acquired a "Maritime Labour Convention" * certificate and complied with the requirements of international conventions.

* The Maritime Labour Convention (MLC) is a labor protection standard convention established by the International Labour Organization, aimed at ensuring basic work, living rights, and welfare of seafarers are protected and promoting sustainable development of international trade shipping.

No discrimination cases occurred in 2024

The Company receives complaints and communication opinions from shore-based and seafaring personnel, responding to each colleague's feedback individually and handling them appropriately and reasonably. For detailed numbers and types, please refer to the following:

	Communication Channel	Number of Complaints/ Suggestions	Type of Complaints/ Suggestions
Onshore Employees	▪ Chairman's mailbox ▪ Employee mailbox	3	Workplace illegal violations, study subsidy suggestions
Seafarers	▪ Chairman's mailbox ▪ Seafaring personnel complaint email box	19	Employee voices, internal management suggestions

Labor-management Meetings

To ensure smooth labor-management communication, the Company organizes at least one labor-management meeting per quarter. In 2024, 4 labor-management meetings were held. Through regular safety, health and environmental protection meetings on each ship, seafarers can submit the related problems they have encountered and their suggestions to the Company for the management departments to discuss the causes and respond to the problems, so that they can quickly understand and help the seafarers meet their working and living environment needs.

Freedom of Association

In support of the UN Global Compact, the Company ensures that all employees have the freedom of association, and all seafarers can choose by themselves to join any union of seafarers. The Company has also established an enterprise union for over 26 years. As of the end of 2024, 1,160 people have joined the union, accounting for approximately 75% of shore-based personnel and national crew members. Employees can choose to join or leave according to personal preference. Although the Company has established an enterprise union, since labor-management meetings have never reached collective agreement conclusions to date, no collective agreements have been signed.

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5.2 Talent Recruitment and Cultivation

5.2.1 Talent Recruitment

Talent Management Policy

Yang Ming is committed to creating an open, inclusive, and diverse workplace environment and formulates talent recruitment strategies according to the company's short, medium, and long-term plans to attract outstanding talent to join the team. We firmly believe that "Outstanding staff facilitate a progressive Yang Ming." Making the most of talent and improving unit productivity are the driving forces for the Company's progress and development. We use Yang Ming Group's global resources and experience to cultivate talent with macro international perspectives, give our team a strong sense of mission, thereby improving overall performance and competitiveness. The Company insists on the meticulous operation of various management mechanisms, continuously improves the Company's workforce, and strengthens core competitiveness to maintain excellence in the long term. Additionally, fleet safety and operational efficiency are closely related to seafaring personnel capabilities, being the most important aspect of fleet operations. Therefore, the Company continues recruiting talent interested in seafaring work and provides good career development opportunities to ensure comprehensive talent development and improve fleet operational standards.

Yang Ming's Diverse Recruitment Channels

Onshore Employees	Channels	Official website, campus recruitment, campus briefings, newspaper advertisements, recruitment websites
Seafarers	Channels	Official website, campus recruitment, campus briefings, industry-academia cooperation, scholarship subsidies

Yang Ming
Talent Recruitment Webpage

Hiring Cost

Unit: NT$

	2022	2023	2024
Total new employees	1,066	1,083	1,435
New employee recruitment cost	324,321	410,297	15,599,230
Average hiring cost/FTE	304.24	378.85	10,870.54

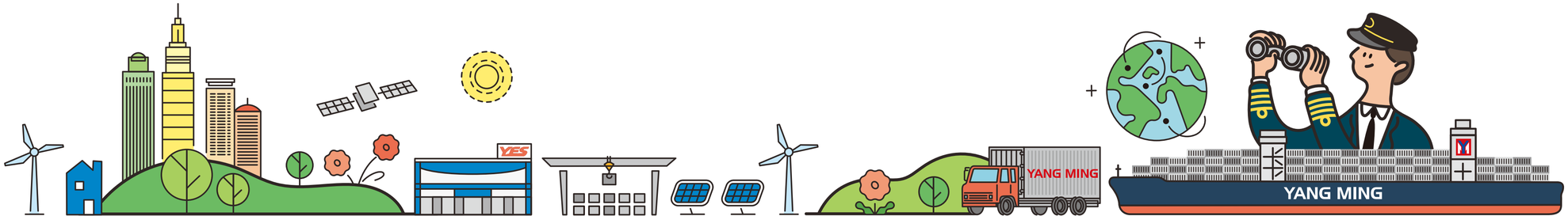
* New employees are personnel who signed employment contracts with the Company starting in 2024, including onshore employees and seafarers. For explanations about total new employees, please see Section 5.2.2 Employee Composition Overview-Age and Gender Distribution of Newly Hired and Resigned Onshore Employees.

5.2.2 Employee Composition Overview

Total Number of Employees (Including Contract Employees)

	2022	2023	2024
Total number of onshore employees	1,554	1,545	1,529
Total number of seafarers	1,632	1,812	1,837
Total	3,186	3,357	3,366

* There was no significant fluctuation in the number of employees in 2024.



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Overview of the Employment of Onshore Manpower

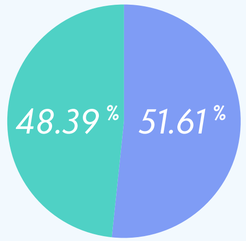
Statistical Overview of the Employment of Onshore Manpower (by Gender)

Year	Contract Type	General employees [1]	Temporary Employees [2]	Part-time Employees [3]	Total Number of Employees
2022	Female	736	15	1	752
	Male	776	17	9	802
	Total	**1,512**	**32**	**10**	**1,554**
2023	Female	739	17	1	757
	Male	764	15	9	788
	Total	**1,503**	**32**	**10**	**1,545**
2024	Female	737	18	0	755
	Male	753	12	9	774
	Total	**1,490**	**30**	**9**	**1,529**

[1] The Company's general employment personnel include office and field workers.
[2] The Company's temporary employees include interns and part-timers.
[3] The Company's part-time employees are massage therapists.

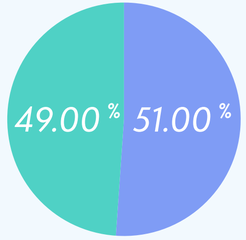
Number of Onshore Employees by Age and Gender

2022



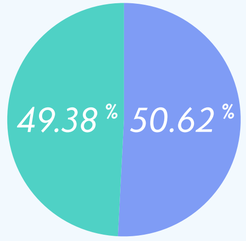
Female		Male	
Below 30	278	Below 30	163
31-50 years old	396	31-50 years old	431
Above 51	78	Above 51	208
Total	752	Total	802

2023



Female		Male	
Below 30	262	Below 30	160
31-50 years old	409	31-50 years old	423
Above 51	86	Above 51	205
Total	757	Total	788

2024



Female		Male	
Below 30	246	Below 30	138
31-50 years old	414	31-50 years old	438
Above 51	95	Above 51	198
Total	755	Total	774

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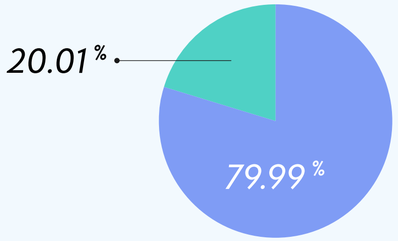
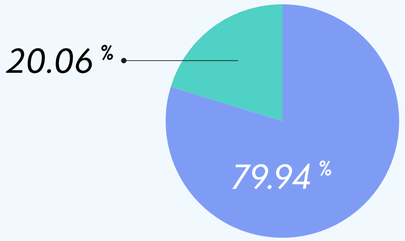
Number of Onshore Employees by Job Grade and Gender

2022



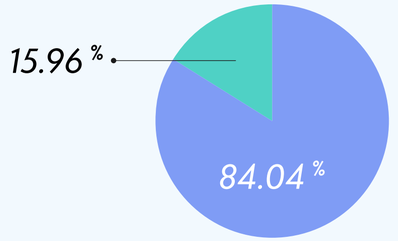
Manager		Non-manager	
Female	90	Female	662
Male	221	Male	581
Total	311	Total	1,243

2023



Manager		Non-manager	
Female	94	Female	663
Male	216	Male	572
Total	310	Total	1,235

2024



Manager		Non-manager	
Female	81	Female	674
Male	163	Male	611
Total	244	Total	1,285

* Managers refer to team leaders or higher management.

Number of Onshore Employees by Job Grade and Age

Year	Job Grade	Employee Age						Total	
		Below 30	Percentage	31-50	Percentage	Above 51	Percentage	Number	Percentage
2022	Manager	0	0.00%	179	11.52%	132	8.49%	**311**	**20.01%**
	Non-manager	441	28.38%	648	41.70%	154	9.91%	**1,243**	**79.99%**
2023	Manager	0	0.00%	175	11.33%	135	8.73%	**310**	**20.06%**
	Non-manager	422	27.31%	657	42.52%	156	10.10%	**1,235**	**79.94%**
2024	Manager	0	0.00%	142	9.29%	102	6.67%	**244**	**15.96%**
	Non-manager	384	25.11%	710	46.44%	191	12.49%	**1,285**	**84.04%**

* Managers refer to team leaders or higher management.

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Number of Onshore Employees by Education and Gender

Year	Gender	Employee's Education					Total
		Doctor's Degree	Master's Degree	Bachelor's Degree	Associate's Degree	Below Senior High School	
2022	Female	0	130	551	51	20	**752**
	Male	1	233	478	59	31	**802**
	Subtotal	1	363	1,029	110	51	**1,554**
	Percentage	0.06%	23.36%	66.22%	7.08%	3.28%	**100%**
2023	Female	0	139	539	61	18	**757**
	Male	2	232	451	73	30	**788**
	Subtotal	2	371	990	134	48	**1,545**
	Percentage	0.13%	24.01%	64.08%	8.67%	3.11%	**100%**
2024	Female	0	137	548	50	20	**755**
	Male	6	237	457	46	28	**774**
	Subtotal	6	374	1,005	96	48	**1,529**
	Percentage	0.39%	24.46%	65.73%	6.28%	3.14%	**100%**

Overall employee turnover rate and voluntary turnover rate

Year	Total employee turnover rate (%)	Voluntary employee turnover rate (%)	Data coverage (FTEs) (%)
2020	32.82	3.29	100
2021	28.69	1.67	100
2022	29.97	0.69	100
2023	27.23	1.37	100
2024	41.38	1.63	100

[1] Overall employee turnover rate (%) = Number of resigned employees / Total number of employees.

[2] Voluntary turnover rate (%) = Number of voluntary resigned employees / Total number of employees, voluntary resigned full-time employees and interns (excluding retirement and personnel transferred back to fleet).

[3] Overall employee turnover rate includes seafaring personnel who, due to industry work characteristics, are on fixed-term employment, resulting in higher turnover rates.

Age and Gender Distribution of Newly Hired and Resigned Onshore Employees

Distribution of Newly Hired Employees by Gender and Age

Year		Number	New hire rate (%)
2022	Female	47	3.02%
	Male	60	3.86%
	Below 30	80	5.15%
	31-50	17	1.09%
	Above 51	10	0.64%
	Total	**107**	**6.89%**
2023	Female	39	2.52%
	Male	43	2.78%
	Below 30	68	4.40%
	31-50	11	0.71%
	Above 51	3	0.19%
	Total	**82**	**5.31%**
2024	Female	50	3.27%
	Male	38	2.49%
	Below 30	69	4.51%
	31-50	16	1.05%
	Above 51	3	0.20%
	Total	**88**	**5.76%**

* New hire rate = Number of new hires in the current year / Number of employees at the end of the current year, calculated by gender and age group.

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Distribution ratio of resigned personnel by gender and age

Year		Number	Turnover rate (%)
2022	Female	26	1.67%
	Male	63	4.05%
	Below 30	45	2.90%
	31-50	13	0.84%
	Above 51	31	1.99%
	Total	**89**	**5.73%**
2023	Female	39	2.52%
	Male	64	4.14%
	Below 30	47	3.04%
	31-50	21	1.36%
	Above 51	35	2.27%
	Total	**103**	**6.67%**
2024	Female	39	2.55%
	Male	20	1.31%
	Below 30	34	2.22%
	31-50	22	1.44%
	Above 51	3	0.20%
	Total	**59**	**3.86%**

* Turnover rate = Number of resigned in the current year / Number of employees at the end of the current year, calculated by gender and age group.

Workers who are not employees

Type	2022	2023	2024
Dispatched employees	5	6	5
Contractors *	60	60	54

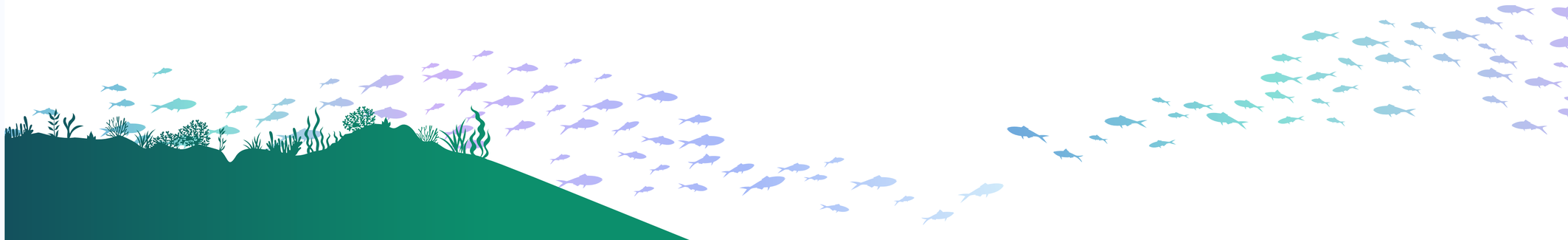
* Contractors refer to third parties to whom Yang Ming outsources specific business functions. Both parties sign contracts to execute specific projects, such as security personnel, cleaning personnel, kitchen personnel, computer maintenance personnel, etc.

Overview of the Employment of Seafarer Manpower

Statistical Overview of the Employment of Seafarers (by Gender and Nationality)

Year		Taiwan	Foreign national	Total
2022	Female	58	0	58
	Male	813	761	1,574
	Total	**871**	**761**	**1,632**
2023	Female	51	0	51
	Male	848	913	1,761
	Total	**899**	**913**	**1,812**
2024	Female	57	0	57
	Male	900	880	1,780
	Total	**957**	**880**	**1,837**

* The Company's seafarers are employed as general employees (including sailing and marine engineering interns and apprentices).
* Due to the characteristics of the maritime industry, seafarers are employed under fixed-term contracts. General seafaring work contracts are effective for 6-7 months, and contract terminations resulting from contract expiration, disembarkation, leave, and other factors are all recorded as resignations. This statistic is calculated based on the total number of employment instances in the self-managed fleet throughout the year. The actual number of seafarers employed as of December 31, 2024, was 1,075 people.



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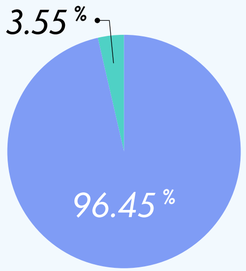
Number of Seafarers by Age and Gender

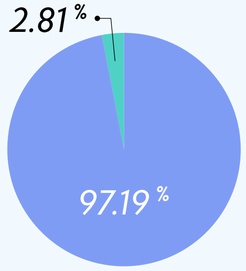
2022



Female	
Below 30	39
31-50	19
Above 51	0
Total	58

Male	
Below 30	407
31-50	960
Above 51	207
Total	1,574

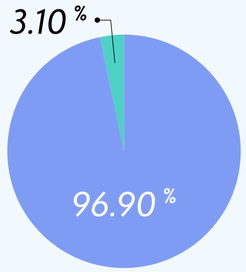
2023



Female	
Below 30	39
31-50	12
Above 51	0
Total	51

Male	
Below 30	448
31-50	1,123
Above 51	190
Total	1,761

2024

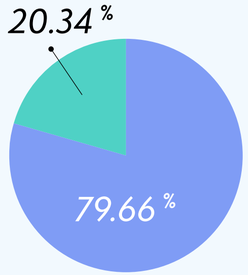


Female	
Below 30	34
31-50	22
Above 51	1
Total	57

Male	
Below 30	429
31-50	1,168
Above 51	183
Total	1,780

Number of Seafarers by Job Grade and Gender

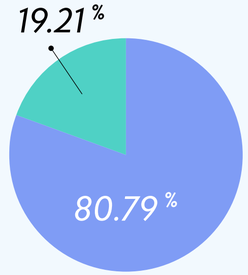
2022



Manager	
Female	11
Male	321
Total	332

Non-manager	
Female	47
Male	1,253
Total	1,300

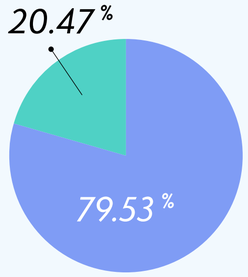
2023



Manager	
Female	5
Male	343
Total	348

Non-manager	
Female	46
Male	1,418
Total	1,464

2024



Manager	
Female	11
Male	365
Total	376

Non-manager	
Female	46
Male	1,415
Total	1,461

* Seafaring personnel supervisors include captains, chief officers, chief engineers, and 2nd engineers.

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Number of Seafarers by Job Grade and Age

Year	Job Grade	Employee Age						Total	
		Below 30	Percentage	31-50	Percentage	Above 51	Percentage	Number	Percentage
2022	Manager	6	0.37%	255	15.63%	71	4.35%	**332**	**20.34%**
	Non-manager	440	26.96%	724	44.36%	136	8.33%	**1,300**	**79.66%**
2023	Manager	4	0.22%	285	15.73%	59	3.26%	**348**	**19.21%**
	Non-manager	483	26.66%	850	46.91%	131	7.23%	**1,464**	**80.79%**
2024	Manager	10	0.65%	302	19.75%	64	4.19%	**376**	**20.47%**
	Non-manager	453	29.63%	888	58.08%	120	7.85%	**1,461**	**79.53%**

Number of Seafarers by Education and Gender

Year	Gender	Employee's Education					Total
		Doctor's Degree	Master's Degree	Bachelor's Degree	Associate's Degree	Below Senior High School	
2022	Female	0	3	54	1	0	**58**
	Male	0	12	351	108	342	**813**
	Subtotal	0	15	405	109	342	**871**
	Percentage	0.00%	1.72%	46.50%	12.51%	39.27%	**100.00%**
2023	Female	0	3	46	2	0	**51**
	Male	0	11	370	91	376	**848**
	Subtotal	0	14	416	93	376	**899**
	Percentage	0.00%	1.56%	46.27%	10.34%	41.82%	**100.00%**
2024	Female	0	4	48	5	0	**57**
	Male	0	13	442	103	342	**900**
	Subtotal	0	17	490	108	342	**957**
	Percentage	0.00%	1.78%	51.20%	11.29%	35.74%	**100.00%**

* As the educational background of seafarers was defined as that of Taiwanese onshore employees, only the Education of R.O.C. seafarers was disclosed above.

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Age and Gender Distribution of Newly Hired and Resigned Seafarers resigned

Seafarers have fixed-term employment due to industry work characteristics. General seafaring work contracts are effective for 6-7 months, and contract terminations due to contract expiration, disembarkation, leave, and other factors are all recorded as departures. Therefore, compared to onshore employees, seafarers have larger fluctuations in annual new hires, departures, and ratios.

Distribution of Newly Hired Seafarers by Gender and Age

Year		Number	New hire rate (%)
2022	Female	11	0.67%
	Male	948	58.09%
	Below 30	274	16.79%
	31-50	587	35.97%
	Above 51	98	6.00%
	Total	**959**	**58.76%**
2023	Female	25	1.38%
	Male	976	53.86%
	Below 30	259	14.29%
	31-50	656	36.20%
	Above 51	86	4.75%
	Total	**1,001**	**55.24%**
2024	Female	31	1.69%
	Male	1,316	71.64%
	Below 30	291	15.84%
	31-50	924	50.30%
	Above 51	132	7.19%
	Total	**1,347**	**73.33%**

* New hire rate = Number of new hires in the current year / Number of employees at the end of the current year, calculated by gender and age group.

Distribution ratio of Resigned Seafarers by Gender and Age

Year		Number	Turnover rate (%)
2022	Female	11	0.67%
	Male	855	52.39%
	Below 30	214	13.11%
	31-50	551	33.76%
	Above 51	101	6.19%
	Total	**866**	**53.06%**
2023	Female	26	1.43%
	Male	785	43.32%
	Below 30	228	12.58%
	31-50	479	26.43%
	Above 51	104	5.74%
	Total	**811**	**44.76%**
2024	Female	57	3.10%
	Male	1,277	69.52%
	Below 30	393	21.39%
	31-50	795	43.28%
	Above 51	146	7.95%
	Total	**1,334**	**72.62%**

* Turnover rate = Number of resignations in the current year / Number of employees at the end of the current year, calculated by gender and age group.

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Proportion of Senior Management Hired from the Local Community in Taiwan

	2022	2023	2024
Number of Senior Management Officers Who Are Locals	10 people	11 people	8 people
	100%	100%	100%

5.2.3 Employee Diversity, Equality, and Inclusion

Yang Ming values each employee's unique values, culture, beliefs, and identity, and takes diversity, equality, and inclusion as core corporate values, striving to establish a work environment that includes various cultures, ethnicities, genders, sexual orientations, religious beliefs, ages, and abilities. The Company actively takes measures to eliminate any form of discrimination and unfair treatment, while providing diverse communication channels, listening to employee voices, and encouraging employees to share their viewpoints and experiences to promote innovation and growth.

Number of Onshore Employees and Seafarers by Nationality

Year	Taiwan		Other		Total
	Number	Percentage	Number	Percentage	
2022	2,424	76.08%	762	23.92%	3,186
2023	2,443	72.77%	914	27.23%	3,357
2024	2,485	73.83%	881	26.17%	3,366

Number of Diverse Onshore Employees Employed

Year	Number of Employees with Disabilities	Number of Foreign Employees (Non-Taiwanese)	Number of Minority Employees (Indigenous People)
2022	18	1	12
2023	19	1	15
2024	18	1	11

[1] Foreign employees: Currently employs one employee of Hong Kong nationality.

[2] Indigenous peoples: Based on actual numbers provided by Indigenous Peoples Commission annual settlement, 2022 data adjusted according to 2024 settlement actual numbers, 2024 data uses 2023 actual monthly average employment estimates, actual numbers to be adjusted in 2025 settlement.

Diverse Seafarers Employed

Statistics for Taiwan	Number of Employees with Disabilities	Number of Foreign Employees (Non-Taiwanese)
2022	2	1,408
2023	1	913
2024	1	880

Employee Gender Diversity

Gender diversity indicators	Percentage (%)	2024 Target	Achievement status	2025 Target
Any gender proportion of all employees (general employment onshore employees)	49.46%	33%	Yes	33%
Any gender proportion of management levels (including junior, middle, senior management levels)	33.47%	33%	Yes	33%
Any gender proportion of all junior management levels	32.50%	33%	No	33%
Any gender proportion of all senior management levels	28.95%	25%	Yes	25%
Any gender proportion of revenue-related unit management positions (excluding support units such as HR, IT, legal, etc.)	28.57%	33%	No	33%
Any gender proportion in Science, Technology, Engineering, Mathematics (STEM) related positions	23.64%	20%	Yes	20%
Data coverage rate (FTEs) (%)	44.08%	46.02%	No	45%

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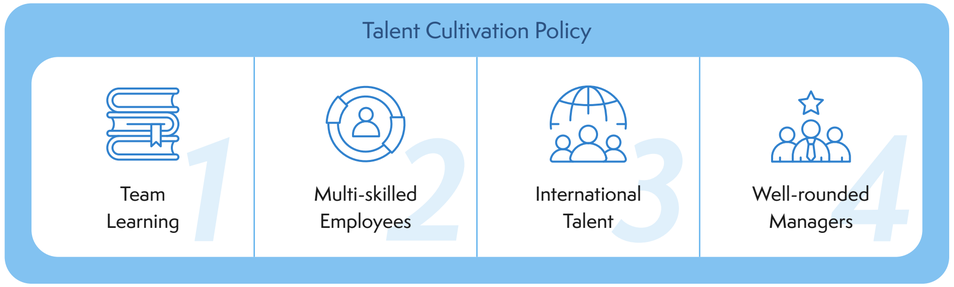
5.2.4 Talent Cultivation



Talent is the company's most valuable asset. To maintain a high-quality employee lineup, Yang Ming prioritizes its people, providing comprehensive learning systems and challenging globalized work environments that enable employees to realize their potential, while also caring for and supporting them.

Human Capital ROI

Human Capital ROI	2021	2022	2023	2024
Operating revenue (NT$ thousands)	333,687,395	375,899,874	140,623,713	222,705,949
Operating expenses (NT$ thousands)	9,975,759	11,375,818	8,109,626	10,554,366
Total employee-related expenses (NT$ thousands) [1]	5,959,576	7,049,482	3,175,481	5,627,901
Human capital return on investment (%) [2]	55.3179	52.7093	42.7304	38.6964
Full-time equivalent total employees (number)	2,809	3,186	3,357	3,469

[1] Total employee-related expenses include salary expenses, director remuneration, post-employment and separation benefits, labor and health insurance costs, and others.

[2] Human capital return on investment = [Operating revenue - (Operating expenses - Total employee-related expenses)] / Total employee-related expenses.

Green Collar and Sustainability Talent Cultivation and Promotion

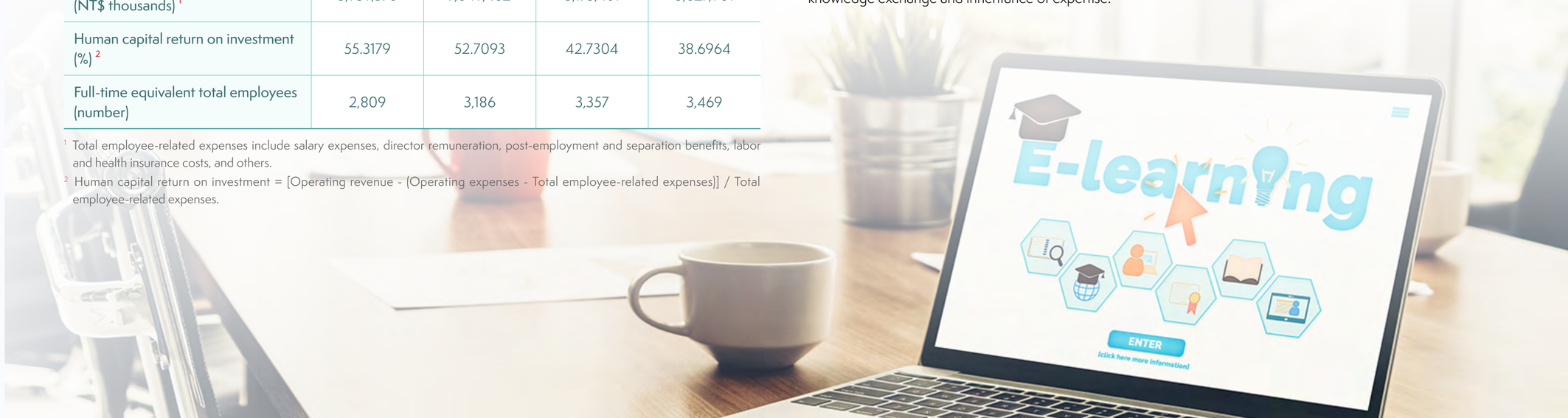
Facing global net-zero goals and sustainability trends, Yang Ming cultivates green collar and sustainability talent by assigning colleagues from various departments as seed personnel to participate in various ESG education and training workshops including: sustainability trend sharing, sustainability internal control management, sustainability reporting standards, greenhouse gas inventory, CDP Climate Change Program, Task Force on Climate-related Financial Disclosures (TCFD), etc., developing employee sustainability knowledge and skills. Additionally, shipping trends and news are shared daily through electronic newsletters to enhance corporate competitiveness. In 2024, 11 education and training sessions were held, with 581 participants and 23 hours of training.

International Talent

To implement comprehensive talent cultivation policies, the Company encourages employees to gain cross-departmental work experience after two to three years of capability in the same position, even challenging overseas work to develop comprehensive talents. In 2024, the Company continued promoting employee rotation systems, viewing this as key to company talent development, and provided a total of 23 shipboard training opportunities to expand employees' understanding of the industry chain and operational sites. In the future, overseas training programs and other initiatives will continue to be promoted, assigning promising employees to overseas regional centers for training or apprenticeships to enhance employees' international perspectives.

Diverse Learning Channels

The Company has established "Procedures of Personnel Training and Development for Onshore Staff," providing employees with diverse learning and development channels, including YM Learning Platform, external platform electives, cross-departmental electives, and departmental professional sharing, while encouraging departments to organize internal training and cross-departmental sharing, cultivating internal instructors to promote professional knowledge exchange and inheritance of expertise.



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Implementation Plan for Onshore Personnel Training

To enhance organizational and personal growth needs, strengthen job competencies, expand work perspectives, improve human resource quality, enhance service quality and work safety, and ultimately achieve organizational goals. We deploy diverse and systematic development mechanisms, developing three major aspects: "Orientation," "Job development," and "Managing skills." Simultaneously responding to rapid market changes and competition, we also provide on-the-job study subsidies, foreign language study subsidies, financial-related courses and professional training, encouraging colleagues to enrich job-related knowledge during off-work hours to become multi-skilled employees and well-rounded managers.

Orientation

The Company organizes orientation, maritime studies, maritime management practices, and other internal and external courses to help new employees to quickly adapt to their roles, understand the Company's operating principles, organization, culture, and overall human resources.

Job development

To strengthen employees' professionalism, the Company's HR regularly organizes training courses on specialized knowledge, interdepartmental information dissemination, occupational safety, onboard practices, and lectures. Employees are encouraged to attend external training or education courses or acquire books to advance their professional skills and foreign language proficiency.

Managing skills

Managerial training is also provided to strengthen leadership capabilities. These include courses in interview techniques and KPI management. Managers are also encouraged to attend external training on management skills and corporate governance. They are required to complete courses focused on planning and management skill development.

New Employees	Entry-level employees	Section Managers	Department Supervisors
Grade 3		Grades 6-7	Grades 8-10
Mandatory Courses ▪ Orientation ▪ Maritime Studies ▪ Practical Program in Maritime Business Management	**Mandatory Courses** ▪ Grade 6 (Non-supervisory): Negotiation Skills ▪ Grade 5: Cross-departmental Communication Skills ▪ Grade 4: Problem Analysis and Resolution ▪ Grade 3: Accountable And Execution Ability	**Mandatory Courses** ▪ New Supervisor Management Skills Workshop ▪ Performance Interview Skills for New Managers	**Mandatory Courses** ▪ MAP Self-Management Capability Exploration ▪ Enhancement of Common Management Competencies ▪ Financial Management Knowledge for Non-Financial Managers
Elective Courses 1. Online elective courses 2. Financial Management Knowledge for Non-Financial Managers 3. Cross-departmental electives 4. Onboard Internship 5. Other External Training or Online Courses		**Elective Courses** Related Management Capability Elective Courses	**Elective Courses** Human Resource Management for Non-HR Managers

* Other annual required/elective training courses or courses for senior management officers were taken separately as instructed.

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Training for Improving the Competency of Onshore Employees in 2024

Course Type	Total Trainees	Total Training Hours	Investment Amount (NTD)
Dissemination courses	20,067	9,156.5	0
Professional industry-related courses	3,237	5,240.6	212,000
Labor safety and health courses	1,448	3,895.0	83,440
Orientation	244	1,881.1	11,699
Computer courses	9	103.0	34,035
Management skill courses	270	2,117.0	2,199,386
Job development courses	6,261	14,010.0	2,610,851
External training courses	201	3,081.0	2,575,283
Total	**31,737**	**39,484.2**	**7,726,694**

* Some internal training courses require no additional investment.

Onshore Employees' Average Training Hours per Year

Gender	Number of Employees		Total Training Hours		Average Training Hours	
	Manager	Non-manager	Manager	Non-manager	Manager	Non-manager
Female	91	700	2,562.4	17,878.6	28.2	25.5
Male	232	597	5,953.4	13,749.7	25.7	23.0
Total	**1,620**		**40,144.0**		**24.8**	

* Supervisor definition is determined by job title and acting job title, without job function judgment.

Average training investment per onshore training participant: **NT$4,770**

Seafaring Personnel Education and Training

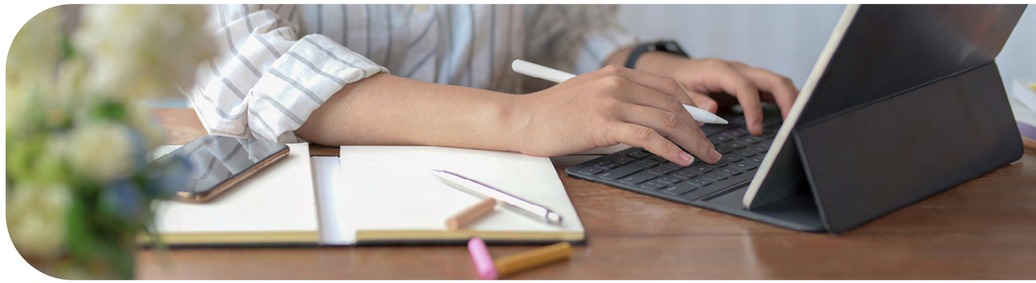
2024 Seafaring Employee Skills Enhancement Training Implementation Status

Course Type	Total Trainees	Total Training Hours	Investment Amount (NT$)
Orientation training	1,170	5,751	5,177,492
Competency improvement training	1,193	26,886	18,115,818
Ship operation training	152	1,344	1,457,150
Labor safety and health training	1,090	3,270	0
External labor safety and health training	44	924	198,000
Total	**3,649**	**38,175**	**24,948,460**

* Unlike onshore employees, seafaring employees are on fixed-term contracts, with contracts terminated upon disembarkation. Personnel changes are significant and constantly fluctuating, making average training hours incalculable.

Average training investment per seafaring training participant: **NT$6,837**

Yang Ming is committed to promoting maritime industry culture and education, particularly in youth development, hoping to cultivate talent with excellent maritime professional knowledge and skills through diverse educational practices, thereby achieving long-term corporate development and prosperity. As such, the Company has actively implemented various industry-academia collaboration and education/training programs to make maritime education better fit the industry and deepen hands-on teaching to inspire and facilitate the growth and development of young people. In addition to conducting internal training through equipment vendor-provided courses, the Company collaborates with National Taiwan Ocean University and National Kaohsiung University of Science and Technology in industry-academia cooperation. Through complementary research resources and hardware support, we jointly cultivate seafaring personnel, shortening the distance between school education and industry talent needs, while promoting Taiwan's maritime human resources to connect with international standards.



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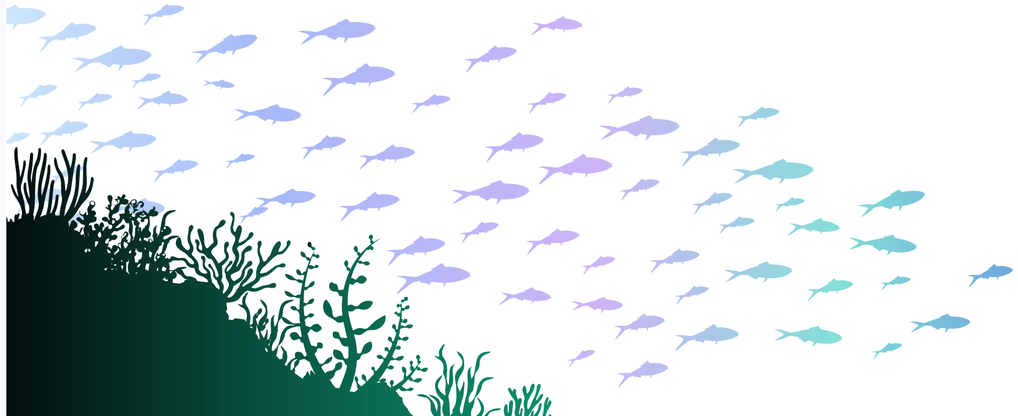
Seafarer Training with Ship Maneuvering Simulation System

Course Name	Training Category	Course Content	Frequency	Participating Schools
Ultra Large Ship Maneuvering Simulator Training	External Industry-Academia Cooperation	Train students' ship maneuvering response capabilities and familiarity with collision avoidance rules through simulating various weather and sea conditions.	Once monthly, 2 days each time (14 hours total)	▪ National Taiwan Ocean University ▪ National Kaohsiung University of Science and Technology
Bridge Resource Management		Bridge scenario simulation to strengthen students' use of various auxiliary navigation equipment for navigation in various environments, understanding operational conditions when piloting vessels.	Once every 2 months, 1 day each time (7 hours total)	▪ National Taiwan Ocean University
LNG Vessel IGF Code Basic Training		Following regulatory requirements, assist LNG dual-fuel vessel crew in completing IGF Code Basic training courses, with 96 people obtaining certificates.	Monthly sessions, 3 days each time (24 hours total)	▪ National Taiwan Ocean University
LNG Vessel Engineer Development Training	Internal Employee Training	LNG dual-fuel main engine and LNG equipment related training, with 45 employee participations.	Irregular schedule	-

* For participant numbers and hours, please refer to 2024 Seafaring Employee Skills Enhancement Training Implementation Status.



Internal Vacancies

	2020	2021	2022	2023	2024
Proportion of internal staff filling job vacancies (%)	24.24%	28.48%	30.52%	34.92%	27.87%

Employee Rotation

Unit: People

Year	Departmental Rotation	Group Rotation	Onshore/ Offshore Rotation
2022	39	148	32
2023	44	160	30
2024	34	158	27

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Cultivating Maritime Rising Stars

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

The Company widely recruits talent and actively increases industry-academia exchange and collaboration opportunities to develop talent interested in the maritime industry and aspiring to work in the industry. In 2024, we subsidized the tuition and miscellaneous fees of 136 students, hoping to equip young students with industrial knowledge and skills in a face-to-face manner and foster overall competitiveness.

Institutions and Organizations Signing Cooperation Agreements

- Framework agreement signed with National Taiwan Ocean University
- Signed seafaring personnel talent cultivation cooperation agreement and memorandum of intent with Taipei University of Marine Technology
- Cooperation memorandum with National Taiwan Ocean University Keelung Maritime Senior High School and industry-academia talent matching cooperation agreement for aquatic student skills competition
- Memorandum of understanding with National Suao Marine & Fisheries Vocational High School
- Mariner Training Program of the Maritime and Port Bureau, Ministry of Transportation and Communications
- Memorandum of Understanding for the Promotion of Industrial Training Collaboration with Veterans

Post-baccalaureate Programs and Courses to Nurture New Generations

The Company cooperates with National Taiwan Ocean University, National Kaohsiung University of Science and Technology, and Taipei University of Marine Technology to jointly continue merchant marine and marine engineering post-baccalaureate program classes, totaling 5 program classes. In the post-baccalaureate diverse expertise development courses and programs, professors are responsible for delivering professional shipping-specific knowledge and skills. In addition to basic shipping practices, the courses and programs even cover international conventions and maritime regulations, navigation English, navigation, and many other contents. Moreover, the students are provided with hands-on courses on engine room and bridge resource management, radar operation, etc. as well as lessons given by instructors from the industry, helping them get the big picture of marine transportation. Yang Ming also provides marine internship and service opportunities enabling students to apply what they have learned.

2024 Seafaring Talent Development Results

- Officers: National Taiwan Ocean University cooperation continued merchant marine and marine engineering post-baccalaureate programs totaling 18 people; National Kaohsiung University of Science and Technology Marine Engineering Department post-baccalaureate 9 people; Taipei University of Marine Technology Navigation Department and Marine Engineering Department post-baccalaureate 8 people; totaling 35 people.
- Scholarship subsidies: National Taiwan Ocean University 49 people; National Kaohsiung University of Science and Technology 42 people; Taipei University of Marine Technology 25 people; Seafarer Rising Star Development Program subsidies/scholarships 20 people; annual total subsidy amount NT$15,248,220, subsidizing 136 people total.
- Providing internship opportunities: Provided maritime internship opportunities for enrolled students, with 44 navigation and marine engineering interns from three maritime universities.

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5.2.5 Performance Evaluation System

Evaluation and Promotion System for Onshore Employees

Regular performance evaluation and promotion are conducted for Yang Ming's onshore employees annually. Performance evaluation is conducted once a year, with performance goal setting at the beginning of each year, a mid-year interview, and a year-end performance evaluation to recognize employees' contributions, stimulate potential, improve individual work and organizational operational performance, and align with company business philosophy and development vision. Through specifications of qualification requirements to identify outstanding talent for promotion motivate employee morale and increase productivity. The employees to be evaluated are required to fill out a "Work Objective Plan" at the beginning of the period, which includes personal work objectives and personal development plans for the current year. At the mid-year interview stage, managers will conduct a face-to-face interview with employees to understand their work situation or the needs for improvement and assistance. During year-end evaluation, employees shall conduct a self-evaluation for the achievement of work objectives, work attitude, and intention for future career development. Managers will conduct an employee coaching and improvement program for employees with poor performance ratings. To effectively achieve greenhouse gas emission reduction targets, specific departments such as Engineering Department, Marine Department, Operations Department, etc., have established related KPIs, such as: greenhouse gas inventory project implementation, using biofuel trial vessels to reduce sulfur oxides, nitrogen oxides, and carbon emissions, establishing vessel carbon emission monitoring and reporting systems to track and evaluate vessel carbon emissions, etc., and linking these with performance bonuses to encourage all employees to work together for energy saving and carbon reduction.

Onshore Employees Performance Assessment

Year	Employee Type	Male	Percentage	Female	Percentage	Total	Percentage
2022	Manager	206	13.26%	87	5.60%	**293**	**18.85%**
	Non-manager	535	34.43%	618	39.77%	**1,153**	**74.20%**
	Total	741	47.68%	705	45.37%	**1,446**	**93.05%**
2023	Manager	220	14.24%	91	5.89%	**311**	**20.13%**
	Non-manager	544	35.21%	639	41.36%	**1,183**	**76.57%**
	Total	764	49.45%	730	47.25%	**1,494**	**96.70%**
2024	Manager	236	15.43%	93	6.08%	**329**	**21.52%**
	Non-manager	523	34.21%	624	40.81%	**1,147**	**75.02%**
	Total	759	49.64%	717	46.89%	**1,476**	**96.53%**

* The Company's performance evaluation covers onshore employees who have served for more than 6 months each year.

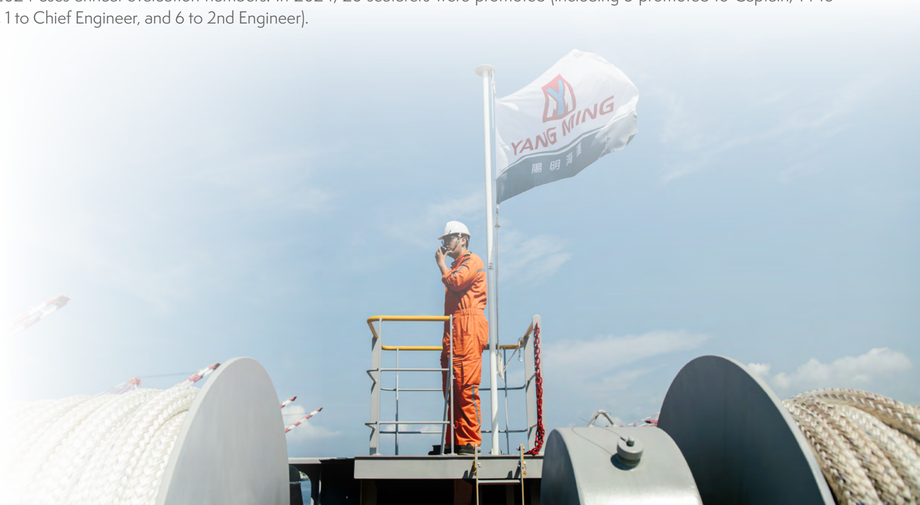
Evaluation and Promotion System for Seafarers

Seafaring personnel use each contract (shipboard period) as a complete evaluation period, undergoing annual evaluations and seafaring disembarkation evaluations multiple times. After evaluation completion, results are compared with colleagues in the same position and evaluation grades are assigned sequentially. Seafaring personnel taking on higher-level positions (promotions) must pass national examinations for certification according to the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) and complete corresponding training courses. After obtaining competency certificates, they undergo internal company qualification evaluation and on-the-job training (position apprenticeship), with promotion after completing position apprenticeship evaluation.

Seafarer Performance Assessment

Year	Employee Type	Male	Percentage	Female	Percentage	Total	Percentage
2023	Manager	196	18.56%	5	0.47%	**201**	**19.03%**
	Non-manager	830	78.60%	24	2.27%	**854**	**80.87%**
	Total	1,026	97.16%	29	2.74%	**1,055**	**99.90%**
2024	Manager	365	19.87%	11	0.60%	**376**	**20.47%**
	Non-manager	1,415	77.03%	46	2.50%	**1,461**	**79.53%**
	Total	1,780	96.90%	57	3.10%	**1,837**	**100.00%**

* Due to occupational characteristics, seafaring personnel performance evaluations are rolling records. The evaluation system launched in 2024 uses annual evaluation numbers. In 2024, 26 seafarers were promoted (including 5 promoted to Captain, 14 to Chief Officer, 1 to Chief Engineer, and 6 to 2nd Engineer).



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5.3 Employee Compensation and Benefits

Compensation and Benefits of Onshore Employees

Yang Ming is committed to providing competitive compensation and benefits to attract and retain outstanding employees. The compensation and benefits provided by all our offices around the world comply with local legal requirements and are higher the local legal minimum wage. All our full-time employees are entitled to the insurance and pension plans required by law. Our overall compensation policy adheres to wage equality, and our employees are not paid differently based on regions, ethnicity, race, family background, social class, ancestry, religion, physical disability, gender, sexual orientation, pregnancy, marital status, union membership, political opinions, and age. The Company's reward system is considered based on the concept of total compensation, including salary and benefits, bonuses, and remuneration.

Yang Ming's entry-level personnel starting salaries have no gender differences. New employee basic starting salary in 2024 was NT$45,260, approximately 165% of Taiwan's 2024 minimum wage of NT$27,470, and 180.18% higher than the Ministry of Finance's announced 2024 basic living cost requirement of NT$210,000 per person, proving the Company's starting salary has strong market competitive advantages. The salary of non-managerial full-time employees is published on the Market Observation Post System on time as required.

2024 Yang Ming Entry-level Personnel Average Salary Ratio to Local Minimum Wage

	Monthly Salary	Compared to Taiwan Minimum Wage
Starting salary	45,260	165%
Male average salary	82,117	299%
Female average salary	64,677	235%

* Entry-level personnel are Grade 6 and below non-supervisory positions and entry-level seafarers.

Compensation Ratio of Onshore Employees

The Company always employs employees, adjusts their salary, and determines their promotion salary in accordance with the salary structure, never gives differential treatment due to gender difference, and ensures equal pay for equal work. The salary difference was mainly due to job duties, years of service, performance, and other non-gender factors.

Manager to Non-Manager Average Salary Ratios

	2022		2023		2024	
	Manager	Non-manager	Manager	Non-manager	Manager	Non-manager
Compensation Ratio	108%	108%	108%	105%	111%	104%

[1] Calculation formula (same position basic salary male salary standard / same position basic salary female salary standard * 100%).

[2] Grade 6 and above supervisory positions; Grade 6 and below non-supervisory positions.

Average salary of full-time employees in non-supervisory positions and difference from previous year

	Unit of Measure	2023	2024	Difference (%)
Total Salary of Non-Managerial Full-Time Employees	NT$ thousand	2,097,874	3,775,792	80%
Number of Non-Managerial Full-Time Employees	Employee	1,634	1,612	-1%
Average Salary of Non-Managerial Full-Time Employees	NT$ thousand	1,284	2,342	82%
Median Salary of Non-Managerial Full-Time Employees	NT$ thousand	1,130	2,048	81%

* Full-time employee median salary includes onshore employees, seafarers, and part-timers.

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Life Insurance (Group Insurance)

The 2024 "Employee Group Comprehensive Insurance" is primarily designed to provide colleagues and their families with living and economic security when colleagues need hospitalization due to illness or injury, or unfortunately face death or disability during their tenure with the Company. Initial enrollment: 1,962 people, investment of NT$5,500,140, with monthly adjustments based on employee increases/decreases.

Trust

- Stock Trust: Company provides 30% subsidy, encouraging all employees to participate in stock trust to purchase company shares.
- Welfare Savings Trust: Company provides 20% subsidy, encouraging colleagues to engage in long-term savings and financial management by participating in welfare savings trust.

Appropriation of Benefit Funds

The Company appropriates 1.5‰ of operating income and deducts and uses 5‰ of employees' salary monthly as benefit funds in order for the Employee Welfare Committee to provide various benefits.

Benefits for Seafarers

- Taking family on board: Our seafarers are allowed to sail with their family on board. By staying with their family on board, the seafarers can maintain family ties and help their family understand their work and enhance their sense of identity.
- Port Shuttle Bus: Providing port shuttle buses for colleagues to go ashore for leisure during non-duty hours, balancing life.
- High-data satellite internet communication: We provide high-data internet communication, allowing our seafarers to contact their family and friends through uninterrupted internet access offshore in order to maintain good social relations.
- Health checkup for seafarers: We encourage our seafarers to understand their physical condition and take health management seriously.

Paid Personal/Sick Leave

In addition to the leave as required by the provisions of the Labor Standards Act, onshore employees are provided with 5 days of paid personal/sick leave each year, so that they can have flexibility when they have to go on leave. Due to the nature of the work of seafarers, relevant shore leave is provided in accordance with the provisions of the Seafarer Act.

Flextime System

The system enables employees to adjust their working hours flexibly to not only avoid the trouble of commuting during rush hours, but also make it convenient to take care of their families or pick up their children.

Clubs Activities

In 2024, there were 33 clubs including table tennis, badminton, golf, volleyball, tennis, basketball, swimming, bowling, aerobic dance, yoga, fitness training, board games, photography, wine tasting, etc.

Subsidies and Allowances

2024 Subsidy Items - Participants/Beneficiaries, Investment/Subsidy Amount

- Birthday allowance - 1,490 people, total NT$7,450 (thousands)
- Wedding gift - 36 people, total NT$180 (thousands)
- Retirement consolation - 31 people, total NT$310 (thousands)
- Hospitalization consolation - 58 people, total NT$116 (thousands)
- Childbirth subsidy - 18 people, total NT$90 (thousands)
- Employee children education subsidy (twice yearly) - 836 people, total NT$3,711.5 (thousands)
- Employee children merit scholarship (twice yearly) - 133 people, total NT$614 (thousands)

Retirement Pension

Yang Ming's employee retirement policy has been established based on the "Labor Standards Act" and "Labor Pension Act." The Company makes a monthly pension contribution to designated accounts to ensure the contribution and payment of employees' pensions, thereby further encouraging their long-term service in the Company and growth with us.

Health Check-ups

- Health check frequency exceeding legal requirements: Above 40 years old, once annually; below 40 years old, once every 2 years.
- Health check cost increased to NT$10,000.
- One-day official leave is granted.
- Providing seafaring colleagues annual health check subsidy of NT$10,000 (non-seafarer medical examination).

Wedding Gold Jewelry

In order to enhance the happiness of employees' families, Yang Ming holds an annual commemoration for the 40th, 30th, 20th and 10th anniversary of their marriages, where each family is given 22.5 grams, 18.75 grams, 15 grams, or 11.25 grams of golden jewelry, respectively. In 2024, a total of 85 employees received the golden jewelry.

Preschool Center

To respond to government promotion of public childcare policies and provide employees with more convenient and friendly workplace childcare environments, the Company established a workplace mutual childcare service center at Keelung Xinyi Office Building, officially launched on August 15, 2022. This childcare center enrolls children aged 2-6 years, prioritizing employee children and grandchildren, with tuition matching non-profit kindergartens at only NT$2,000 monthly, significantly reducing employee childcare economic burden, allowing employees to raise children with peace of mind while balancing work and family, promoting friendly childcare workplace environments.

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Parental Leave Application Status

Year	2022			2023			2024		
Item	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of people eligible for parental leave application in current year	4	0	4	14	3	17	17	0	17
Number of people applying for parental leave in current year	4	0	4	14	3	17	17	0	17
Number originally scheduled to return from parental leave in current year (A)	8	2	10	12	4	16	5	0	5
Number originally scheduled to return from parental leave who actually returned in current year (B)	8	2	10	8	2	10	5	0	5
Number returning from parental leave in current year (C)	15	1	16	15	1	16	10	3	13
Number who returned from parental leave in previous year and worked full year in current year (D)	15	1	16	15	1	16	10	3	13
Parental leave return-to-work rate % = B/A	100%	100%	100%	67%	50%	63%	100%	0%	100%
Parental leave retention rate % = D/C	100%	100%	100%	100%	100%	100%	100%	100%	100%

Pension Plan

Yang Ming's employee retirement policy has been established based on the "Labor Standards Act" and "Labor Pension Act." The Company makes a monthly pension contribution to designated accounts to ensure the contribution and payment of employees' pensions, thereby further encouraging their long-term service and dedication to the Company.

Transition Assistance Programs for Retiring or Terminating Employees

Program Content	Program Description	Number of Uses in 2022	Number of Uses in 2023	Number of Uses in 2024
Severance pay	Severance pay is given as required by law	1	2	4
Retirement consultations	Pension system and practice courses	101	Continuously available on company intranet courses for colleague reference	Continuously available on company intranet courses for colleague reference
Employment guidance	None	0	0	0
Resignation transition guidance program	None	0	0	0
Retired employee recruitment system	Retired employees are hired as regular/ irregular employees	2	0	1

* Before implementing major decisions that may seriously affect employee rights, the Company follows relevant notification procedures under Labor Standards Act and provides advance notice before terminating labor contracts.

Employee Voice Survey

Employee care is a core focus of the Company's overall development. In addition to colleagues being able to directly provide feedback through the Chairman's mailbox and employee mailbox, the Company commissioned Mercer Taiwan to conduct an Employee Voice of Employee (VOE) survey, testing both seafaring and shore-based colleagues. Through third-party professional assessment consulting, we aim to summarize Yang Ming employee voices, discover organizational status quo, understand areas for improvement, and plan future employee care and talent development blueprints, allowing colleagues and the company to grow together, enhance employee welfare, improve corporate organizational atmosphere, and seek better work environments and career development. We plan to conduct employee voice surveys every 2 years, with the previous survey conducted in 2023 and the next planned for 2025.

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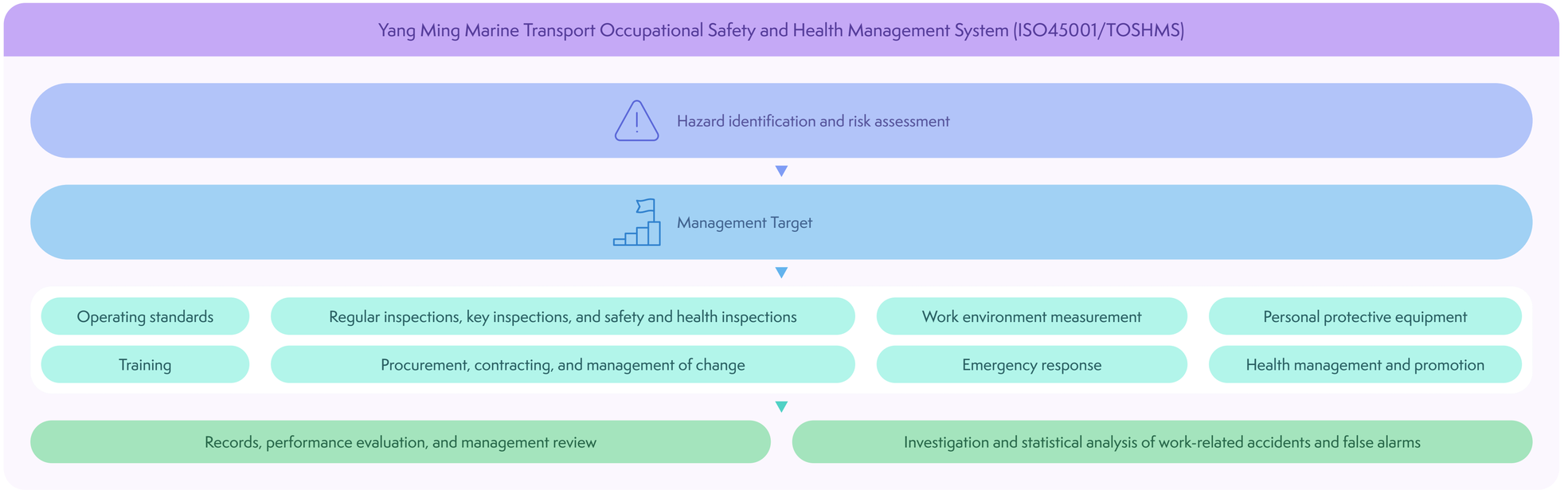
5.4 Occupational Safety and Health

5.4.1 Occupational Safety and Health Promotion and Prevention

The Company upholds the policy of "Ensuring occupational safety and promoting employees' physical and mental well-being" establishing an Occupational Safety and Health Office according to law, specifically responsible for occupational safety and health policy formulation, plan management, and Group-wide supervision. Dedicated occupational safety units are established at each workplace to specifically implement safety and health management system operations. Additionally, when formulating or changing occupational safety and health policies, communication with relevant workers or labor representatives is conducted, with implementation after Chairman approval and announcement.

All workplaces in Taiwan, including the Keelung Container Yard, have been certified under the ISO 45001:2018 Occupational Safety and Health Management System and the TOSHMS Taiwan Occupational Safety and Health Management System, and have obtained the corresponding management system certificates. Certification scope includes vessel container transportation business management, customer service, terminal container loading/unloading, cargo warehousing operations, and related contracting operations, with 100% employee coverage. We undergo independent third-party audits annually to maintain ISO 45001:2018 and TOSHMS certificate validity, providing safe and healthy working conditions, adhering to occupational safety laws and related requirements, eliminating hazards and reducing occupational safety and health risks, and promoting worker occupational safety and health consultation and participation. The Company's occupational safety and health management activities include:



Each workplace of the Company establishes an "Occupational Safety and Health Committee" in accordance with the Regulations of Occupational Safety and Health Management. Meeting minutes are submitted to the headquarters' Occupational Safety and Health Committee after being verified by the committee members of each workplace. The headquarters' Occupational Safety and Health Committee consists of 9 members who are occupational safety and health personnel, relevant department heads, and labor representatives, of which 3 are labor representatives. Headquarters occupational safety and health committee quarterly consolidates execution results from all workplaces, reviews various safety and health performance indicators, and deliberates on safety and health management matters, occupational safety and health education and training, health management, occupational disease prevention, etc. In addition to recommending related improvement measures, they discuss proposals for occupational safety and health and health matters raised by business units and workers, communicating results company-wide to enhance colleague work and environmental safety and promote health care.

Occupational Safety and Health Policy and Certifications

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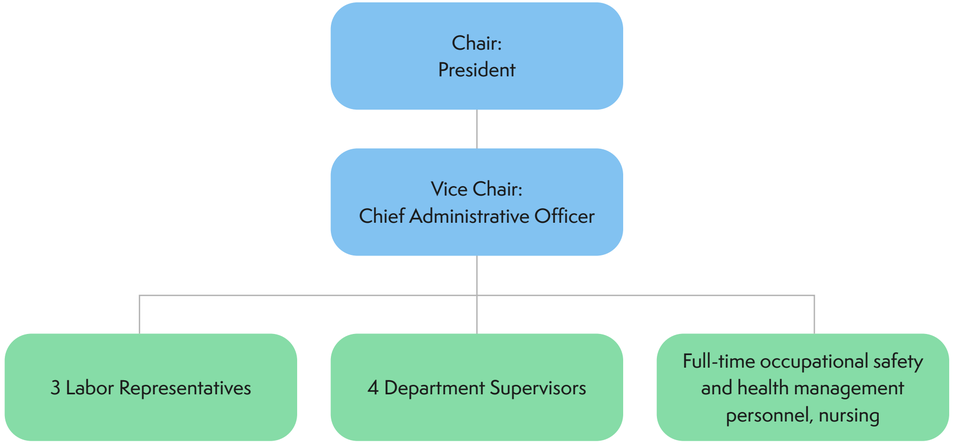
Headquarters' Occupational Safety and Health Committee



* The Head Office Occupational Safety and Health Office has a total of 7 full-time occupational safety and health personnel and 1 full-time nurse. At least 3 members attend the Occupational Safety Committee each quarter.

2024 Occupational Safety and Health Committee Performance

- Held 4 regular meetings
- In addition to completing improvements on daily facility or health and hygiene issues, 2024 deliberation topics focused on following Ministry of Labor Occupational Safety and Health Administration four major plan guidelines, conducting related plan revisions, announcements, and related assessments and operational inventories:

1. Prevention Plan for Workplace Violence, Harassment, and Bullying during the Performance of Duties
2. Workplace Maternal Health Protection Plan
3. Prevention Plan for Illnesses Induced by Abnormal Workload(for Shore-based Personnel)

Occupational Safety and Health Reporting and Complaints

The Company has established diverse worker communication and complaint channels including Chairman's mailbox, independent director mailbox, whistleblowing mailbox, General Affairs Department office environment and service satisfaction questionnaire, occupational safety service mailbox, etc. For detailed content, please see Section 5.1.3 Smooth Communication Channels. The occupational safety service mailbox received 6 suggestions in 2024, with 100% annual closure rate. For issues like prolonged sitting pain, colleagues suggested using height-adjustable desks to improve posture and reduce physical fatigue, or regarding residual secondhand smoke odor after colleague smoking, suggesting adding disinfection equipment to reduce secondhand smoke effects, etc. All received subsequent deliberation, ensuring colleague voices are valued and adopted, improving work environments for themselves and partners, and enhancing work identification.

Workers covered by an occupational health and safety management system

Year	Category	Number of People Covered by the Management System		Total Number of Members in the Organization		Percentage	
		Employees	Non-employees	Employees	Non-employees	Employees	Non-employees
2022	Unaudited	0	0	0	0	0%	0%
	Audited internally	1,664	18	1,664	18	100%	100%
	Audited or certified by external organizations	1,664	18	1,664	18	100%	100%
2023	Unaudited	0	0	0	0	0%	0%
	Audited internally	1,712	10	1,712	10	100%	100%
	Audited or certified by external organizations	1,712	10	1,712	10	100%	100%
2024	Unaudited	0	0	0	0	0%	0%
	Audited internally	1,655	10	1,655	10	100%	100%
	Audited or certified by external organizations	1,655	10	1,655	10	100%	100%

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Work-Related Injury Statistics and Information on Work-Related Accidents

According to important disabling injury statistics indicators published by the Ministry of Labor, GRI Standards, and SASB Standards, onshore employees experienced 1 fall incident and 1 collision during business trip occupational injury case in 2024. The Company has installed anti-slip mats and provided protective equipment, incorporating cases into education and training courses. Seafarers experienced 5 pinching, falling, dropping, collision, and crushing incidents, all communicated to the fleet with captains requested to strengthen onboard occupational safety and health training, providing scenario cases to remind seafaring personnel of safety precautions. The Company is committed to implementing onsite safety and health management and strengthening preventive operations. Keelung Container Terminal has reported accident-free working hours since 2006, accumulating 18 consecutive years without any occupational injuries. As of the end of December 2024, Keelung Container Terminal occupational injury registration has achieved zero injuries for 1,347,586 consecutive hours, continuing toward 1.5 million zero-injury hours.

Statistics on Employees' Work-Related Injuries

The Company's 2024 employee disabling injury frequency rate, disabling injury severity rate, and major occupational injury numbers are all **below** industry averages announced by the Occupational Safety and Health Administration, Ministry of Labor.

Year	Total working hours (hrs)	Work-related Accidents			Rate of Fatalities Due to Work-related Injuries	Serious occupational injury rate (excluding fatalities)	Rate of Recordable Work-related Injuries	Lost Days	Disabling Injury Frequency Rate (FR)	Disabling Injury Severity Rate (SR)	Frequency-Severity Indicator (FSI)	Lost Time Injury Frequency Rate (LTIFR)
		Number of People Suffering Serious Work-Related Injuries	Number of Fatalities	Recordable Number of People Suffering Work-Related Injuries								
2022	5,579,562	1	1	4	0.18	0.18	0.72	6,323	0.72	1,133	0.90	0.72
2023	5,487,656	2	0	8	0.00	0.36	1.46	1,068	1.46	195	0.53	1.46
2024	5,384,602	0	0	7	0.00	0.00	1.30	117	1.30	21	0.16	1.30

[1] Disabling injury frequency rate (FR) = Total number of disabling injuries*1,000,000/ Total working hours.

[2] Disabling Injury Severity Rate (SR) = Disabling injury lost days * 1,000,000 / Total working hours.

[3] Frequency-Severity Index (FSI) = (Disabling injury frequency * Disabling injury severity rate / 1,000)$^{0.5}$.

[4] Lost Time Injury Frequency Rate (LTIFR) = Number of lost-time injuries (disabling injuries) * 1,000,000 / Total working hours.

[5] Seafaring personnel lost days: From the day after crew member disembarks due to injury until the end of injury/illness.

Statistics on Non-Employees' Work-Related Injuries

There were **no** cases of work-related ill health in the Company in 2024.

Year	Total working hours (hrs)	Work-related Accidents			Rate of Fatalities Due to Work-related Injuries	Serious occupational injury rate (excluding fatalities)	Rate of Recordable Work-related Injuries	Lost Days	Disabling Injury Frequency Rate (FR)	Disabling Injury Severity Rate (SR)	Frequency-Severity Indicator (FSI)	Lost Time Injury Frequency Rate (LTIFR)
		Number of People Suffering Serious Work-Related Injuries	Number of Fatalities	Recordable Number of People Suffering Work-Related Injuries								
2022	326,688	0	0	0	0	0	0	0	0	0	0	0
2023	22,386	0	0	0	0	0	0	0	0	0	0	0
2024	17,739	0	0	0	0	0	0	0	0	0	0	0

* Non-employee workers refer to those whose work or workplace is controlled by the organization, including contractors and dispatched personnel at the Company.

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5.4.2 Hazard Identification and Risk Assessment for Effective Management

Container Yard and Office Risk Management

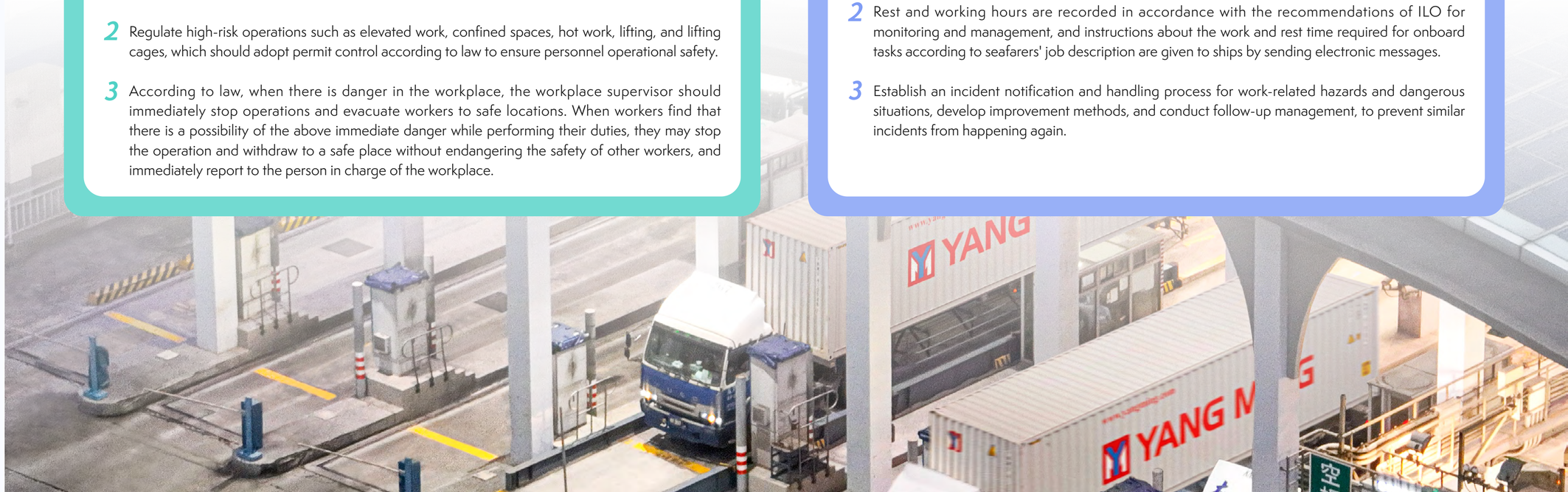
To protect workplace employee safety and health and reduce harm to employee personal safety and health caused by work processes, the Company has established "Safety and Health Risk and Opportunity Management Procedures." The Occupational Safety and Health Office, together with workplace safety personnel and occupational health nurses from each workplace, conducts workplace operational risk assessments at least once annually following practical operations, regulatory updates, and other requirements. For risk mitigation, we adopt engineering controls, administrative controls (such as establishing operational procedures), education and training, and personal protective equipment measures to effectively prevent and reduce risks and hazards to occupational safety during operations. Annual risk assessment results are submitted to the Occupational Safety and Health Committee for deliberation and approval, with further planning of safety and health management plans while conducting workplace environmental monitoring and management. To effectively prevent accidents or unexpected situations in the workplace, the Company has established the following procedures:

Work Rules / High-Risk Work Management Procedures / Procedures for Work-related Accident and Emergency Response Plans

1. Regulate that supervisors at all levels should cooperate with regulatory requirements for safety and health management implementation and supervise subordinates' compliance with safe operation standard methods.
2. Regulate high-risk operations such as elevated work, confined spaces, hot work, lifting, and lifting cages, which should adopt permit control according to law to ensure personnel operational safety.
3. According to law, when there is danger in the workplace, the workplace supervisor should immediately stop operations and evacuate workers to safe locations. When workers find that there is a possibility of the above immediate danger while performing their duties, they may stop the operation and withdraw to a safe place without endangering the safety of other workers, and immediately report to the person in charge of the workplace.

Accident and Incident Handling and Correction Procedures / Ship Risk Management Procedures

1. Identify various onboard operational company risk assessment forms, onboard risk assessment controls, and risk reduction measures.
2. Rest and working hours are recorded in accordance with the recommendations of ILO for monitoring and management, and instructions about the work and rest time required for onboard tasks according to seafarers' job description are given to ships by sending electronic messages.
3. Establish an incident notification and handling process for work-related hazards and dangerous situations, develop improvement methods, and conduct follow-up management, to prevent similar incidents from happening again.



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Due to the characteristics of shipping services, the Company has a container yard in Keelung and large machinery and equipment on-site. Therefore, relevant loading and unloading operations have medium to high risks. To deepen Keelung Port's medium and long-term operational development, Keelung Yang Ming Container Yard underwent renovation and updates, including new gantry crane construction and heavy container storage area replanning, significantly improving onsite operational efficiency and safety. The new gantry crane received dual certification from the American Bureau of Shipping and TÜV Rheinland, with operational height reaching 61 container levels, width spanning 18 container storage rows. Power supply can reach equipment directly through power lines, reducing losses from power transmission through intermediate transformer stations and increasing equipment operational stability. The heavy container storage area replanning project placed container pickup truck lanes in the middle of the storage area, reducing gantry crane trolley movement distance and accelerating pickup efficiency. Heavy containers are stored on both sides of the lanes, benefiting traffic safety.

2024 Keelung Yang Ming Container Yard Safety Performance

Agreement Organizations

- Held quarterly.
- Agree on safety and health management implementation, including dangerous operations such as hot work and elevated work, and machinery, equipment, and tool entry control and cooperation matters, promoting operational safety, health, and health management.

Continue to increase accident-free working hours

Continuously accumulated, uninterrupted

Joined "Keelung Port Occupational Safety and Health Partnership Alliance" in August 2024

The Company's Keelung Container Terminal participates in this industry-wide occupational safety and health partnership , aiming to leverage collaborative mechanisms to improve port area operational safety standards pursue zero accidents in "port transportation," "container loading/unloading," and "civil construction," reduce occupational injury risk, enhance port area industrial safety and disaster prevention capabilities, and protect the well-being of all workers .

Taiwan International Ports Corporation Keelung Branch actively promotes the alliance's joint initiatives, facilitating the sharing of safety and health partnership operations, sharing safety and health management experience and resources, assisting member enterprises in growth and development, jointly promoting occupational safety progress to minimize occupational injury occurrence rates. In parallel, education and training programs are implemented to significantly enhance occupational safety and health hazard identification and risk control capabilities, thereby fostering safe and healthy work environments.

To prevent forklift operation accidents due to careless operation, partner contractor China Container company regularly completes operator education and training with public announcements. The Company's container terminal personnel also strengthen patrol of operator behavior patterns with no abnormal situations occurring. Subsequent patrol operations will continue.

To improve forklift operator operational safety, Yang Ming simultaneously requires partner contractors to notify onsite operators to wear safety helmets, conduct education and training, and post safety helmet warning signs on forklifts. Additionally, safety helmets are placed at the rear of forklifts, requiring operators to wear them when dismounting.

The Company has established occupational safety and health management plans, implementing regular inspections, key inspections, operational checkpoints, and onsite patrols while implementing workplace environmental monitoring to provide employees with safe and healthy work environments:

Drinking water equipment

- Building water source is tap water.
- Drinking water machines are maintained and tested by professional qualified vendors, with sampling and testing for water quality and E. coli every three months, creating "Water Quality Testing Records" and posting them prominently on drinking water machines.

Air conditioning equipment

- The Company has established management and maintenance procedures, performing air conditioning filter cleaning on each floor monthly, all recorded in "Air Conditioning Filter Maintenance Records."
- Maintenance of water chiller units: The water chiller units are maintained and serviced by external vendors once a quarter. In the first quarter of every year, the drain clearing process is conducted, and the units undergo full maintenance at least every 3 years.

Air Quality

- The Company conducts carbon dioxide monitoring every six months according to law, with test values below legal standards, providing employees with comfortable office environments.

Food safety

- The Company has set up the Catering Committee, undergone irregular sampling inspections by external hygiene bodies, and obtained a hygiene management rating mark in recognition of our performance.

* For maritime operation hazard identification and risk assessment, please refer to Section 4.1 Navigation and Transportation Safety.

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5.4.3 Implementing Education and Training to Provide Employees with the Most Solid Protection

To effectively protect worker safety and health, based on important indicators such as work patterns and work environments, occupational safety and health management units/personnel at each workplace plan training content according to indicator types. We establish safety and health education and training plans for the following year at the end of each year, incorporating them into "Occupational Safety and Health Management Plans" and ultimately submitting them to occupational safety and health committees at each workplace for deliberation. Training content includes at least twice-yearly fire prevention and emergency response training and business-related safety training complying with legal frequency requirements. In 2024, internal and external training totaled 109 sessions with 3,803 cumulative participants. Onsite work maintains quarterly invitations to agreement organizations and contractors for occupational injury case analysis or synchronized participation in the Company's operational training.

The Company also seeks opportunities to enhance occupational safety based on operational risk assessment results, regulatory compliance, and government policy response, investing in training on the following topics:

Onshore Employee Safety Management and Training

Category	Issues of Special Concern in 2024	Training Courses on the Issues Listed on the Left
Occupational safety and health managers	▪ Operation of occupational health and safety management systems ▪ Government Policy Planning	▪ ISO 45001:2018 Internal Auditor Training Course ▪ Occupational Safety and Health Excellence Government Agency and Five-Star Award Unit Award Ceremony and TOSHMS Promotion Association Achievement Presentation ▪ "Healthy Workforce Sustainable Leading Enterprise" Award Ceremony and Achievement Sharing Session
Occupational safety and health management personnel, worker health service nursing personnel	Four Occupational Safety and Health Major Plans (detailed content see Section 5.4.4 Health Management and Care)	▪ Occupational Safety and Health Prevention Promotion and Industrial Safety Experience Activities ▪ Workplace Health Promotion Workshop and Ergonomic Hazard Prevention Management Practice ▪ Latest "Gender Equality in Employment Act" Response Program—Workplace Sexual Harassment Prevention and Complaint Investigation Strategy Skills
First aiders	The Company provides first aid personnel numbers exceeding legal requirements	Complete initial or refresher training according to practical needs
Occupational Safety and Health Committee members	Legal compliance and case analysis and management	▪ Regional Labor Inspection Office courses ▪ Occupational Safety and Health Administration digital learning platform
General Workers (including interns and part-time students)	▪ Strengthening employee fitness ▪ Four Occupational Safety and Health Major Plans ▪ Employee Assistance Programs	▪ Super slow jogging, towel and small ball muscle strength exercises ▪ Office Vision Care program Awareness and Prevention of Macular Degeneration ▪ EAPs promotion sessions, "Entering the Small World of Succulents" course
Before job changes for new employees or existing workers	▪ Overview of occupational safety and health related regulations ▪ Occupational safety and health concepts and safety and health work rules ▪ Self-inspection before, during, and after operations ▪ Standard operating procedures ▪ Emergency incident response handling ▪ Fire prevention and first aid knowledge and drills ▪ Other safety and health knowledge related to worker operations	▪ Workplace safety and employee safety and health rights and obligations ▪ Workplace introduction and emergency response key points ▪ Health promotion explanations

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8 DECENT WORK AND ECONOMIC GROWTH

In 2024, the Company employed nine visually impaired massage therapists to provide on-site employee massage therapy as part of the workplace wellness program, supporting employee well-being and enhancing productivity, while also promoting inclusive employment opportunities for people with visual impairments to create a win-win outcome for people with visual impairments, the enterprise, employees, and the government. To ensure a safe and inclusive work environment, administrative personnel assist massage therapists in their tasks, and transportation to and from the Company is arranged. Additionally, the Company provides regular training, awareness programs, and evacuation drills to strengthen emergency response capabilities.

Seafarer Safety Management and Training

To protect the work environment of seafarer on ships, all vessels in the fleet currently pass regular audits by flag states and classification societies, while also obtaining International Safety Management Code (ISM Code) and Maritime Labour Convention (MLC) certificates. For risks faced by shipboard work such as variable climate and medical inconvenience, relevant management policies and measures are formulated to ensure personnel safety, vessel safety, and cargo safety. Through shipboard auditing, supervision, and vessel boarding visit mechanisms, and systematic implementation of management records and tracking, dual supervision of personnel performance and vessel maintenance is achieved, improving overall vessel operation and navigation safety.

Seafarers training is also an important part of the Company's maritime safety improvement. In addition to enhancing competencies, we require all crew members to receive pre-duty occupational safety training before boarding, including: maritime case explanations, company ISM policies, latest convention legal requirements, occupational safety awareness, etc., and provide personal protective equipment to prevent accidents. We also regularly send occupational safety and health communications, introducing seafarer occupational safety and health concepts at all levels. To meet modern environmental demands, seafarer training also strengthens courses on vessel clean energy and compliance with environmental regulations of various countries.

All vessel operations undergo risk assessment, with the Marine Department and fleet regularly holding safety management review meetings and vessel safety meetings, establishing standard operations according to vessel safety management systems with zero industrial safety accidents as the goal. Through training, we actively promote emergency evacuation procedures when danger occurs and urge crew members to report to direct supervisors according to procedures. The Company regularly implements various drills to enhance seafarer response capabilities, ensuring that when emergency incidents occur, shore management units and seafarers can communicate effectively and take appropriate emergency response measures.

2024 Occupational Safety Related Courses

- Seafaring pre-job training total trainees: **1,090 participants**.
- Seafarers received Class 3 occupational safety and health supervisor training: **44 participants**.
- Enhance workplace safety and health concepts and awareness, conducted **2 sessions** of industrial safety experience training, totaling **18 people**.
- Other Work Safety Crisis Awareness Enhancement Methods.
- Monthly regular safety, health, and environmental meetings held onboard, totaling **12 times** annually.
- Accident case sharing and prevention promotion.
- Random onboard inspection by occupational safety personnel to inspect the implementation of onboard occupational safety affairs.

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5.4.4 Health Management and Care

Health Care for Onshore Employees

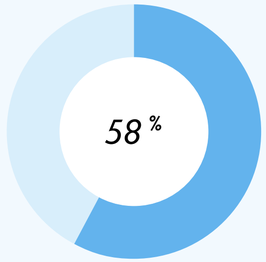
The Company values employee health, regularly arranging employee health examinations and caring about personal health conditions together with employees. We provide health examination frequency and amounts (NT$10,000) exceeding legal requirements. With common cancers among nationals as the main focus, three major health packages are planned: "Ultrasound Package," "Lung Cancer Package," and "Gastrointestinal Endoscopy Package." Additionally, for cholangiocarcinoma or pancreatic cancer that nationals fear, an "Abdominal MRI Package" is also established. Older colleagues can also arrange "Neurological Examinations" to understand brain-related diseases, whether brain structure is abnormal, damaged, or deteriorated.

Ultrasound Package

Screening Function Description

Suspicious abnormal lesions or tumors such as breast cancer, liver cancer, kidney cancer, ovarian cancer, thyroid cancer, prostate cancer, etc.

Main Package Used by Colleagues



Advantages or Selection Considerations

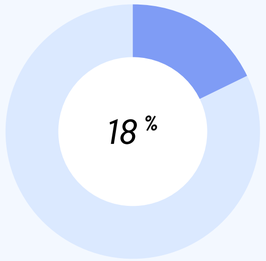
- Non-invasive
- Colleagues do not need to bear additional costs

Gastrointestinal Endoscopy Package

Screening Function Description

- Colorectal cancer (ranked 2nd in Taiwan's top 10 cancers in 2023)
- Gastrointestinal-related diseases (gastritis, gastric ulcer, gastric polyps)

Main Package Used by Colleagues



Advantages or Selection Considerations

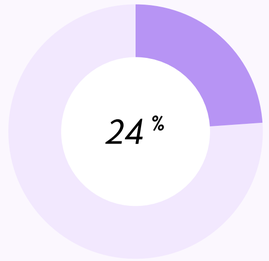
- Early detection of gastrointestinal-related diseases
- Polyp removal can be covered by health insurance

Lung Cancer Package or Other Screening *

Screening Function Description

- Lung cancer (ranked 1st in Taiwan's top 10 cancers in 2023)
- Rare cancers such as bile duct cancer or pancreatic cancer

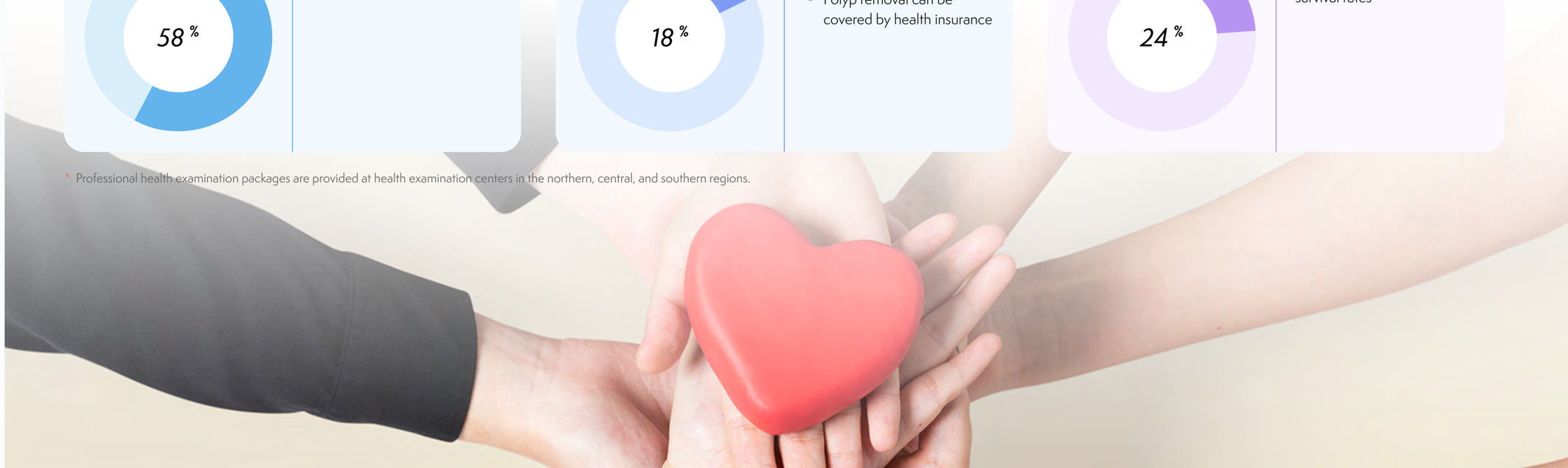
Main Package Used by Colleagues



Advantages or Selection Considerations

Through special examinations, it helps with early detection and early treatment, improving survival rates

* Professional health examination packages are provided at health examination centers in the northern, central, and southern regions.



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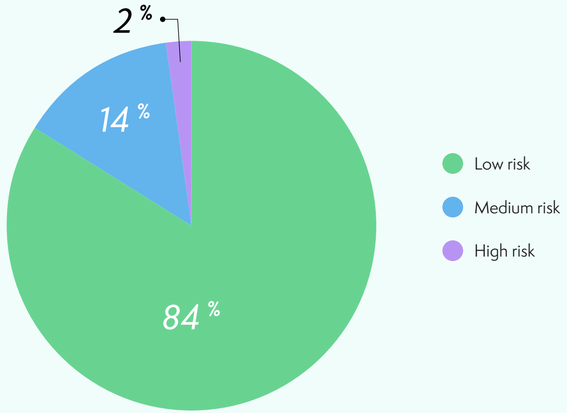
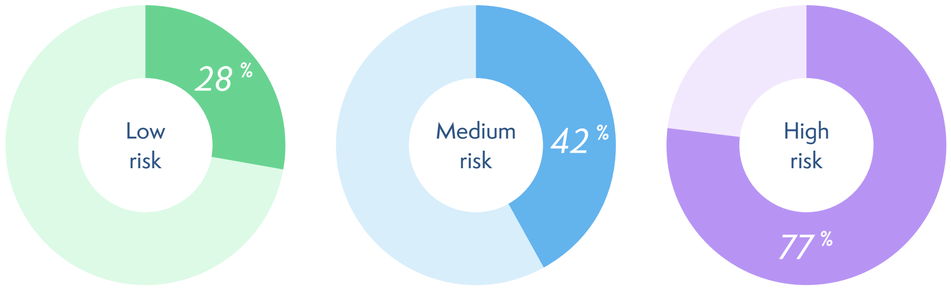
In 2024, health examinations were conducted for onshore employees aged 40 and above (excluding department heads/supervisors/overseas personnel), achieving an examination rate of over 95%, with a 100% examination rate for supervisors. Employee health examination results are analyzed for health risks through The company's "Employee Health Management Platform," using a "comprehensive indicator of metabolic syndrome risk + coronary heart disease risk," categorizing the risk of developing cardiovascular disease in the next ten years as low, medium, or high. The Occupational Safety & Health Office will proactively arrange consultations with on-site medical doctors or encourage participation in health promotion activities for high-risk employees. The 2024 analysis results are as follows:

Proportion of people by health grade in 2024



Proportion of people receiving doctor consultations in 2024



Employee Health Examination Satisfaction Survey

The company values colleagues' health examination experience and conducts annual surveys on various items at health examination hospitals, using a 1-5 scale from very dissatisfied to very satisfied. This year, colleagues were most satisfied with "Health Examination Hospital Evaluation," receiving a high score of 4.7 out of 5. This was followed by "Health Examination Service Process - whether all examination processes are smooth," "Health Examination Environment - comfort and privacy of examination spaces," "Personnel Service - professionalism of medical staff service," and "Personnel Service - attitude of medical staff service," all receiving scores of 4-5 (satisfied or very satisfied) this year.

To effectively identify workplace hazard risks, we conduct health promotion programs through health examination results and recommendations from on-site medical staff, based on four major program guidelines, work pattern analysis, and workplace environment visits. In addition to hiring professional doctors for lectures, we also cooperate with local health authorities to hold over 40 health promotion activities, with a cumulative participation of 2,653 people. Besides lectures, the Company simultaneously uses internal messaging to disseminate occupational safety information.

Health Promotion Activities

Topic	Course
Improving Physical Fitness	▪ "The Extraordinary Behind the Olympics - Sports Medicine" health lecture 1 session (in-person + online) ▪ "Healthy Walking, Lasting Wellness" activity ▪ Slow jogging 2 sessions
Nutritional Planning, Preventing the Three Highs	▪ Enhancing physical fitness nutrition and health care 1 session ▪ "New Health Indicator - Insulin Resistance" 2 sessions ▪ Avoiding dietary traps for eating-out workers - Nutritionist health lecture 2 sessions
Employee Assistance Programs (EAPs) [1]	
Four Major Programs [2]	

[1] For detailed content, please see the column - Recharge the Mind: Employee Assistance Programs (EAPs).

[2] For detailed content, please see the subsequent explanation in this chapter.

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2024 Health Promotion Highlights

Healthy Walking, Lasting Wellness

In 2024, a 6-month "Healthy Walking, Lasting Wellness program was launched. engaging 593 employees from all workplaces in the north, central, and south regions signing up to participate, encouraging employees to regular walk and exercise more to strengthen cardiopulmonary function, improve metabolism, prevent obesity, support digestion, and mitigate risks of hypertension, hyperglycemia, and hyperlipidemia. Program outcomes:

- A total of 13,202,474 steps were recorded.
- 338 employees successfully achieved the "monthly average daily step count" target for 6 consecutive months and earning the "Achievement Award."
- For the "Weight Loss Award," 27 employees achieved a 3% reduction in bodyweight, 15 employees achieved 5% of their weight, and 28 employees achieved lost 8%, resulting in a total weight reduction approximately 300 kilograms.

Vaccination Station Services and Screening Activities

All workplaces of the company cooperate with local health centers to arrange vaccination station services or screening activities. Through corporate vaccination activities, employees do not need to allocate additional time to arrange vaccinations, implementing health care for employees, and can also improve overall social health, achieving multiple benefits.

In 2024, the company organized the campaigns "XBB Vaccine One Dose, Extra Protection," Protection +1 Not Zero," " Flu and COVID Together, Health Assured "and "Hepatitis B&C Screening Activity" were arranged, with a total of 215 people completing vaccinations. Among them, on the day of the "Flu and COVID Together, Health Assured" campaign, the President and Chief Administrative Officer led by example in receiving supporting government's public health vaccination policy. The President emphasized the importance of vaccines in safeguarding personal health. In addition to practicing good hygiene habits daily, vaccination is the most effective protection. Safeguarding employee health has consistently been a long-term commitment of the Company. The Director of Keelung City Health Bureau also commented Yang Ming Marine Transport for supporting for government vaccination policies, noting that in addition to protecting employees, the Company also helped form a protective network, thereby fulfilling corporate social responsibility and advancing public health awareness.

XBB Vaccine Administration

Flu and COVID Together Vaccine Administration

Technology Fitness Activity

The company values employee welfare and health and has obtained Sports Enterprise Certification from the Ministry of Education's Sports Administration. In recent years, the Sports Administration has promoted "Technology Fitness Activities," applying technological fitness testing to enhance of personal fitness, and demonstrate the effectiveness of regular exercise. The activity assessed physical health through InBody analysis (height, weight, body fat percentage, waist and hip circumference, body age, basal metabolic rate), grip strength (muscular fitness), back-support seated forward bend (flexibility fitness), and three-minute progressive stationary knee-lift stepping (cardiopulmonary fitness). The company encourages employees to participate in evaluating their physical condition. A total of 645 employees joined with aged ≤44 (Younger Group) and 33% aged 45-65 (Mature Group). A total of 202 people achieved the standard, and 92 employees received excellent awards.

Testing Process and Items

1. Complete the "Exercise Safety Preview" questionnaire and sign the testing consent form in advance
2. InBody: height and weight, body fat percentage, waist circumference, hip circumference, body age, and basal metabolic rate
3. Muscular fitness test: Test grip strength twice (take the best result)
4. Flexibility fitness test: Test back-support seated forward bend twice (take the best result)
5. Cardiopulmonary fitness test: Three-minute progressive stationary knee-lift stepping
6. InBody briefing: Hold InBody briefing on the day of the activity
7. Each colleague who completes the "Technology Fitness Activity" can receive a meal

Incentives

- Participation Award: Anyone who participates in testing and completes the "Satisfaction Survey" can receive NT$200.
- Achievement Award - Two major categories:
  1. Younger Group (Employees aged ≤44): The top 100 performers in PR score ranking received NT$300.
  2. Mature Group (Employees aged 45-65): The top 100 performers in PR score ranking received NT$300.
- Excellence Award: Participants achieving the highest PR level (PR81–99) in any of the three tests (grip strength, flexibility, or cardiopulmonary fitness) received an additional NT$100 per item. *

Qidu Physical Fitness and Grip Strength Test

Qidu Physical Fitness Flexibility Fitness Assessment

Kaohsiung Physical Fitness

Taichung Physical Fitness Workshop Inbodyyr Seminar

Keelung Container Yard Physical Fitness

* For testing standards, please refer to - Technology Fitness Age-Stratified Scoring Norms.

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Health Improvement Measures Willingness Survey

Combining the Company's internal resources, we surveyed colleagues' future health improvement measures to be implemented, and simultaneously arranged health promotion activities for colleagues' abnormal (red flag) health examination results, arranged according to willingness preference from high to low:

Implementation Willingness	Health Improvement Measures	Health Promotion Activities
High	Start with daily routine changes, such as exercise or diet	Health lectures
↑	Arrange further examinations at medical institutions where individuals usually seek medical care	Fitness activities
|	Arrange consultation with the company's on-site medical service doctors	Nutritionist - dietary health education courses
↓	Continue observation (no action for now)	Doctor on-site service consultation activities
Low	-	▪ Club activities * ▪ Participate in external organization activities * ▪ Weight control class *

* "Club activities," "participate in external organization activities," and "weight control class" are activities that require more physical implementation or intervention changes, so the willingness to choose them is relatively low.

Health Care for Seafarers

Yang Ming requires all seafarers to submit physical (health) examination certificates and drug testing data before boarding. During navigation, to prevent drug and alcohol abuse, The Company has established "Drug and Alcohol Control," and alcohol testing can be performed when necessary to ensure colleague work safety. Given the special work environment, the company also requires seafarers to strengthen health management of blood pressure, urine sugar, urine protein, and other indicators. If there are abnormalities or notes, the company nurse or contracted physician will provide health education and health follow-up management.

We provide annual health examination subsidies of NT$10,000 to increase the incentive for seafaring personnel health examinations, to grasp their own health status as early as possible. Those who turn 30 years old in the current year can receive subsidies once a year, while those under 30 can receive subsidies once every two years. In 2024, a total of 66 seafarers submitted applications.

Yang Ming Vaccination Regulations

Onshore employees

The Company's expatriates will consult with on-site medical doctors before departure. The on-site medical doctors will recommend which vaccines colleagues should receive in advance based on the epidemic diseases and local medical conditions of the assigned location. Colleagues will then follow the "Vaccination Recommendation Form" filled out by the on-site medical doctors, and the company provides full subsidies.

Seafarers

All crew members of the company's fleet are required to receive yellow fever vaccinations, and some crew members are required to receive cholera vaccinations due to port requirements, with costs fully subsidized by the company.

Health and Safety Measures for Seafarers

At-sea medical consultations	24 recipients
Fleet Installation of Automated External Defibrillator (AED) & 12-Lead Electrocardiogram (12 LEAD EKG)	Completed ship delivery and installation in July
AED education and training	708 seafarers obtained cardiopulmonary resuscitation(CPR) and automated external defibrillator(AED) certification
12 LEAD EKG Education and Training	233 seafarers completed the training
EAP and gender equality promotion	1,090 seafarers completed the training

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Four Major Programs Implementation Results and Targets

We follow the Occupational Safety and Health Administration, Ministry of Labor's "Night Work Safety and Health Guidelines" to implement care for night workers' occupational safety and health, ensure employee physical and mental health, and reduce the risk of workplace violence. The company's 2 nurses additionally conduct night work promotion, with a comprehensive explanation as follows:

Four Major Programs	2024 Results	Target by 2025
1 Plan for Ergonomic Hazards	1. Towel exercises and small ball muscle strength promotion 3 sessions, with a total of 99 participants. 2. Vision Care Program - Awareness and Prevention of Macular Degeneration health lecture 1 session (in-person + online), with a total of 419 participants. 3. Cooperating with the Association for the Blind, providing stress-relief massage services to over 400 employees monthly *. 4. Cooperating with Keelung City Social Affairs Department, conducting 1 public welfare massage activity, with a total of 66 participants. 5. Workplace ergonomic hazard prevention assessment and improvement courses.	▪ Increased online education and training courses
2 Prevention Plan for Illnesses Induced by Abnormal Workload (for Shore-based Personnel)	In 2024, 12 abnormal workload assessments and questionnaire result interviews were conducted, with 9 being low-load, 2 medium-load, and 1 high-load colleague; for the high-load colleague, lifestyle changes and attention to work hour adjustments were recommended, with follow-up at least every six months.	▪ Increased online education and training courses ▪ Published Prevention Plan for Illnesses Induced by Abnormal Workload (for Shore-based Personnel)
3 Prevention Plan for Workplace Violence, Harassment, and Bullying during the Performance of Duties	1. Revised version published in July 2024. 2. Completed hazard identification and risk assessment for the Prevention Plan for Workplace Violence, Harassment, and Bullying among shore-based employees. The results showed that 19 departments reported no potential risks, while 15 departments were identified with potential risks, including customer-related emotional outbursts, colleague relationship issues, and excessive overtime allocation. For departments identified with potential risks, the Occupational Safety Office implemented targeted risk reduction measures in collaboration with each unit, such as enhanced security patrols, improved workload distribution, and strengthened supervisor–employee communication management. 3. Conducted lawyer lecture - "Prevention of Workplace Unlawful Infringement" education and training 1 session, with explanations using practical cases.	▪ Increased online education and training courses ▪ In response to the addition of a workplace bullying chapter in the Occupational Safety and Health Act (draft), planning to cooperate with regulatory revisions to conduct revision work on the prevention plan for unlawful infringement during duty performance
4 Workplace Maternal Health Protection Plan	1. Published Workplace Maternal Health Protection Plan in October 2024. 2. In 2024, 20 people qualified for maternal health protection plan coverage (accounting for 3% of female employees), 17 completed doctor interviews and received health guidance, with 1 person applying for maternity leave due to obstetrician-gynecologist recommendation. Additionally completed pregnancy and childbirth health education and care for 5 male employees' spouses. 3. Encourage employees' children or grandchildren to attend the childcare center.	▪ Increased online education and training courses

* Cooperated with Keelung City Government in 2022, officially employing from November. In 2024, 9 visually impaired massage therapists were hired to provide massage services.

Towel Exercises and Small Ball Workout

Childcare Center

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Recharge the Mind: Employee Assistance Programs (EAPs)

3 GOOD HEALTH AND WELL-BEING

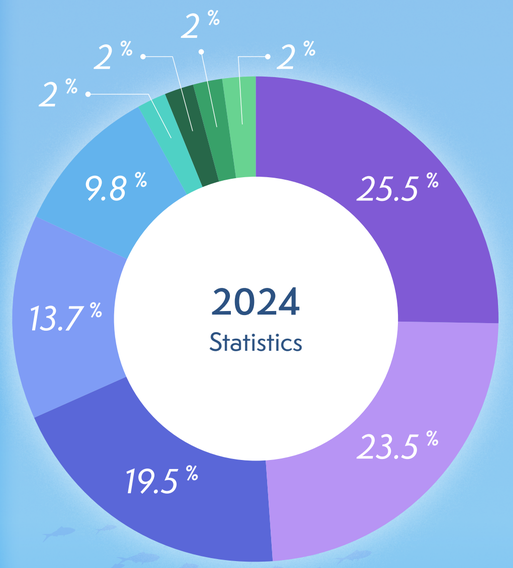
The Company's "Employee Assistance Programs (EAPs)" service is provided by the "Hsinchu Lifeline Association - Employee Assistance Service Center," with each person enjoying up to four expert counseling sessions per year, calculated at 60 minutes each, with related costs borne by the company. Applicable to onshore employees, overseas representatives (including spouses), and seafarers (including spouses).

- First Stage: Colleagues with family and parenting, career work, interpersonal relationships, physical and mental stress, legal, financial planning, and other issues can consult with the center's professional case management psychologists by phone without limit.
- Second Stage: After evaluation by the center, if professional consultant or expert assistance is needed, suitable times will be arranged for expert counseling by phone or face-to-face interview.

Evolution of the Company's EAP

2016	Introduced "Employee Assistance Programs," with usage limited to onshore employees
2018	Colleague passed away due to accident, activated "Grief Counseling"
2020	Usage expanded to include expatriates and their spouses
2023	Usage expanded to include seafarers and spouses
2024	Opened for use by seafarers and their families

Through observation, we found that in 2024, when colleagues conducted interviews with counselors, their use of EAPs for career work and legal consultation increased by 9.9% and 14.6% respectively compared to 2023, with other consultations mainly focusing on family parenting and relationship issues.



Career and work	13 instances
Legal consulting	12 instances
Family and parent-child relationships	10 instances
Relationship issues	7 instances
Interpersonal relationships	5 instances
Management consulting	1 instance
Emotional issues	1 instance
Financial consultation	1 instance
No-show	1 instance

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In 2024, we not only continued to promote to onshore employees but also added sessions for seafarers, explained as follows:

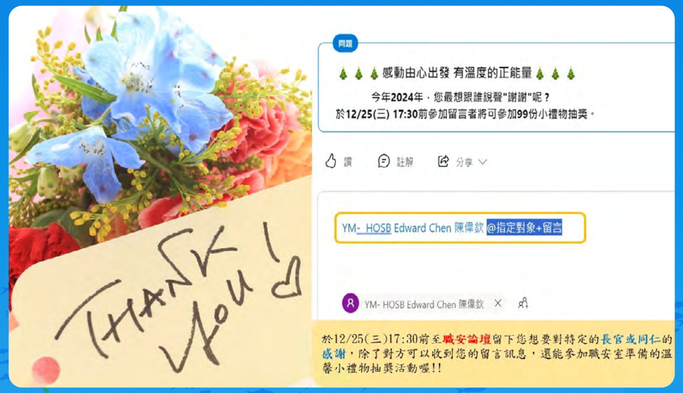
Onshore Employees

- "SHOW Love to Dad" Father's Day activity with **160 participants**, conveying gratitude to family members and bringing everyone closer together.
- "Touching from the Heart, Warm Positive Energy" with **376 participants**, sharing gratitude to supervisors or colleagues through the company's internal occupational safety forum.
- EAPs promotion meeting and "Entering the Small World of Succulents," with **6 sessions** held this year, attended by **293 people**.

Seafarers

- EAPs and gender equality promotion **2 sessions**, **1,090 crew members**.
- EAPs special lecture "Depression and Stress Special Lecture" **1 session**, with **26 crew members** participating.

"SHOW Love to Dad" Father's Day activity



Touching from the Heart, Warm Positive Energy

When The Company's Occupational Safety & Health Office conducts EAPs promotion meetings, in addition to promoting usage methods to colleagues, it also reviews the previous year's employee usage numbers and related main consultation topics, allowing colleagues to better understand the effectiveness of EAPs. From past annual reports, we found that when employees use this mechanism, they usually seek help "on their own initiative" in the majority of cases. In recent years, some colleagues have provided feedback in employee voice surveys that supervisor support and recommendations also have positive effects on colleagues. Therefore, we also hope to invite more supervisors and group managers to participate in promotion meetings together, to recognize and understand the importance of EAPs, and to observe whether there are colleagues around them who need care or assistance, thereby encouraging them to get help.

DIY Stress Relief Activities

Since the first "Mushroom Healing You" event in 2021 received great acclaim, 2024 also successively launched succulent plant series DIY stress relief activities - "Entering the Small World of Succulents." Succulent plants come in many varieties, some with cute and appealing appearances, while being easy to care for and handle, truly embodying "green healing power." In the process of caring for plants, observers can focus on changes in the plant's life cycle, thereby changing their attitude toward life and increasing self-affirmation; when we feel that there is life that needs care and nurturing, the "feeling of being needed" can increase self-affirmation, thereby healing and comforting the human spirit. We also hope that through the "Entering the Small World of Succulents" activity, colleagues can touch soil and experience the vitality of plants, interact with each other in class, and individually complete finished products, gaining a wonderful sense of achievement!

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4 QUALITY EDUCATION

Chapter Highlights

- Investment in charity, community development, and cultural promotion totaling NT$25,112,745
- Outstanding athlete sponsorship program sponsored 49 people in 2024, and sponsored important domestic sports events, with total sponsorship amount of NT$6,676,000
- Held charity and second-hand goods charity bazaar for 15 consecutive years, with donations of over 2,500 charity sale items, total charity sale income of NT$384,255, donated to 8 charitable organizations
- YM Oceanic Culture & Art Museum has been open for 20 years since 2004. In 2024, held the "Hi Harbor People 20th Anniversary Exhibition," achieving cultural sustainability and historical preservation through interviews, lectures, and hands-on activities, with over a thousand participants

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6.1 Yang Ming's Community Care Strategies

Yang Ming has been dedicated to promoting ocean cultures and education and supporting the development of local communities. With "enhance social participation to give back to society" as one of our sustainable development strategies, we demonstrate our empathy while developing our business, work with government organizations, charities, academic organizations, and NGOs in support of humanitarian and charitable aid, value the education and development of young people and students, offer education subsidies, engage in industry-academia collaboration, and expand the seafarer manpower pool. Furthermore, in line with the sports policies implemented by the government, the Company sponsors excellent athletes and those with potential. Yang Ming also actively facilitates community development to encourage the promotion of local cultures. Yang Ming "spread" happiness to society, cares for more communities, and heads toward the future of sustainable development.

Social participation and engagement

Item	Content	Amount (NT$)	Percentage
Charity activities	▪ Charity and Second-hand Goods Charity Bazaar Activity ▪ Donations to remote areas through Anue's charity program in 2024 ▪ Donations to the Keelung City Enlightenment Association for the Disadvantaged ▪ Boyo Social Welfare Foundation	512,745	1.09%
Cultural arts and community development activities	▪ Keelung Fairy Tale Arts Festival ▪ Commonwealth Publishing Group Science Popularization Sailing High School Reading Program ▪ TAIWAN PLUS 2024 ▪ Neo-Classical Chamber Music Ensemble ▪ Vox Nativa Association, Taiwan	2,600,000	5.53%
Sports Promotion and Title Sponsorship	▪ National Junior and Youth Table Tennis Elite Tournament ▪ Kenda Tire TLPGA Open ▪ Kaohsiung Badminton Masters and Taipei Badminton Open ▪ 2024 Cross-League Basketball Invitational Tournament ▪ Athlete Sponsorship	6,676,000	14.19%
Scholarships	▪ Post-baccalaureate Subsidy ▪ Rising Seafarer Subsidy ▪ College and Maritime Vocational High School Scholarship Subsidy	15,248,220	32.42%
Donation to Yang Ming Cultural Foundation	Promoting marine culture, planning art exhibitions, deepening marine education, and promoting community integration	22,000,000	46.77%
Total		47,036,965	100.00%

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Social Participation and Engagement and Number of People Benefited

Item	Content	Number of Beneficiaries/ Participants	Amount (NT$)	Percentage
Monetary donation	Various activity sponsorships, scholarships, donations, etc.	Over 10,000 people	47,036,965	95.40%
Material donation	Donated "Ocean Guardian Team, Set Sail!" to elementary schools in Taipei city, New Taipei city, and Keelung city	418 schools	700,000	1.42%
Employee volunteers	Beach cleanups and volunteer activities	645 volunteers	615,846	1.25%
Management cost	Beach cleanups, volunteer activities, flea market activities, ESG low-carbon response actions	705 people	954,112	1.94%
Total			49,306,923	100.00%

* Volunteer cost investment = Entry-level personnel average salary converted to hourly wage NT$308 * 129 (number of employees given official leave) * 15.5 (official leave hours).

Providing Internship Opportunities through Industry-academia Collaboration

Item	School	Number of People Benefited
Providing navigation and engineering internship opportunities through industry-academia collaboration	National Taiwan Ocean University	6
	National Kaohsiung University of Science and Technology	29
	Taipei University of Marine Technology	9
Total		44

Initiate a Journey of Recycling through Circular Economy

Yang Ming continues its excellent tradition by holding a charity and second-hand goods charity bazaar full of love and environmental awareness for 15 consecutive years. Every year, it receives enthusiastic response from colleagues. This year, our employees generously donated over 2,500 charity sale items, allowing still-usable materials to find new homes in the charity bazaar, practicing the concept of "love the earth, be environmentally friendly, and take action." This year's charity and second-hand goods charity bazaar was grandly held at the 15th floor sports field of the headquarters. To care for socially disadvantaged groups, Keelung Branch of Genesis Social Welfare Foundation, Taoyuan City Merry House Social Welfare Foundation, Victory Social Welfare Foundation - Victory Kitchen, Prader–Willi Syndrome Association Taiwan, Kanner Foundation of Taiwan, and Taipei Autism Children Social Welfare Foundation - I Can Sheltered Workshop were invited to set up stalls, giving our employees the opportunity to support charity organization products through actual purchases, and allowing second-hand charity sale goods to have more diverse exchanges. The proceeds from the charity sale have been combined with colleagues' year-end charitable donations and donated in full to charitable organizations; the remaining unsold charity sale items are transferred through the Huashan Social Welfare Foundation to disadvantaged families in need. Yang Ming continues to care for society, injecting positive energy into public welfare groups, and working together with society to create a beautiful future.

876 charity sale items were sold, with total charity sale income of **NT$384,255**, which was donated to **8** charitable organizations

Flea Market in 2024

Beach Cleanup Activities in 2024

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Supporting Sports Activities, Creating a Brilliant Future Together

Yang Ming values the health of employees and has encouraged colleagues to develop good exercise habits during their spare time to maintain physical and mental health. To demonstrate colleagues' training results and promote external exchanges of company sports teams, corporate friendship competitions are regularly held every year, promoting national sports culture through platform competition and learning. In addition to encouraging employees to increase participation in fitness activities, various health examination subsidies are also provided to employees, health lectures are held, becoming an "iSports Enterprise" certified by the Sports Administration, Ministry of Education. To create social co-prosperity and deliver care to the community, the Company has planned the cultivation of young and excellent professional athletes with potential in Taiwan through long-term fixed-amount sponsorships since 2021. The Company hopes that the investment of corporate resources can facilitate the professional training and career development of players and enable more new sports stars to concentrate on training in a worry-free environment in order to cope with more different challenges and strive for better results in competitions.

Results of Investment in Sports Promotion in 2024

- Sponsored **49** athletes with total sponsorship amount of **NT$2,376,000**
- Sponsored Kaohsiung Badminton Masters and Taipei Badminton Open, two international-level events, totaling **NT$2,000,000**
- Title sponsored 2024 Cross-League Basketball Invitational Tournament **NT$2,000,000**
- Sponsored Chinese Taipei Table Tennis Association 2024 National Junior and Youth Table Tennis Elite Tournament **NT$200,000**
- Sponsored Kenda Tire TLPGA Open **NT$100,000**

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6.2 Inspiring People to Embrace the Ocean

Yang Ming donates annually to the "Yang Ming Cultural Foundation." Since the foundation's establishment in 2005, it has been committed to promoting marine culture education, with the mission of enabling people to be close to, love, and understand the ocean. The foundation's Keelung 1915 YM Oceanic Culture & Art Museum has maintained an attitude of local connection and co-creation over the years, actively inviting local groups to participate, promoting sustainable ocean and cultural preservation issues through exhibitions and cultural and educational activities.

In the future, Keelung 1915 YM Oceanic Culture & Art Museum will continue to convey Yang Ming 's sustainable values to the public through diverse creative exhibitions, promote environmentally friendly practical education activities, deepen local connections, make shipping knowledge lifestyle-oriented and interesting, launch experience programs carefully designed for different groups, connect the deep relationship between people and the land of Keelung, hoping to gather local consensus and build a sense of identity in the process, making people happy to "approach, love, protect, develop, and utilize the ocean," understand the connection between shipping and life, experience harbor culture, and pay attention to sustainable ocean issues, practicing social welfare and fulfilling corporate social responsibility.

Sustainability x Environment

November Science Festival Marine Conservation Promotion Activity - Listening to Whale Stories Parent-Child Activity

- Activity sessions: 2 sessions
- Number promoted: 60 people

11/3、11/10

November Science Festival Marine Conservation Promotion Activity - Hands-on Experiment Parent-Child Activity

- Activity sessions: 4 sessions
- Number promoted: 140 people

11/17、11/24

2024 Environmental Education Creativity and Inquiry Practice Workshop - Container Ship Waste Re-thinking Creation

- Activity sessions: 1 session
- Number promoted: 20 people

9/10

2024 World Ocean Day - Marine Waste New Life

- Activity sessions: 1 session
- Number promoted: 10 people

6/8

2024 Environmental Education Inquiry Practice and Lecture - Marine Sustainability Cetacean Education Activity

- Activity sessions: 4 sessions
- Number promoted: 100 people

9/11-9/13、11/14

Education x Promotion

2024 Environmental Learning Outdoor Education Promotion Plan - "Carbon" Exploring Beauty

- Activity sessions: 6 sessions
- Number promoted: 180 people

10/8-10/30

2024 Yang Ming Marine Academy Campus Tour Activity

- Activity sessions: 7 sessions
- Number promoted: 187 people

3/1-12/31

2024 Keelung City Environmental Education Youth and Future Generation Climate Action Theme Activity Plan - Climate Action Youth Workshop

- Activity sessions: 1 session
- Number promoted: 35 people

10/25

Chinese New Year Paper-cut Window Ornaments

- Print quantity: 1,000 copies

2/7-2/29

2024 Children's Day

- Activity sessions: 8 sessions
- Participants: 160 people

4/4-4/7

2024 Little Navigator - Science Winter Camp

- Activity sessions: 1 session
- Number promoted: 30 people

1/24-1/26

2024 Little Navigator - Summer Camp

- Activity sessions: 1 session
- Number promoted: 13 people

8/14-8/16

International Museum Day - Stone Grinding Craft x Bricklaying Workshop

- Activity sessions: 2 sessions
- Number promoted: 52 people

5/18-5/19

Woven Bag Handcraft Experience

- Activity sessions: 1 session
- Number promoted: 27 people

1/20

Guandu Nature Park x YM Oceanic Culture & Art Museum - Fun with Nature at Guandu Nature Park

- Activity sessions: 10 sessions
- Number promoted: 250 people

10/3-12/19

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Society x Engagement

2024 "Marine Local Revitalization and Industry Vitalization and Sustainable Management Promotion Plan"

- Activity sessions: 6 sessions
- Number promoted: 180 people

9/19-11/12

Light of the Island Sea - Lighthouse Candle Handcraft Workshop

- Activity sessions: 4 sessions
- Number promoted: 100 people

10/5-10/6

20th Anniversary Video

- Documentary: 1 film

12/7

20th Anniversary Promotion Activity - Handcraft Experience and Lectures

- Activity sessions: 2 sessions
- Number promoted: 70 people

12/7-12/8

20th Anniversary Silkscreen Printing Workshop

- Activity sessions: 4 sessions
- Number promoted: 100 people

12/14-12/15、12/21-12/22

Love & Life, KEELUNG 2024

- Activity: 2 days
- Number promoted: 2,502 people

12/7-12/8

"Seaborn" Ship Boarding and Discussion Lecture

- Lecture sessions: 2 sessions
- Number promoted: 59 people

6/9、8/31

YM Oceanic Culture & Art Museum

YM Oceanic Culture & Art Museum Facebook

Publications

Special Publication "Looking at Keelung - Old Stories of the Port City in the Ship Era"

- Book launch: 1 event, 35 people promoted
- Cultural walking tour: 1 event, 15 people promoted
- Book lecture: 1 event, 17 people promoted
- Total book print quantity: 1,600 copies

11/15-11/17

Picture book "Ocean Guardian Team, Set Sail!"

- Parent-child activities 2 sessions, 54 people promoted
- Total book print quantity: 2,000 copies

12/22、12/29

"Seaborn" Quarterly Magazine

- 4 publications

1/1-12/31

Social Welfare x Care

2024 Art Together Beauty Seeking Plan - Disadvantaged Museum Entry

- Activity sessions: 1 session
- Number promoted: 26 people

7/31

Special Exhibitions

Micro Ocean Building Block Exhibition

- Held special exhibition, issued 600 limited building blocks

4/4

Hi Harbor 20 - YM Oceanic Culture & Art Museum 20th Anniversary Exhibition

- Held special exhibition

12/7

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National Taiwan Ocean University, Hon Hai Technology Group, and Yang Ming Cultural Foundation signed tripartite memorandum of understanding

This tripartite cooperation responded to the Ministry of Education's "Taiwan Science Festival" theme of "Trust Science, Move Toward Sustainability." On November 16 and November 23, two marine environmental education activities were held at YM Oceanic Culture & Art Museum, including "DIY Transparent Fish Bone Experiment" and "Ocean Acidification - The Sour Ocean" themes. In addition to promoting fish education, children and adults explored fish skeletal structure through hands-on activities and understood the impact of carbon dioxide on ocean acidification, exploring the connection between marine ecosystems and global warming. The interesting and educationally meaningful content received enthusiastic response.

Yang Ming Cultural Foundation, NTOU, and Hon Hai Technology Group will continue tripartite cooperation in the future, promoting marine protection and environmental sustainability technology, covering new artificial reefs and algal reef applications, coral restoration technology, marine carbon sequestration, marine plastic particles, and marine biotechnology and applications. They are jointly committed to practicing sustainable development goals, promoting the concept of harmonious coexistence with the ocean, hoping to awaken public attention to the ocean and jointly protect the blue sea.

Cooperatively organized **2** themed activities.

Hi Harbor 20 - YM Oceanic Culture & Art Museum 20th Anniversary Exhibition

YM Oceanic Culture & Art Museum held the "Hi Harbor 20th Anniversary Exhibition," looking back at the intertwined history of 20 years of the YM Oceanic Culture & Art Museum and 100 years of the building. As times change, the cultural museum takes on the responsibility of giving back to society through art, inheriting and interpreting marine culture. The "Hi Harbor 20" exhibition, through the voices of 20 marine professionals from 5 major categories representing local industries - Yang Ming professionals, YM Oceanic Culture & Art Museum professionals, cultural and artistic professionals, Keelung Port professionals, and Keelung life professionals - and the creative interpretations of 20 artists, using canvas deeply connected to the harbor as a medium, hopes to outline the past and present changes of Keelung Port from three dimensions: text, images, and materials, while inviting people to present prospects and expectations for the future, moving toward the next 20 years together.

20th Anniversary Video

YM Oceanic Culture & Art Museum is not only today's cultural &arts museum and the building of Yang Ming 's predecessor, but also the gateway to Keelung that the Japanese were proud of over a hundred years ago, and a symbol of shipping modernization. To commemorate the 20th anniversary of YM Oceanic Culture & Art Museum, the museum invited experts from all walks of life who have formed inseparable bonds with this building to tell everyone from different perspectives and angles how this beautiful building standing by Keelung Port, built since 1915, has experienced changes through the ages and carved out exciting legendary shipping stories in the turbulent times.

20th Anniversary Video

20th Anniversary Promotion Activities - Handcraft Experience and Lectures

Using handcraft and lecture activities to respond to the museum's long history and architecture, offering "Parent-Child Together - Hands-on Building Blessing Vessel DIY Workshop" and "Before the City Was Founded - Centennial Harbor Tales of Keelung & Kaohsiung" commemorative lectures. Through people's hands-on operation of stacking small red bricks to complete their own red brick building; they can also listen to lectures and discover port development over the past century through dialogue between Kaohsiung and Keelung, where diverse immigration, military policies, port-rail development, and cultural integration occurred, having significant impacts on urban life, entertainment, residence, and business formats. The unique life trajectories also created the distinctive features of Keelung and Kaohsiung cities.

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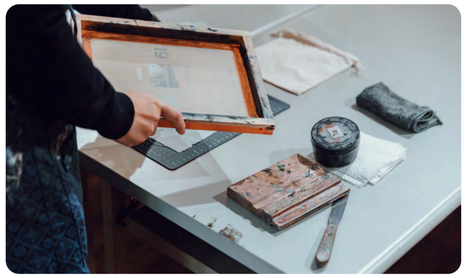
20th Anniversary Silkscreen Printing Workshop

To help everyone better understand the free creation of canvas, after viewing the 20th anniversary exhibition, on the cultural museum's birthday in winter, we specially designed Christmas tree, Christmas stocking, and 20th anniversary patterns, allowing everyone to complete unique Silkscreen-printed drawstring bags in winter.

1. Through the Love & Life, KEELUNG 2024, resonating with the "**Hi Harbor 20th Anniversary Exhibition**," achieving over a thousand participants joining the celebration.
2. **YM Oceanic Culture & Art Museum** has been open since December 28, 2004, reaching **20 years**. Through character interviews, lectures, and hands-on activities, achieving cultural sustainability and historical preservation.



2024 Little Navigator - Science Winter Camp

In 3 consecutive days of camp interaction and exploration, each little navigator will board the scientific vessel and sail in the sea of fun. Children will conduct experiments with Teacher Tianyuan, experience interesting scientific phenomena, stimulate children's thirst for knowledge and curiosity, and will also travel back and forth with us between "YM Oceanic Culture & Art Museum" and "National Taiwan Science Education Center," feeling the connection between ships and science, learning how professionals on ships transform scientific knowledge into the power to operate vessels. Through the winter camp, children will witness that shipbuilding encompasses thousands of years of human ocean exploration, and understand why containers have become the economic lifeline of today's shipping.

2024 Little Navigator - Summer Camp

Through camp activities, children discover the story of tea from ports and tea areas. In YM Oceanic Culture & Art Museum, they search together for how tea is transported around the world, what types of containers and ships are needed to sail tens of thousands of kilometers and transport to foreign countries. At the same time, we take everyone through time travel from the historic building, wandering through Keelung's mountain city and harbor by boat. This camp visits the "Pinglin Tea Museum of New Taipei City," through visits and professional guided tours, further understanding tea cultivation and ecology. The camp will take children to bend down together to pick tea, make tea, and taste tea, getting close to tea in the natural environment.

1. Cooperated with Yi Hsin Cultural and Educational Foundation, Keelung City and visited the National Taiwan Science Education Center, completing 3 days of interesting courses.
2. Conducted inter-museum cooperation with Pinglin Tea Museum of New Taipei City, organizing a 3-day camp, from sea to tea garden, completing a maritime trade tea journey.

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Yang Ming Marine Academy Campus Tour

Yang Ming Marine Academy aims to lead children to understand corporate measures for marine environmental protection. Since 2022, this activity has cooperated with "Carrefour Foundation" and "First Commercial Bank Green Financial Education Center," expanding nationwide. Through activity-based courses, the volunteers of the YM Oceanic Culture & Art Museum introduced children to route planning and the environmental protection measures for ballast water related to boarding, sailing, and unloading of cargo. This has expanded children's understanding that marine environmental protection is not only about marine waste and marine life conservation, but also corporate ESG trends in environmental protection and marine education.

Promoted to **6** schools, held **7** sessions, totaling **187 people**.

Ocean-Friendly Picture Book "Ocean Guardian Team, Set Sail!"

"Ocean Guardian Team, Set Sail!" transforms complex ship knowledge into understandable images and stories, and specially shares some marine issues rarely known to the public. With the theme of container ship sustainable actions, it introduces in simple terms engineers, captains, and other shipping personnel who use wisdom and experience, from hull modifications and route adjustments to even port improvements, making sustainable actions cover everything from carbon reduction to marine life protection, becoming a true ocean guardian team. The picture book enhances public knowledge and understanding of the shipping industry through professional perspectives and accessible narratives.

This picture book not only responds to marine issues in the United Nations Sustainable Development Goals (SDGs) but also opens a new window for children to understand shipping and get close to the ocean. The book includes a practical carbon reduction action guide and carbon reduction glossary at the end, providing readers with actual sustainable participation programs. Yang Ming Cultural Foundation also produced the "Sailing Toward Net Zero Carbon Emissions" animated video in conjunction with the picture book, allowing the public to better understand the shipping industry and pay attention to environmental sustainability.

Held **2** promotion activities, donated **965 books** to **421** elementary schools in Taipei city, New Taipei city, and Keelung city.

"Seaborn" Quarterly Magazine

"Seaborn" was published as an online quarterly magazine in 2024, with four special issues published this year: "Missing Like the Sea, Isolated Islands Drifting at Sea," "Gentle Breeze Caressing Ripples, The Era of Women's Power Setting Sail," "Eyes of Ships, Seeing Various Postures of the Sea," and "Tide Forecast, Leading Waves of Trends." Through ship letters at sea, female perspectives, marine beliefs, and trend movements, exploring diverse narratives between shipping, ocean, and people.

International Museum Day - Stone Grinding Craft x Bricklaying Workshop

Based on the 2024 International Museum Day theme: Museums for Education and Research, starting from the museum's historic building identity, conducting education and research on historic sites, from the "Keelung City Historic Building Yang Ming Restoration and Reuse Plan," and providing possibilities for research depth in history. This time, traditional crafts and architectural history were used to plan interesting activities. Through hands-on courses, the public can approach the educational and research content of museums. This time, stone grinding crafts and bricklaying workshops were developed, leading the public to appreciate the construction methods of historic buildings and discover the close integration between history and museums.

Through the techniques of **historic building** construction to complete course arrangements, such as terrazzo and bricklaying techniques, achieving parent-child enjoyment.

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"Seaborn" Ship Boarding and Discussion Lecture

Ship boarding and discussion lectures, based on "Seaborn," developed an interesting format combining Keelung inner harbor cruises with lectures. The two lecture sessions invited multiple writers to participate, including marine literature writer Teacher Liao, Hung-Chi, Director Wu, Chih-Hsiung from the Institute of Marine Culture, National Taiwan Ocean University, marine literature writer Teacher Chang, Hui-Chun, and Director Wang, Yu-Ting from the Institute of Taiwan Literature, National Tsing Hua University. Through the literary field, they deeply explored perspectives between shipping and the ocean, creating unique connections through words and cruises.

1. Presenting various issues of shipping and ocean through historical memory, gender issues, homestay beliefs, and contemporary interpretation, using words to carry **cultural sustainability** and achieve preservation benefits.
2. **Literature crossing into shipping**, conducting global and female shipping and ocean issue discussions.

2024 Children's Day

In April 2024, Children's Day ship-shaped chocolate craft experience at Keelung Port was a ship-shaped chocolate DIY activity suitable for children and adults to participate together. Hand-in-hand making cute ship-shaped chocolate, creating sweet parent-child time. We welcome families to come to Keelung Port, run on the grass and squares by the harbor, and see the ships at the harbor magically shrunk into palm-sized small boats, including tugboats busy escorting ships in and out of port, warships protecting maritime safety, cruise ships touring the world, and container ships carrying countless goods back and forth, meeting life's needs. Led by instructors, inviting people to experience the art of chocolate making from adding dried fruits to injecting chocolate into molds, and creating their own unique ship-shaped chocolate works.

Held **Micro Ocean Building Block Exhibition**, developed **Yang Ming micro building blocks**, and offered **ship-shaped chocolate courses**.

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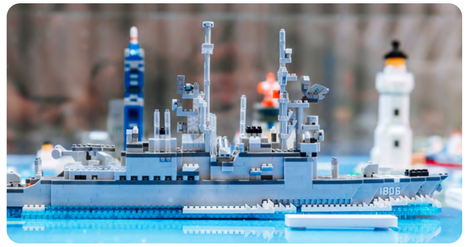
Micro Ocean Building Block Exhibition

Taiwan is an island nation surrounded by sea on all sides, connecting trade between seven continents and five oceans. Yang Ming, starting from the island, has become a world-renowned shipping company, transforming each container ship into a moving island, sailing Taiwan to the world and bringing the world to Taiwan.

This exhibition uses "island scenery, ships, ocean" as concepts, combining the lifestyle artification of building blocks, using small blocks to assemble complex and precise real-world landscapes. Inviting people to observe the characteristic landscapes of Taiwan's main island, port buildings, and ships at sea, while launching the museum's exclusive "Yang Ming Micro Building Blocks," combining the shipping industry with historical humanities, not only depicting the century-long history of the museum's 1915 building but also presenting contemporary landscapes of cargo ships, gantry cranes, and container yards. Through the process of assembling blocks by hand, savoring the humanistic scenery belonging to Keelung. The exhibition space uses building blocks as a medium, building pixelated image interpretations through stacking, combining, and assembling blocks, describing islands and ships in the sea as fixed or drifting pixel blocks, piece by piece shaping spatial imagination of archipelagos, sea, and ships.

The "Micro Ocean Building Block Exhibition" is based on the educational, entertainment, and artistic functions of building blocks, interpreting pixelation and creative elements, creating an interesting building block world, inviting children and adults to stimulate unlimited imagination and sail in the ocean imagination of archipelagos.

Cooperated with Yourblock to present various ocean scenes through **micro building blocks**.



Light of the Island Sea - Lighthouse Candle Handcraft Workshop

Lighthouses are important markers ensuring ship navigation and beacons guiding ships in the dark night. To promote lighthouse cultural tourism and understanding of port industries, the Maritime and Port Bureau, Ministry of Transportation and Communications cooperated with YM Oceanic Culture & Art Museum to hold the "Light of the Island Sea ~ Lighthouse Culture Walking Tour and Hands-on Experience" activity on October 5 and 6.

The two-day activity was divided into 4 sessions in the morning and afternoon, with 25 people per session. Participants gathered at YM Oceanic Culture & Art Museum and departed by shuttle bus to the Lighthouse Museum, experiencing lighthouse-shaped candle making courses. Assistant Professor Tsai, Sheng-Chang from the National Taipei University of Education Graduate School of Taiwanese Culture led people through cultural walking tours of the Lighthouse Museum and Keelung Lighthouse. Finally, they could return to YM Oceanic Culture & Art Museum to visit exhibitions and learn about port industries.

The Maritime and Port Bureau stated that this first cooperation with YM Oceanic Culture & Art Museum to launch lighthouse cultural experience activities hopes to help people understand the knowledge of lighthouses as ocean guardians through cultural walking tours, visiting important historical sites in Keelung such as the Lighthouse Museum, the century-old municipal monument Keelung Lighthouse, and the historic building YM Oceanic Culture & Art Museum, while also connecting western shore cultural tourism attractions of Keelung Port to jointly promote marine culture. The activity was pilot in nature, providing free participation for the public throughout.

Cooperated with the **Maritime and Port Bureau, Ministry of Transportation and Communications** and the **Lighthouse Museum**, invited Assistant Professor Tsai, Sheng-Chang to conduct walking tours, and developed **characteristic lighthouse candles** to complete cultural experience activities.

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Yang Ming's Current Alignment with the "United Nations Global Compact"

Aspect	UN Global Compact	Yang Ming's Current Practice and Future Planning
Human Rights	1 Support and respect internationally recognized declarations of human rights protection	The Company supports and complies with internationally-acknowledged human rights norms and principles including the "International Bill of Human Rights," "UN Global Compact," and "International Labour Organization Fundamental Conventions and Standards" which cover but are not limited to protecting the rights and interests of workers. We have also developed a human rights policy according to the guidelines of the aforesaid documents. Each of the Company's ships operates in compliance with the Maritime Labour Convention (MLC) and has been certified for compliance with the MLC.
	2 Ensure non-involvement in human rights violations	The Company's operating locations are distributed all over the world. When it comes to human rights, we respect and protect all internationally acknowledged human rights and never engage in any activities that neglect and involve human rights violations to ensure thorough protection of internationally acknowledged human rights. Internal rules and regulations have been established. For violations of laws and regulations or the Company's internal regulations, punishments are given according to relevant punishment policies.
Labor	3 Uphold freedom of assembly and explicitly acknowledge the right of collective bargaining	To protect employees' assembly rights, all seafarers can freely join the National Chinese Seamen's Union (NCSU). Yang Ming Marine Union has been established for over 26 years. The Company's employees can join or withdraw according to personal will. The number of union members totals 1,160, accounting for approximately 75% of the Company's onshore employees and Taiwanese seafarers. The Company currently has harmonious labor-management relations and does not enter into a collective bargaining agreement. In addition, to ensure smooth labor-management communication channels, a labor-management meeting is held regularly in the year in order to cement labor-management relations and protect the rights and interests of workers. Moreover, we also make sure our employees have the freedom of association. They can join and participate in any clubs and activities they wish to.
	4 Eliminate all forms of forced and compulsory labor	The Company always protects internationally-recognized labor rights in all operating premises, respects workers' freedom and prohibits any form of forced labor. We have also established a seafarer's job description to specify their job duties.
	5 Clearly prohibit child labor	The Company prohibits the employment of child labor in accordance with labor laws and regulations. We exclude child labor when recruiting employees. Currently, there are no children employed by the Company.
	6 Eliminate discrimination related to employment and occupation	The company eliminates discriminatory practices in employment. The company employs female seafarers, with equal starting salaries for male and female employees. In 2024, onshore female employees increased by 0.46% compared to 2023, and onshore female managers increased by 3.15% compared to 2023. Male employees can also apply for unpaid parental leave. Through the "Maternal Health Protection at Work Program," the Company actively promotes relevant care activities and offers the employees excellent breastfeeding rooms to protect maternal health.
Environment	7 Support taking preventive action against environmental challenges	The Company has implemented our Ship Energy Efficiency Management Plan (SEEMP) aligned with international regulations and Carbon Intensity Indicator (CII) to constantly monitor ship energy efficiency. We retrofit the ships to increase their energy efficiency and reduce environmental impact, including energy saving devices, ballast water treatment systems. We also continuously assess the feasibility of adopting alternative fuels for future newbuilding ships. In 2023, 5 ships of 15,500 TEU LNG dual-fuel container vessels were built, expected to join the fleet successively from 2026.
	8 Support initiatives to strengthen environmental responsibility	▪ Based on the TCFD framework, the Company has included climate change in the assessment scope of the Group's risk assessment reports and organized the climate change-related risks and opportunities that the Group has identified in the assessment reports as a reference for the Company's medium-to-long term strategies. ▪ We participated in the The Silk Alliance, the Getting to Zero Coalition, and the Society for Gas as a Marine Fuel (SGMF) to develop and promote vessel decarbonization strategies.
	9 Encourage the development and promotion of environmentally friendly technology	▪ The Yang Ming Smart Ship Center System has been developed to monitor vessel performance and hull efficiency. The CII and related rating calculations have been included in the Smart Ship Center – Green Shipping Module. ▪ Digitalization has been promoted to cut paper use. It is estimated that about 1.4 tons of carbon emissions and 0.0002 tons of toner can be reduced and saved by exchanging bills of lading with customers.
Anti-Corruption	10 Firmly oppose any form of corruption, including extortion and bribery	▪ The company has established the "Codes of Ethical Conduct," " Ethical Corporate Management Best Practice Principles," and "Procedures for Ethical Management and Guidelines for Conduct " and other internal regulations to regulate any form of corruptive behavior. ▪ In accordance with the " Regulations Governing the Audit Committee's Handling of Stakeholder Suggestions and Complaints " and "The Procedures of whistleblowing cases for Yang Ming Group Members", a stakeholder suggestion and complaint systems and whistleblowing systems have been developed to maintain the corporate culture of the Company's integrity management philosophy.

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Yang Ming's Current Alignment with the "United Nations Global Compact - Sustainable Ocean Principles"

Aspect	Sustainable Ocean Principle	Yang Ming's Current Practice and Future Planning
Ocean Health and Productivity	1 Assessment of short-term and long-term impacts of corporate activities on ocean health, and integration of these impacts into corporate strategies and policies.	▪ "Care for the environment and treasure the Earth" is the environmental policy of Yang Ming. ▪ The Company operates international shipping services, maintaining the marine environment, making good use of resources, preventing pollution, and giving back to society are the Company's main responsibilities. We comply with relevant laws and regulations of each port state, and preemptively take actions to ensure the fleet meets regulatory requirements to reduce impacts on local marine environments. For details, please refer to CH3 Green and Sustainable Shipping - Operating Strategies for Environmental Sustainability.
	2 Consider sustainable business activity opportunities that contribute to the restoration, protection and maintenance of ocean health, productivity, and marine life.	Through the Company's "Supplier Code of Conduct," requiring supply chain partners to jointly comply with this commitment and related biodiversity protection regulations, avoiding damage to protected forests, oceans, and species. The Company also commits to comply with the "United for Wildlife Transport Taskforce - Buckingham Palace Declaration on the Illegal Wildlife Trade," avoiding purchasing goods from suppliers that cause biodiversity loss or violate environmental regulations.
	3 Take action to avoid marine pollution, reduce greenhouse gas emissions from operations to prevent ocean warming and acidification, and promote circular economy.	The Company has calculated the carbon intensity of the ships in our fleet since 2008, with 37.03 g/TEU-km in 2024. A new fleet must meet the following requirements: ▪ New, tin-free antifouling paints are used to avoid affecting the genes of marine life, causing genetic mutations, and impacting the ecology. ▪ All ships in the fleet have ballast water management certificates and implement ballast water management plans in compliance with the regional regulations of port states. For existing ships, ballast water treatment systems are installed on an annual basis to control and mitigate the impact on marine ecology. ▪ A ship biofouling management proposal has been made to ensure the effectiveness of the general biofouling management plan of our fleet and significantly reduce delayed ship operations.
	4 Develop and manage plans for the use and impact of marine resources to ensure long-term sustainability of the ocean. Assess the impact of operating activities on the ocean as well as coastal areas and communities using precise measurement methods.	Accurately calculate carbon intensity to measure continuous carbon reduction performance, with each ship obtaining Environmental Ship Index (ESI) efficiency indicator scores. ESI is for ports to promote ship emission reduction, measuring carbon emissions of docked ships. As long as carriers promote engine, fuel, and other emission reduction technology upgrades, making ship carbon emissions lower than International Maritime Organization (IMO) regulations, they can receive incentives. The Company obtained North American terminal incentives of USD 260,450 in 2024, demonstrating substantial recognition from docking ports for the Company's commitment to ship emission reduction.

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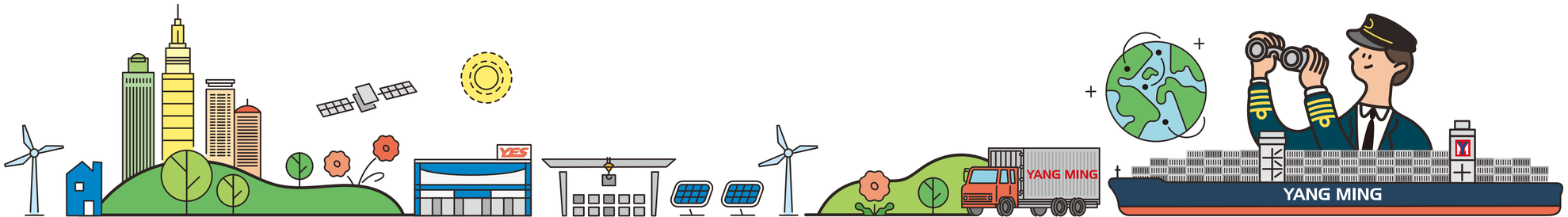
Aspect	Sustainable Ocean Principle	Yang Ming's Current Practice and Future Planning
Governance and Engagement	5 Responsibly communicate with enforcement agencies and regulatory organizations related to ocean-related laws/regulations/frameworks.	Yang Ming actively cooperate with national policies, the European Union, International Maritime Organization (IMO) 2050 net-zero carbon emission targets, and IMO carbon intensity target of 40% reduction by 2030. The Company's current carbon intensity has decreased by 62.74% compared to 2008, with performance already exceeding IMO requirements, and continues to monitor revisions and promulgation of ocean-related laws. Yang Ming shall keep tabs on issues related to internal and external communications in the future.
	6 Follow and support standard setting, and implement best practices promoted by relevant organizations/markets to create healthy and productive oceans and ensure marine life.	▪ Yang Ming strictly complies with the International Convention for the Prevention of Pollution from Ships and the International Convention for the Control and Management of Ships' Ballast Water and Sediments. The management of ship waste, ship sewage and ballast water are conducted. ▪ Yang Ming Marine Academy aims to lead children to understand corporate measures for marine environmental protection. Since 2022, it has cooperated with "Carrefour Foundation" and "First Commercial Bank Green Financial Education Center," expanding nationwide. Through activity-based courses, the volunteers of the YM Oceanic Culture & Art Museum, introduced children to route planning and the environmental protection measures for ballast water related to boarding, sailing, and unloading of cargo. This has expanded children's understanding that marine environmental protection is not only about marine waste and marine life conservation, but also corporate ESG trends in environmental protection and marine education. ▪ The Company upholds the original intention of giving back to the ocean, responding to United Nations Sustainable Development Goal SDG 14: Life Below Water, and has called on colleagues at home and abroad to jointly respond to environmental sustainability actions for consecutive years. In 2024, beach cleanup activities were held at 12 global operational locations, with a total of 461 participants successfully cleaning 2.354 tons of marine waste. ▪ Partnered with The Society of Wilderness to conduct invasive species removal activities at Wugu Wetland, New Taipei City, and Yuanzhonggang Wetland, Kaohsiung, with 101 colleagues and family members participating, successfully removing 92 kilograms of Mikania micrantha and 200 Leucaena leucocephala plants.
	7 Respect human, labor, and indigenous rights in corporate ocean-related activities, including implementing proper supply chain due diligence and consulting stakeholders and related communities on identified significant impacts through timely, transparent, and inclusive attitudes.	▪ Yang Ming has a human rights policy in place, committed to upholding internationally proclaimed human rights in which we operate without any unfair treatment arising from ethnicity or gender, caring for the underprivileged, forbidding the use of child labor as well as eliminating all forms of forced labor and discrimination in recruitment and employment. The Company offers fair, reasonable work conditions and a safe work environment and protects the physical and mental health of employees, dedicated to an ongoing elimination of hazard factors to health and safety so as to reduce risks of occupational hazards. By signing the Neptune Declaration, the Company ensures the seafarers' well-being and crew change, maintaining the smooth operation of the supply chains worldwide. ▪ The supply chain risk investigation conducted by the Company includes Human Rights Due Diligence.
Data and Transparency	8 Provide appropriate and relevant scientific data to support ocean-related research and exploration projects.	Yang Ming obtained an invention patent for the "Method for Predicting Fuel Consumption of Ship" (I792418) in collaboration with National Cheng Kung University.
	9 Adopt transparent reporting on ocean-related activities, impacts, and dependencies.	▪ The Company engages with stakeholders through annual sustainability report publication, and continues to communicate with various Competent Authorities during operations to ensure operational compliance. ▪ The Company continuously complete greenhouse gas inventory and disclose related inventory results as the basis for sustainable environmental management and carbon reduction actions.



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About the Report

Preparation, Publication and Scope

Yang Ming Marine Transport Corporation (hereinafter referred to as "Yang Ming" or the "Company") has published Sustainability Reports (ESG Report) every year since 2012. The Report covers the economic, environmental, and social actions and achievements of Yang Ming's operating locations in Taiwan with regard to sustainable development between January 1, 2024 and December 31, 2024. The local and key operating locations mentioned herein refer to Yang Ming's operating locations in Taiwan.

Category	Disclosure Scope
Financial information	Yang Ming and the subsidiaries thereof 1. The subsidiaries refer to the consolidated entities identified in the Financial Report of Yang Ming. 2. Please refer to the Consolidated Financial Statements for the Years Ended December 31, 2024 and 2023 and Independent Auditors' Report for the subsidiaries identified therein.
Governance information	Yang Ming
Environmental information	Yang Ming and the ships operated thereby
Social information	Yang Ming and the Yang Ming Cultural Foundation

- Previous issue: August 2024
- Current issue: August 2025
- Next issue: August 2026 (scheduled)

Editorial Guidance

Unit of Measure	Guidance
Global Reporting Initiative	GRI Universal Standards 2021
International Sustainability Standards Board, ISSB	Marine Transportation Sustainability Accounting Standard 2023
United Nation	▪ Sustainable Development Goals, SDGs ▪ UN Global Compact ▪ UN Global Compact - Sustainable Ocean Principles
Financial Stability Board, FSB	Task Force on Climate-related Financial Disclosures, TCFD
Taiwan Stock Exchange Corporation	▪ Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies ▪ Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Preparation Process

The content of the Report is provided by each department and compiled by the Public Affairs Department, submitted to the Board of Directors for approval, and published after completion of external verification by a third-party independent institution.

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External Assurance

The content of the Report is published after reviewed and approved by the Board of Directors, and is commissioned to the third-party independent institution AFNOR using the AA1000 Assurance Standard v3 Type 1 Application, Moderate Assurance Level as the verification standard and level established by the UK AccountAbility (AA), verified according to the GRI Universal Standards 2021 and the International Sustainability Standards Board (ISSB) Standards, ensuring this Report complies with the requirements for contents and elements of the GRI Universal Standards, SASB Standards, and Task Force on Climate-related Financial Disclosures (TCFD) Standards. The assurance statement is attached in the Appendix of this Report.

Restatements of Information

Corresponding Chapter	Restatement Situation	Restatement Impact
3.2 Energy Use and Consumption	Due to boundary adjustments in 2023, revenue coverage extended to consolidated subsidiaries within the reporting boundary, with consolidated financial statements reported an operating revenue of NT$140,623.713 million. Energy intensity unit adjusted from per thousand NT dollars of revenue to per million NT dollars of revenue.	▪ Adjusted 2023 onshore business locations diesel fuel, gasoline, and purchased electricity consumption and calorific values: • Diesel fuel adjusted from 100.6830 kiloliters to 2,075.6882 kiloliters, calorific value from 3,541.10 GJ to 73,003.62 GJ; • Gasoline adjusted from 17.7844 kiloliters to 261.4841 kiloliters, calorific value from 580.81 GJ to 8,539.70 GJ; • Purchased electricity adjusted from 6,521.9724 MWh to 25,197.0806 MWh, calorific value from 23,484.45 GJ to 90,730.15 GJ. ▪ Energy Intensity: Adjusted from 0.37 GJ/NT$ thousand to 372.50 GJ/ NT$ million ▪ Heavy Fuel Percentage: Adjusted from 94.63% to 94.37% ▪ Total Energy Consumption (GJ): Adjusted from 52,238,142.41 GJ to 52,382,809.53 GJ
3.3.2 Greenhouse Gas Emission Management		▪ Adjusted 2023 greenhouse gas emissions: • Scope 1 adjusted from 4,194,024.6190 tCO_2e to 4,214,595.4986 tCO_2e; • Scope 2 adjusted from 9,209.9341 tCO_2e to 18,136.9886 tCO_2e ▪ Adjusted 2023 carbon intensity: • Scope 1 adjusted from 73.4581 tCO_2e/ NT$ million to 29.9707 tCO_2e/ NT$ million; • Scope 2 adjusted from 0.1613 tCO_2e/NT$ million to 0.1290 tCO_2e/NT$ million; • Scope 3 adjusted from 26.4399 tCO_2e/NT$ million to 10.7348 tCO_2e/NT$ million.

Contact Information

For any questions and suggestions regarding the Report, welcome to contact us.

Yang Ming Marine Transport Corporation / Sustainability Development Office

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Contributions & Other Spending

Unit: NT$

Type	2021	2022	2023	2024
Lobbying, interest representation or similar	0	0	0	0
Local, regional, or national political campaigns/organizations/candidates/ elections and referendums, etc.	0	0	0	0
Trade associations or tax-exempt groups (e.g. think tanks) *	20,755,498	23,638,943	33,858,347	30,575,807
Total contributions and other spending	20,755,498	23,638,943	33,858,347	30,575,807
Data coverage rate	100%	100%	100%	100%

* For a list of trade associations and other tax-exempt groups, please refer to Participation in Public Associations and Nonprofit Organizations.

Total Water Withdrawal for Operations

Unit: million liters

Total	2022	2023	2024
Total water withdrawal	233.345	313.683	306.798
Total water discharge	36.779	44.248	31.438

[1] Total water withdrawal in 2022 only covered offices, the container yards, and the water production volume of ships. 2023 covered offices, the container yards, the water production and refill volume of ships.

[2] Total water discharge only includes statistics for offices and the container yards. Water discharge of ships cannot be calculated due to lack of flow meters.

Environmental Return on Investment

Unit: NT$

Type	2021	2022	2023	2024
Capital Investments	4,796,102,597	1,141,163,542	12,382,400,977	1,953,449,412
Operating Expenses	38,584,898	46,566,561	46,625,828	56,642,734
Total Expenses related to environmental investment (capital investments + operating expenses)	4,834,687,495	1,187,730,103	12,429,026,805	2,010,092,146
Savings, Cost Avoidance, Income, Tax incentives, etc.	-	-	3,355,306	8,539,703
Percentage Covered by the Environmental Management System (ISO 14001)	100%	100%	100%	100%

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Number of Employees Transferred/Promoted Internally

Unit: Number of people

Type	2022	2023	2024
Onshore Employees	434	225	657
Seafarers	26	44	145
Total	460	269	802

Number of Onshore Employee Transferred/Promoted Internally - by Gender and Age

Unit: Number of people

Employees (Including Interns)	Gender		Total	Age			Total
	Female	Male		Below 30	31-50	Above 51	
2022	271	163	434	221	187	26	434
2023	118	107	225	65	134	26	225
2024	314	343	657	195	354	108	657

Number of Seafarers Transferred/Promoted Internally - by Gender and Age

Unit: Number of people

Employees (Including Interns)	Gender		Total	Age			Total
	Female	Male		Below 30	31-50	Above 51	
2022	4	22	26	1	22	3	26
2023	7	37	44	3	37	4	44
2024	11	134	145	69	76	0	145

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Independent assurance statement of 2024 Sustainability Report

Independent Assurance Statement

YANG MING MARINE TRANSPORT CORPORATION

2024 SUSTAINABILITY REPORT

The AFNOR GROUP was established in 1926. We are the National Standardization Body of France, a permanent council member in ISO and one of the leading certification bodies in the world. This assurance work was carried out by AFNOR ASIA LTD., a subsidiary of AFNOR GROUP. All the members of the verification team have professional backgrounds and have accepted AA1000 AS, AFAQ 26000, ISO 9001, ISO 14001, ISO 14064, ISO 45001, ISO 50001, and other sustainability-related international standard trainings. All assigned verifiers have been approved as the lead auditors or verifiers. AFNOR ASIA LTD. (hereinafter referred to as AFNOR ASIA) and YANG MING MARINE TRANSPORT CORPORATION (hereinafter referred to as YANG MING) are independent entities. Except for the contents described in this independent assurance statement, AFNOR ASIA is not involved in the preparation process of the sustainability report of YANG MING.

RESPONSIBILITIES

YANG MING is responsible for reporting its economic, environmental, and social operating activities and performance in Taiwan and its operating ships in its sustainability report (hereinafter referred to as "the Report") in accordance with the declared sustainability reporting standards.

AFNOR ASIA is responsible for providing an independent assurance statement to YANG MING and its stakeholders in accordance with the described scope and method. This statement is for YANG MING use only and is not responsible for any other purpose.

SCOPE AND CRITERIA

The assurance scope of the agreement between YANG MING and AFNOR ASIA includes:

1. The scope of assurance operation is consistent with the scope disclosed in the "YANG MING MARINE TRANSPORT CORPORATION 2024 SUSTAINABILITY REPORT".
2. AFNOR ASIA performs assurance operation according to the Type 1 assurance of the AA1000 assurance standard (v3), reviewing and evaluating YANG MING's compliance with the AA1000 AccountAbility Principles (2018).
3. The assurance operation includes reviewing and evaluating YANG MING's relevant processes, systems and controls and available performance information, as well as compliance with the following reporting criteria:
   - GRI Standards.
   - Task Force on Climate-related Financial Disclosures
   - Sustainability Accounting Standards Board Standards

METHODOLOGY

- The Report is reported in accordance with the GRI Standards, and the content of the Report is reviewed for compliance with the GRI Guidelines for general disclosure and specific topic disclosure.
- The verification team interviewed relevant personnel to confirm the communication and response mechanism for stakeholders and the decision-making process for material topics, but did not directly contact external stakeholders.
- All documents, data and information related to the preparation of the Report were verified by the verification team through interviews with relevant personnel.
- The process of reviewing organizational outputs, collecting and managing qualitative and quantitative data disclosed in reports based on a sampling plan.
- By interviewing the responsible personnel of each group, examining and reviewing the relevant documents, materials and information, the verification team evaluated the reasonableness of the sources of supporting materials and evidence for the contents of the Report.

CONCLUSION

◆ **AA1000 Accountability Principles**

Inclusivity

YANG MING has identified six major categories of stakeholders, including customers, competent authorities, employees, suppliers, investors & banks, and classification societies; and maintains communication channels for stakeholders to participate in different important topics. Through a diversified engagement mechanism, it understands important information that stakeholders are concerned about and solicits feedback from all parties on the company's expectations for sustainable development.

Materiality

YANG MING has identified material topics that are significant to both stakeholders and its own operations through a complete identification process and dual materiality analysis. The identified material topics have been ranked and processed in the Report, and the necessary resources and capabilities have been provided to manage each material topics, demonstrating the best practices of the materiality principle.

Responsiveness

YANG MING has developed and implemented a stakeholder response mechanism through communication channels, clearly declared various relevant policies, standards, codes, assessment targets, etc., including sustainable development codes of practice, human rights policies, environmental management policies, etc., and regularly communicated and engagement with stakeholders, fully demonstrating specific responsive practices on the official website and Reports.

Impact

YANG MING has provided the necessary capabilities and resources to monitor and measure the risks and opportunities of the impact of its operations on the overall environment, and to plan appropriate management policies. Through relevant qualitative and quantitative goals, it is committed to demonstrating the organization's positive actions in sustainable performance management, communication and improvement.

◆ **Global Reporting Initiative Sustainability Reporting Standards**

Based on the results of the review, it is confirmed that the general disclosures, specific topic disclosures, and material topics management disclosures in the Report have complied with the requirements of the GRI Standards. In the future, the organization can continue to combine relevant international reporting standards to compile and disclose sustainable information of each operating locations to stakeholders.

◆ **Task Force on Climate-related Financial Disclosures**

Based on the results of the review, the Report has revealed the impact of climate change on the company's operations, as well as measures to respond to risks and opportunities. In the future, the organization can continue to update climate scenario information to assess and disclose the impact of the organization's strategies and actions on its operations and finances in a constantly changing external environment.

◆ **Sustainability Accounting Standards Board Standards**

Based on the results of the review, the Report has disclosed relevant information based on the Sustainability disclosure topics & metrics and activity metrics of the SASB standards. In the future, the organization can continue to collect and compile quantitative information through the internal information management system in accordance with the requirements of the standards.

ASSURANCE OPINION

AFNOR ASIA has developed a complete sustainability reporting assurance standard based on the verification guidelines of the AA1000 Assurance Standard (v3) and the GRI Standards. Based on the sufficient evidence provided by YANG MING and the facts seen during on-site verification, we adhere to the principle of fairness and issue a statement on the global sustainability reporting standards followed by the organization. In our opinion, the information and data presented in the Report by YANG MING provides a fair and balanced representation. We believe the focuses on economic, social, and environmental indicators in YANG MING in 2024 are well represented.

ASSURANCE LEVEL

In accordance with the AA1000 Assurance Standard (v3), we verified this assurance statement corresponding to a moderate level. The scope and methods are as described in this statement.

For and on behalf of AFNOR：

AA1000
Licensed Report
000-84/V3-53QGJ

Dr. August Tsai
The Director for Certification and Assessment
Jul.03.2025

Verification team: Chi Huang Chen (Lead Verifier), Wen Yi Yen (Verifier).

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GRI Standards Index

- Statement of Use: Yang Ming Marine Transport Corporation compiled the Sustainability Report in accordance with GRI Standards, with data and information covering the period from January 1 to December 31, 2024
- GRI 1 Version Used: GRI 1: Foundation 2021
- GRI Sector Standards Application: None

GRI 2: General Disclosures

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
2-1	Organizational details	Company Profile	6
2-2	Entities included in the organization's sustainability reporting	About the Report For the subsidiaries identified in relevant financial reports, please refer to the annual report	175
2-3	Reporting period, frequency and contact point	About the Report	175
2-4	Restatements of information	About the Report	175
2-5	External assurance	About the Report	175
2-6	Activities, value chain and other business relationships	2.5 Sustainable Supply Chain Management	63
2-7	Employees	5.2 Talent Recruitment and Cultivation	129
2-8	Workers who are not employees	5.2 Talent Recruitment and Cultivation	129
2-9	Governance structure and composition	1.1 Sustainable Development Policy and Governance Structure 2.1 Corporate Governance Blueprint	18 45
2-10	Nomination and selection of the highest governance body	2.1 Corporate Governance Blueprint	45
2-11	Chair of the highest governance body	1.1 Sustainable Development Policy and Governance Structure 2.1 Corporate Governance Blueprint	18 45
2-12	Role of the highest governance body in overseeing the management of impacts	1.1 Sustainable Development Policy and Governance Structure 2.4 Risk Management	18 58
2-13	Delegation of responsibility for managing impacts	1.1 Sustainable Development Policy and Governance Structure 2.4 Risk Management	18 58
2-14	Role of the highest governance body in sustainability reporting	1.1 Sustainable Development Policy and Governance Structure 2.1 Corporate Governance Blueprint	18 45

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
2-15	Conflicts of interest	2.1 Corporate Governance Blueprint	45
2-16	Communication of critical concerns	1.1 Sustainable Development Policy and Governance Structure 2.1 Corporate Governance Blueprint	18 45
2-17	Collective knowledge of the highest governance body	2.1 Corporate Governance Blueprint	45
2-18	Evaluation of the performance of the highest governance body	2.1 Corporate Governance Blueprint	45
2-19	Remuneration policies	2.1 Corporate Governance Blueprint	45
2-20	Process to determine remuneration	2.1 Corporate Governance Blueprint 5.3 Employee Compensation and Benefits	45 144
2-21	Annual total compensation ratio	5.3 Employee Compensation and Benefits	144
2-22	Statement on sustainable development strategy	1.1 Sustainable Development Policy and Governance Structure 1.2 Short-/Mid-/Long-Term Sustainable Development Targets and Implementation Overview 1.4 Material Topic Identification Process 3.1 Environmental Management Policy	18 20 33 74
2-23	Policy commitments	1.1 Sustainable Development Policy and Governance Structure 1.3 Stakeholder Communication 1.4 Material Topic Identification Process 2.4 Risk Management 4.3 Information Security Management 5.1 Human Rights Protection and Diverse Communication Channels 5.2 Talent Recruitment and Cultivation 5.4 Occupational Safety and Health	18 29 33 58 120 125 129 147

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Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
2-24	Embedding policy commitments	1.1 Sustainable Development Policy and Governance Structure 1.2 Short-/Mid-/Long-Term Sustainable Development Targets and Implementation Overview 1.4 Material Topic Identification Process 2.3 Compliance Governance and Internal Audit System 2.5 Sustainable Supply Chain Management 5.1 Human Rights Protection and Diverse Communication Channels	18 20 33 54 63 125
2-25	Processes to remediate negative impacts	1.3 Stakeholder Communication 1.4 Material Topic Identification Process 2.2 Ethical Management	29 33 52
2-26	Mechanisms for seeking advice and raising concerns	1.3 Stakeholder Communication 1.4 Material Topic Identification Process 2.2 Ethical Management 5.1 Human Rights Protection and Diverse Communication Channels	29 33 52 125
2-27	Compliance with laws and regulations	2.3 Compliance Governance and Internal Audit System	54
2-28	Membership associations	Company Profile	6
2-29	Approach to stakeholder engagement	1.3 Stakeholder Communication	29
2-30	Collective bargaining agreements	5.1 Human Rights Protection and Diverse Communication Channels	125

GRI 3: Material Topics 2021

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
3-1	Process to determine material topics	1.4 Material Topic Identification Process	33
3-2	List of material topics	1.4 Material Topic Identification Process	33
3-3	Management of material topics	1.4 Material Topic Identification Process	33

GRI 201: Economic Performance

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
201-1	Direct economic value generated and distributed	Company Profile	6
201-2	Financial implications and other risks and opportunities due to climate change	3.3 Natural and Climate Change Governance Strategy	83
201-3	Defined benefit plan obligations and other retirement plans	5.3 Employee Compensation and Benefits	144

GRI 202: Market Presence

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.3 Employee Compensation and Benefits	144
202-2	Proportion of senior management hired from the local community	5.2 Talent Recruitment and Cultivation	129

GRI 203: Indirect Economic Impacts

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
203-1	Infrastructure investments and services supported	3.8 Conservation of Biodiversity and Marine Ecology	101

GRI 204: Procurement Practices

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
204-1	Proportion of spending on local suppliers	2.5 Sustainable Supply Chain Management	63

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GRI 205: Anti-corruption

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
205-1	Operations assessed for risks related to corruption	2.2 Ethical Management	52
205-2	Communication and training about anti-corruption policies and procedures	2.2 Ethical Management 2.3 Compliance Governance and Internal Audit System	52 54
205-3	Confirmed incidents of corruption and actions taken	2.2 Ethical Management	52

GRI 206: Anti-competitive Behavior

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.3 Compliance Governance and Internal Audit System	54

GRI 207: Tax

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
207-1	Approach to tax	Company Profile	6
207-2	Tax governance, control, and risk management	Company Profile	6

GRI 302: Energy

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
302-1	Energy consumption within the organization	3.2 Energy Use and Consumption	76
302-3	Energy intensity	3.2 Energy Use and Consumption	76
302-4	Reduction of energy consumption	3.2 Energy Use and Consumption	76

GRI 303: Water and Effluents

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
303-3	Water withdrawal	3.7 Water Resource Management	99

GRI 304: Biodiversity

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
304-2	Significant impacts of activities, products, and services on biodiversity	3.8 Conservation of Biodiversity and Marine Ecology	101

GRI 305: Emissions

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
305-1	Direct (Scope 1) GHG emissions	3.3 Natural and Climate Change Governance Strategy	83
305-2	Energy indirect (Scope 2) GHG emissions	3.3 Natural and Climate Change Governance Strategy	83
305-3	Other indirect (Scope 3) GHG emissions	3.3 Natural and Climate Change Governance Strategy	83
305-4	GHG emissions intensity	3.3 Natural and Climate Change Governance Strategy	83
305-5	Reduction of GHG emissions	3.4 R&D and Investment in Low-Carbon Technologies 4.2 Digital Transformation and Green Innovation	93 116
305-6	Emissions of ozone-depleting substances (ODS)	3.5 Air Pollution Management	95
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.5 Air Pollution Management	95

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GRI 306: Waste

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
306-2	Management of significant waste-related impacts	3.6 Waste and Ship Demolition Management	96
306-3	Waste generated	3.6 Waste and Ship Demolition Management	96
306-4	Waste diverted from disposal	3.6 Waste and Ship Demolition Management	96
306-5	Waste directed to disposal	3.6 Waste and Ship Demolition Management	96

GRI 308: Supplier Environmental Assessment

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
308-1	New suppliers that were screened using environmental criteria	2.5 Sustainable Supply Chain Management	63

GRI 401: Employment

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
401-1	New employee hires and employee turnover	5.2 Talent Recruitment and Cultivation	129
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3 Employee Compensation and Benefits	144
401-3	Parental leave	5.3 Employee Compensation and Benefits	144

GRI 402: Labor/Management Relations

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
402-1	Minimum notice periods regarding operational changes	5.3 Employee Compensation and Benefits	144

GRI 403: Occupational Health and Safety

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
403-1	Occupational health and safety management system	5.4 Occupational Safety and Health	147
403-2	Hazard identification, risk assessment, and incident investigation	5.4 Occupational Safety and Health	147
403-3	Occupational health services	5.4 Occupational Safety and Health	147
403-4	Worker participation, consultation, and communication on occupational health and safety	5.4 Occupational Safety and Health	147
403-5	Worker training on occupational health and safety	5.4 Occupational Safety and Health	147
403-6	Promotion of worker health	5.4 Occupational Safety and Health	147
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.4 Occupational Safety and Health	147
403-8	Workers covered by an occupational health and safety management system	5.4 Occupational Safety and Health	147
403-9	Work-related injuries	5.4 Occupational Safety and Health	147
403-10	Work-related ill health	5.4 Occupational Safety and Health	147

GRI 404: Training and Education

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
404-1	Average hours of training per year per employee	5.2 Talent Recruitment and Cultivation	129
404-2	Programs for upgrading employee skills and transition assistance programs	5.2 Talent Recruitment and Cultivation 5.3 Employee Compensation and Benefits	129 144
404-3	Percentage of employees receiving regular performance and career development reviews	5.2 Talent Recruitment and Cultivation	129

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GRI 405: Diversity and Equal Opportunity

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
405-1	Diversity of governance bodies and employees	2.1 Corporate Governance Blueprint 5.2 Talent Recruitment and Cultivation	45 129
405-2	Ratio of basic salary and remuneration of women to men	5.3 Employee Compensation and Benefits	144

GRI 406: Non-discrimination

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
406-1	Incidents of discrimination and corrective actions taken	5.1 Human Rights Protection and Diverse Communication Channels	125

GRI 408: Child Labor

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
408-1	Operations and suppliers at significant risk for incidents of child labor	5.1 Human Rights Protection and Diverse Communication Channels	125

GRI 409: Forced or Compulsory Labor

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.1 Human Rights Protection and Diverse Communication Channels	125

GRI 413: Local Communities

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
413-1	Operations with local community engagement, impact assessments and development programs	6.2 Inspiring People to Embrace the Ocean	165

GRI 414: Supplier Social Assessment

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
414-1	New suppliers that were screened using social criteria	2.5 Sustainable Supply Chain Management	63

GRI 416: Customer Health and Safety

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.1 Navigation and Transportation Safety	109

GRI 418: Customer Privacy

Disclosure Item Number	Disclosure indicator	Corresponding Chapter	Page
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.3 Information Security Management	120

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This disclosure is accordance with the Marine Transportation Industry Standard (SASB) (version 2023-12) established by the International Sustainability Standards Board (ISSB).

Sustainability Disclosure Topics and Metrics

Disclosure Item Number	Disclosure indicator	Category	Unit of Measure	Data	Corresponding Chapter	Page
Greenhouse gas emissions						
TR-MT-110a.1	Gross global Scope 1 emissions	Quantitative	tCO_2e	4,356,300.6872	3.3 Nature and Climate Change Governance Strategy	83
TR-MT-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Qualitative description	N/A	Carbon intensity and greenhouse gas emissions reduced by 1% compared to 2024; reduced by 10% by 2030 compared to 2024; net-zero carbon emissions by 2050. The Company's carbon intensity of the fleet has decreased by 62.74% compared to 2008, achieving the International Maritime Organization (IMO)'s target of 40% reduction by 2030 ahead of schedule.	1.2 Short-/Mid-/Long-Term Sustainable Development Targets and Implementation Overview 3.1 Environmental Policy Management	20 74
TR-MT-110a.3	(1) Total energy consumed (2) Percentage of heavy fuel (3) Percentage of renewable energy	Quantitative	Gigajoules (GJ), percentage (%)	(1) 56,538,738.26 (2) 94.29% (3) 0.004%	3.2 Energy Use and Consumption	76
TR-MT-110a.4	Average Energy Efficiency Design Index (EEDI) for new ships	Quantitative	CO_2 (grams)/ tons-nautical miles	10.78	3.2 Energy Use and Consumption	76
Air Quality						
TR-MT-120a.1	(1) Nitrogen oxides (NOx) (excluding N_2O) (2) Sulfur oxides (SOx) (3) Particulate matter (PM10)	Quantitative	Metric tons(t)	(1) 117,300.78 (2) 12,946.49 (3) 8,797.21	3.5 Air Pollution Management	95
Ecological Impacts						
TR-MT-160a.1	Shipping duration in marine protected areas or areas of protected conservation status	Quantitative	Number of travel days	543	3.8 Conservation of Biodiversity and Marine Ecology	101
TR-MT-160a.2	Percentage of fleet implementing ballast water (1) exchange and (2) treatment	Quantitative	Percentage (%)	(1) 0% (2) 100%	3.8 Conservation of Biodiversity and Marine Ecology	101
TR-MT-160a.3	Number and aggregate volume of spills and releases to the environment	Quantitative	Number, cubic meters	0、0	3.8 Conservation of Biodiversity and Marine Ecology	101

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UN Global Compact – Sustainable Ocean Principles Alignment

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Disclosure Item Number	Disclosure indicator	Category	Unit of Measure	Data	Corresponding Chapter	Page
Workforce Health & Safety						
TR-MT-320a.1	Lost time incident rate (LTIR)	Quantitative	Rate	1.30	5.4 Occupational Safety and Health	147
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	Quantitative	Number	0	2.2 Ethical Management	52
TR-MT-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	Presentation currency	0	2.3 Compliance Governance and Internal Audit System	54
Accident and Safety Management						
TR-MT-540a.1	Number of marine casualties, percentage classified as very serious	Quantitative	Number, percentage (%)	0, 0%	4.1 Navigation and Transportation Safety	109
TR-MT-540a.2	Number of condition of class or recommendations	Quantitative	Number	157	2.3 Compliance Governance and Internal Audit System	54
TR-MT-540a.3	Number of port state control (1) deficiencies and (2) detentions	Quantitative	Number	(1) 139 (2) 2	2.3 Compliance Governance and Internal Audit System	54

Activity Metrics

Disclosure Item Number	Disclosure indicator	Category	Unit of Measure	Data	Corresponding Chapter	Page
TR-MT-000.A	Number of shipboard employees	Quantitative	Number	1,837 people	5.2 Talent Recruitment and Cultivation	129
TR-MT-000.B	Total distance traveled by vessels	Quantitative	Nautical miles (nm)	7,793,792	Company Profile	6
TR-MT-000.C	Operating days	Quantitative	Days	33,489	Company Profile	6
TR-MT-000.D	Deadweight tonnage	Quantitative	Thousand deadweight tones	8,135	Company Profile	6
TR-MT-000.E	Number of vessels in total shipping fleet	Quantitative	Number	98	Company Profile	6
TR-MT-000.F	Number of vessel port calls	Quantitative	Number	7,761	Company Profile	6
TR-MT-000.G	Twenty-foot equivalent unit (TEU) capacity	Quantitative	TEU	717,219	Company Profile	6

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TCFD Recommended Disclosures

Framework	Disclosures	Corresponding Chapter	Page
Governance	Describe the board of directors' oversight of climate-related risks and opportunities.	3.3.1 Natural and Climate-Related Financial Disclosure- Natural and Climate Governance Structure	83
	Describe management's role in assessing and managing climate-related risks and opportunities.	3.3.1 Natural and Climate-Related Financial Disclosure-Natural and Climate Governance Structure	83
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	3.3.1 Natural and Climate-Related Financial Disclosure-Material Climate-Related Risks and Opportunities	85
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	3.3.1 Natural and Climate-Related Financial Disclosure-Material Climate-Related Risks and Opportunities 3.3.1 Natural and Climate-Related Financial Disclosure-Operating Vessel Scenario Analysis	86 89
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	3.3.1 Natural and Climate-Related Financial Disclosure-Scenario Analysis Overview	89
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	3.3.1 Natural and Climate-Related Financial Disclosure-Natural and Climate-Related Risks and Opportunities Management Process	84
	Describe the organization's processes for managing climate-related risks.	3.3.1 Natural and Climate-Related Financial Disclosure-Natural and Climate-Related Risks and Opportunities Management Process 3.3.1 Natural and Climate-Related Financial Disclosure-Material Climate-Related Risks and Opportunities 3.3.1 Natural and Climate-Related Financial Disclosure-Operating Vessel Scenario Analysis	84 86 89
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	3.3.1 Natural and Climate-Related Financial Disclosure-Natural and Climate Governance Structure 2.4 Risk Management	83 58
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	3.3.1 Natural and Climate-Related Financial Disclosure-Metrics and Targets 3.3.2 Greenhouse Gas Emission Management	91 92
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	3.3.2 Greenhouse Gas Emission Management	92
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	3.3.1 Natural and Climate-Related Financial Disclosure-Metrics and Targets 3.3.2 Greenhouse Gas Emission Management	91 92

Implementation Status of Climate-Related Information

Item	Page
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	83-84
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	86
3. Describe the financial impact of extreme weather events and transformative actions.	86 89-90
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	58-62 83-84
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	89-90
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	86 89-92
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company has not implemented internal carbon pricing.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	76-77 91-92
9. Greenhouse gas inventory and assurance status, reduction targets, strategies, and specific action plans.	92-94 179

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