

2018

Corporate Social Responsibility Report

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2018 Corporate Social Responsibility Report



EVERGREEN MARINE CORP. (TAIWAN) LTD.

2018 CONTENTS

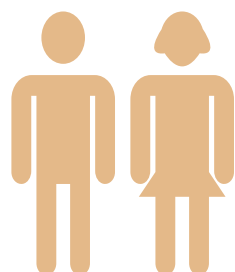
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External assurance

We commissioned Deloitte Taiwan to conduct a limited audit of this Report in accordance with the ROC Statements of Assurance Engagements Standards No 1. "Assurance Engagements other than Audits or Reviews of Historical Financial Information." The letter of assurance is included in the report annex.

Contact information

CSR Commitment, Evergreen Marine Corporation
Address: No. 163, Sec. 1, Xinnan Rd., Luzhu Dist., Taoyuan City
Contact number: 03-312-3123
Email: csr@evergreen-marine.com



A Message from the Chairman

2018 marks the 50th anniversary of Evergreen Marine. For half a century, Evergreen commenced its businesses from a second-hand boat, and has developed toward new territories in a steady pace and with a high level of commitment. The efforts of all employees, the support of global customers, and the business model for corporate sustainability have led us to become a reputable global shipping company in the past 50 years.

The earth is our homeland, and the ocean is our business vocation. The EU has launched the Sustainable Shipping Initiative (SSI), and proposed external environmental changes and main corporate businesses in need of attention in corporate sustainability. We discovered that concerns on climate change, marine ecology, innovation and technology, energy conservation and carbon reduction, response measures for market changes, adjustment of strategic alliance, as well as collaboration with relevant international organizations to improve information transparency and other issues, these are very similar with the Evergreen Marine's blueprint for sustainable development in the past 50 years. As the old saying goes, "Being just brings generous support," which we believe is the main reason why our company has been able to overcome difficulties and challenges despite the global economic crisis in the past 50 years.

The shipping company pays attention to global climate change, and the latest technologies are employed to protect the port environment and ensure the sustainable development of the marine ecology by building the most environmentally friendly ship types.

In recent years, we have built a 2,800 TEU B-type vessel, which has a main engine with electronic fuel injection that produces 20% less NOx emissions than conventional engines thus it complies with the 2015 Energy Efficiency Design Index (EEDI) and Tier II NOx emission standards set by the IMO. In addition, we use advanced software and hardware to minimize the generation of waste and sewage from ships, with the aim to manage ballast water, prevent and reduce sea, air and land pollution as part of our commitment to global environmental protection.

Innovative technology and information security are the main aspects in the 5G era. The innovative "i-B/L" and "i-Dispatch" functions added to our self-owned ShipmentLink platform have won the maritime innovation award at the 1st International Shipping Technology and Internet Conference in Shenzhen. The paperless e-commerce service helps cargo owners streamline international trading processes and improve their operational efficiency. Evergreen has the DNA on innovation, and will continue to provide customers with a quick and safe new service experience by innovative technology, which brings



about unlimited opportunities for the development of global trade business.

As a member of the OCEAN Alliance, we not only increased the coverage of ports and cargo capacity utilization, but also reduced transshipment costs thanks to the expansion in direct ports through strategic alliance with other shipping companies. The joint operation not only enhanced efficiency of the shipping industry and reduced energy consumption and emissions to achieve the goal of energy saving and carbon reduction, but also provides customers with a variety of high quality services.

Employee care and talent cultivation is our core value. Apart from providing employee care and comprehensive development opportunities for employees and continuously enhancing occupational safety for ship and shore personnel, we have also dedicated efforts on allowing employees to have a healthy and balanced development between work and life. Evergreen Marine is talent-oriented, upholds the Evergreen spirit on sustainable management, and has continuously dedicated efforts to cultivate maritime talents. In addition to strict training courses of the EVERGREEN Seafarer Training Center to improve the professional knowledge and skills of seafarers, Evergreen Marine also strengthened industry-university partnerships with domestic maritime colleges and universities, and established the graduate shipping and engineering technology programs. We inspire young people who graduated from other departments to have the opportunity to work in the maritime industry through a series of comprehensive knowledge and professional skills training and cultivate outstanding talents in the Taiwan marine industry.

We hope to develop towards a brilliant future by upholding the spirit of "concept adherence, refined development".

Anchor Chang, Chairman of Evergreen Marine Corp. (Taiwan) Ltd.



About Evergreen Marine Corp.

I. About Evergreen Marine Corp.

A. Introduction to Evergreen Marine Corp.

The Evergreen Marine Corp. was founded by Dr. Chang Yung-Fa on September 1, 1968. Primary business activities included domestic and international sea freight, shipping agent and container terminal operations. Starting out with just one 15 year-old general bulk carrier, Evergreen Marine now has a worldwide service network stretching across five continents. Many of our outstanding achievements have also been recorded in the history of the global container shipping industry.

When the global energy crisis triggered a downturn in the sea freight market in 1975, Evergreen Marine saw the shape of the future and embarked on the fleet containerization plan. A fleet of new high-speed fully containerized ships were introduced to establish regular shipping lines between the far East and the U.S. East Coast, making us the first shipping company to develop fully containerized shipping lines. In 1984, we successfully established the first-ever regular fully containerized round-the-world shipping lines in the east-west direction with our brand new G -type fleet. We then became the No.1 container shipping company in the world in 1985.

In 2007, Evergreen Marine consolidated its sister companies within the Evergreen Group such as Italia Marittima SpA, Evergreen Marine (UK) Ltd., Evergreen Marine (Hong Kong) Ltd. and Evergreen Marine (Singapore) Pte. Ltd. under the unified brand of "Evergreen Line" to provide global shippers with a fully-integrated shipping service. Strategically cooperating with other carriers through shipping alliances, joint shipping lines and space swapping are also employed to provide shippers with a more dense shipping service network. Evergreen Marine has set up regional transship centers at key ports throughout Asia, the Americas and Europe to provide customers with highly-efficient services. Our container terminals at Kaohsiung Port and Taipei Port in Taiwan, Los Angeles and Oakland on the U.S. West Coast, and Colon in Panama all serve to further enhance our quality of service.

To help owners all over the world seize the business opportunities on offer, we built a proprietary e-commerce website www.shipmentlink.com & ShipmentLink to make it convenient for shippers to check sailing schedules and delivery status on smart phones at any time. The efforts and resources invested by Evergreen in e-commerce has repeatedly won praise from our customers and also led to the winning of the "E-Commerce Excellence Award" from Log-Net, a professional American logistics information institution, over consecutive years.

The EVERGREEN Seafarer Training Center was set up by Evergreen Marine in 1999 for the development of seafaring talent. The Center was the first seafarer training center in Taiwan to pass ISO-9001:2000 certification by Det Norske Veritas (DNV) and provides internationally accredited training courses. The intensive and systemic hands-on training courses are aimed at improving the professional skills of Evergreen crews and prevent maritime accidents/pollution through the realization of the "3 Safety" targets: Personnel Safety, Cargo Safety and Ship Safety.

The development of sustainable corporate management at Evergreen has led the company embracing its role as "a guardian of the green earth." Dr. Chang Yung-Fa, the founder of the Evergreen Group, said "shipping companies should not wait for new regulations to follow." We should make use of the latest marine technology with positivity and perspective to protect the marine ecology, safety of the port and happiness of mankind "

To this end, we used advanced shipbuilding techniques to build a next-generation green

fleet in 2005. The "Double Skin Hull," "Built-in Oil Tank" and the AMP system of the S-type green ship were visionary designs that not only exceeded the regulatory requirements at the time but was also named the Ship of the Year by Lloyd's List Maritime Asia Awards in the following year. The L-type green ship put into service in 2012 used even more advanced technology to improve its environmental efficiency and reduce GHG emissions. In 2018, the Company was the first in Taiwan to install a desulfurization system to the B-type ship. This has effectively reduced the production of sulfide by the main engine and the generator in accordance with the IMO standards set to limit the sulfur content to no more than 0.5%, which would come into effect in 2020.

In addition to the optimization of ship designs, we actively participated in may environmental protection programs. Low speed sailing is used to reduce the GHG emissions and improve the air quality around the port. Significant progress has been made with a continued decrease in the GHG emissions of our fleet operations over the past years. Such initiatives also contributed to the conservation of endangered sea life by reducing the risk of collision with blue whales, humpback whales, fin whales and other large animals.

Guided by our corporate philosophy of "Creation of Profits, Care for Employees, Contribution to the Society," and dedicated efforts to achieve the business scale today together with all our employees. Evergreen Marine aims to keep in line with the changing world with the spirit of "concept adherence, refined development" and will continue to make a contribution to the world by promoting the development of trade through the provision of reliable transportation services.

B. Organizational Scale

Evergreen Marine Corp. was officially formed on September 25, 1968. Approval for becoming a public company was granted by the Securities and Futures Commission (SFC) of the Ministry of Finance on November 2, 1982. SFC approval for Category A listing was granted on July 6, 1987, and Evergreen Marine was officially listed on the Taiwan Exchange on September 21 of the same year. Primary business activities included domestic and international sea freight, shipping agent and container terminal operations.

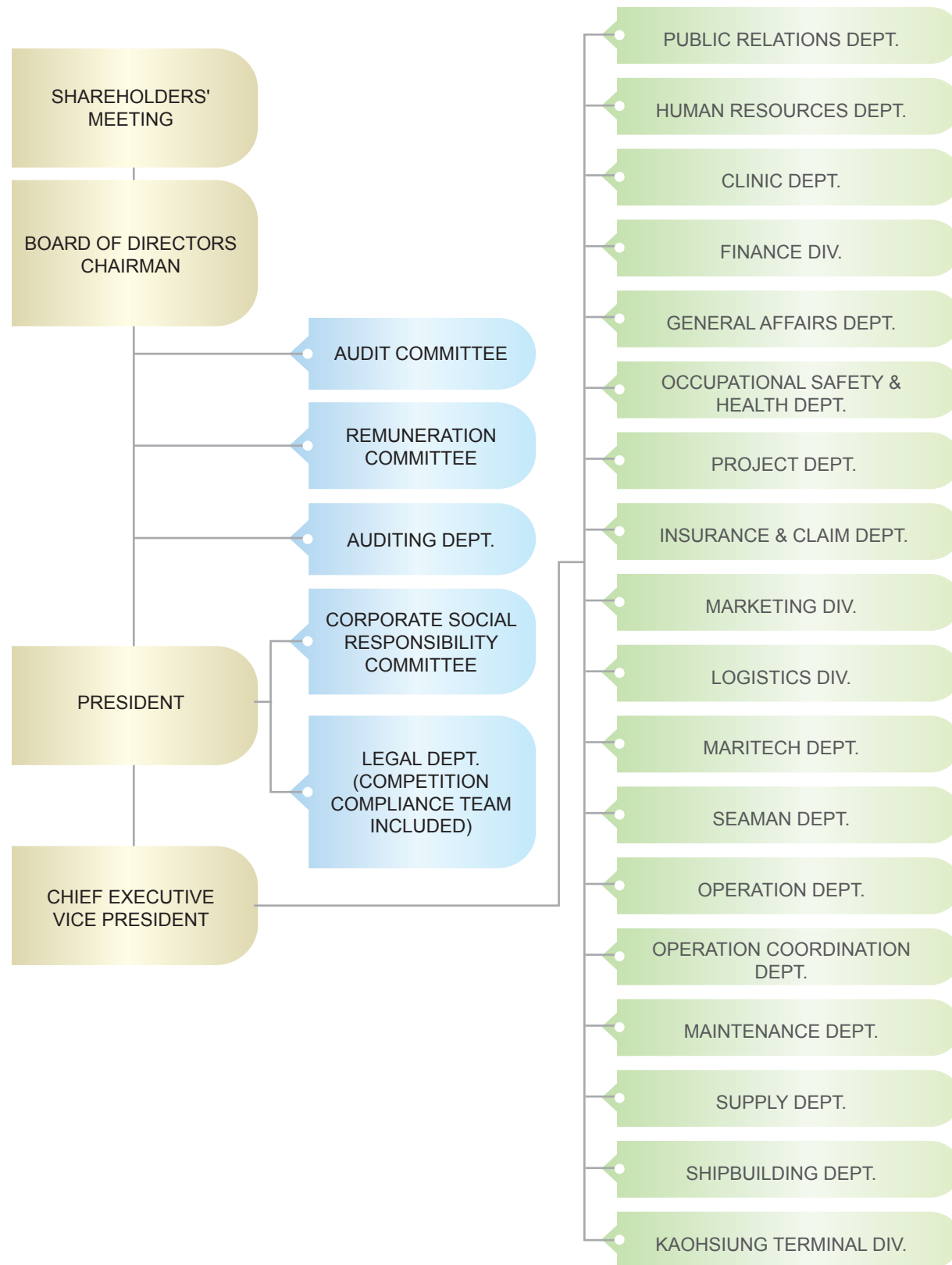
C. Operating performance

Competition in the main traditional sea freight markets has been dominated by the three major alliances of 2M, Ocean Alliance and THE Alliance since April 2017. The Ocean Alliance made up of Evergreen Marine, COSCO, CMA GGM and Orient Overseas jointly operates 42 lines with 350 ships. Under the framework of the alliance, carriers can provide customers with better direct shipping services by taking advantage of the alliance network to improve space utilization and lower transship costs.

In 2018, the continuing China-US trade war has caused great impact on the global supply chain, investment and consumption amid weakened economic growth momentum in developed countries such as the EU and the UK. Meanwhile, geopolitical risks continue to rise, resulting in high oil prices and affecting the economies of fragile emerging countries. Thus, despite the increased shipment volume in the US market due to advanced exports in response to high tariffs in the second half of 2018, major markets such as Europe still encounter sluggish demands caused by a significant rise in fuel costs. As there was still imbalance between market supply and demand amid low freight rate, the financial status of various shipping companies is worse in 2018 than that in 2017.

A total of 6.57 million TEU was shipped in 2018, an increase of 0.90 million TEU (15.90%) over the 5.67 million TEU from 2017. The increased cargo load was mainly due to the significant increase in the number of containers caused by investment in ultra-large vessels. Paid-in capital was NT\$45,129,738,000 and consolidated revenues were NT\$169,236,653,000 in 2018.

Evergreen Marine organization chart



Evergreen Marine Corp. (2018)	
Company Name	Evergreen Marine Corp.
Location of headquarters	1-4F., No. 166, Sec. 2, Minsheng E. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)
Industry	Shipping Industry
Primary Business	Shipping carrier/Shipping agent/Container terminal operations
Quantity of Products/ Services Provided	6,572,600 TEU(Standard 20' shipping container)
No. of Employees	1,770 people
Local and Overseas Offices	320 cities in 117 countries. Primary base of operations is Taiwan
Total Asset (NT\$thousand)	45,129,738
Total debt(NT\$thousand)	158,044,119
Total Equity(NT\$thousand)	70,967,836

(Unit: Thousand TWD)

Item/Year	2016	2017	2018
Operating revenue	124,467,608	150,582,692	169,236,653
Operating cost	127,955,772	139,693,568	161,771,163
Gross profit	(3,488,164)	10,889,124	7,465,490
Pre-tax income (loss)	(8,808,983)	7,447,549	1,195,404
Income tax expense	(243,672)	785,928	1,116,903
Net income (loss)	(8,565,311)	6,661,621	78,501
Net Income attributable to shareholders of the parent company	(6,607,986)	7,005,171	293,919
Net Income attributable to non-controlling interest	(1,957,325)	(343,550)	(215,418)

II. Operating strategies

Shipping plays an important role since about 70% of the surface of the Earth is covered by oceans, and 90% of global freight transport are through shipping networks. Container transportation is safe and operates on a regular basis, with high loading, unloading and transportation efficiency and low freight rates, resulting in the switching from bulk cargo ships to container vessels.

Evergreen Marine was the first shipping company to establish liner service between the Far East/the Middle East seas in 1969, which had built a connection for companies that need to expand their overseas business. When the global energy crisis triggered a downturn in the sea freight market in 1975, Evergreen Marine saw the shape of the future and embarked on the fleet containerization plan. A fleet of new high-speed fully containerized ships were introduced to establish liner service between the Far East and the U.S. East Coast, making us the first shipping company to develop fully containerized shipping lines. In 1984, we successfully established the first ever regular fully containerized round-the-world shipping lines in the east-west direction with our brand new G -type fleet, which provided an indelible contribution to the subsequent development of global container shipping.

We then became the No.1 container shipping company in the world in 1985. With the rise of maritime M&A, Evergreen has currently become the seventh largest shipping company in the world, with a total fleet of more than 200 ships, with a carrying capacity of around 1,300,000 TEU, accounting for 5.5% total carrying capacity of the global container market. The company has a service network that stretches across five continents around the world, including Far East - USA, Far East - Europe/Mediterranean, Far East - South America, Far East - Australia, near-sea shipping lines and Europe - US.

As the most important member of the history of maritime development, Evergreen Marine has set up The EVERGREEN Seafarer Training Center in 1999 for the development of seafaring talent. The Center was the first seafarer training center in Taiwan to pass the ISO-9001:2000 certification by Det Norske Veritas (DNV) and provides internationally accredited training courses. Under the direction of the founder Chang Yung-Fa, Evergreen Marine has used the most advanced shipbuilding techniques and forward thinking designs beyond the legal requirements to build a next-generation green fleet in order to enhance the propulsion efficiency, reduce fuel consumption and GHG emissions, with positivity and perspective to protect the marine ecology, safety of the port and happiness of mankind.

Since global population continues to rise amid the increasing popularity of Free Trade Agreement, global trade demands are expected to increase in the future. As one of the important members of shipping, Evergreen Marine aims to provide sufficient slots to meet customer requirements by building new eco-friendly ships, while enhancing our quality of service through shipping alliances, cloud technology and network platforms to promote smooth global operations.

A. External Environment

In 2018, global economics have been more complicated than in the past few years. Despite stable overall economic performance, the rise of trade protectionism and tariff barriers, and particularly the continuous trade disputes between the US and various economies have not only worsened international trade development, but also caused major concerns on global trade and investments. Global container shipping market is closely related to global trade activities and the continuing China-US trade war in 2018 has caused great impact on the global supply chain, investment and consumption of the world economy, amid weakened economic growth momentum in developed countries such as the EU and the UK compared to the economic peak in the second half of 2017. Meanwhile, geopolitical risks continue to rise, resulting in high oil prices and

affecting the economies of fragile emerging countries. The currency value and economic growth of emerging countries are significantly affected by the turmoil in global financial markets.

In terms of the shipping market, Alphaliner statistics indicates that a total of 70 large new-builds of over 10,000 TEU were delivered in 2018, resulting in an additional 1,300,000 TEU ships in the world. In addition, the number of recycled ships has declined significantly in 2018, which increased slots by 5.8% compared with that in 2017. However, despite rising shipments in the Pacific route due to front loading containers in response to high tariffs in the second half of 2018, the emergence of extra loader has offset some positive factors. Meanwhile, the Far East - European route exhibited low performance due to the impact of markets in UK, Germany, Italy and Turkey. Thus, the annual market demand growth shows only a slight improvement.

In terms of cost and freight rate, fuel prices have risen sharply since the 4th quarter of 2017, and achieved record highs in the 4th quarter in 2018 since January 2015. With that, the shipping companies have imposed an emergency fuel surcharge from June to July 2018. However, this could not completely offset the rising cost. Fortunately, the freight rate adjustment of the Pacific route in the second half of 2018 has regained some degree of benefit to the overall shipping business.



B. Corporate sustainability strategies

Humans have always relied on fossil fuels to sustain the basic needs of life, and carbon dioxide emissions have worsened the greenhouse effect and triggered climate change. Extreme weather, including heavy rains, floods, droughts and typhoons, is mainly caused by climate change. In the face of these disasters and increased requirements in environmental protection laws, Evergreen has set up four emission control Areas (ECA) around the world in accordance with IMO, and use compliant fuel oil in accordance with port regulations in each country. In accordance with the IMO regulations for the use of clean fuel in the future, with permissible sulfur content of less than 0.5%, Evergreen Marine will continue to replace old ships with new eco-friendly ships based on environmental regulations, also will install scrubbers in ships

in compliance with relevant new laws and regulations.

Shipping costs and risks will inevitably rise due to increasingly stringent new environmental protection regulations and natural disasters caused by extreme weather. Evergreen has considered the impact of environmental change as a major current and future issue, and utilizes the Weather Navigation Information (WNI) System to ensure safe and smooth delivery of customer goods and maintain our environment. The Company also optimized fuel efficiency and discussed feasible ways with terminal operators and railway transport companies on reducing the risks caused by typhoons and floods. However, in terms of rising costs, considering that scrubbers on ships have high economic efficiency and are in compliance with relevant new laws and regulations, Evergreen Marine will continue to raise funds

via green bonds to meet new equipment requirements, and reflect relevant costs to the shipper based on the market practice. In terms of potential opportunities, the Company continues to keep track of future trends development of the Arctic route, which has short flight schedules and low operating costs.

In 2018, considering impacts including rising oil prices and chartering costs, significant reduction in empty/idle/recycled ships, intensive delivery in ultra-large ships, China's waste import restrictions, the decline in average freight rates, the use of low-sulfur oils and ballast water discharge in compliance with new regulations of the IMO and various ports, and climate change, Evergreen Marine will enhance its joint cooperation with Ocean Alliance partners in the future, and plans to extend the cooperation agreement with alliance partners for another 5 years from 2022 to the end of March in 2027. Joint operations not only expand the coverage of line networks, increase load factor and reduce costs but also encourage carriers to work together on navigational safety, environmental protection and resource sharing. In addition to the Alliance services, the construction of a complete global service network through the development of regional niche markets outside of the alliance form a cornerstone of our sustainable corporate development.

In the face of severe challenges in the market and new stringent environmental protection regulations, Evergreen Marine not only enhances joint cooperation, but also optimizes fleet deployment, implements cargo policy for cargo structure improvement, strengthens value-added services and service quality, develops digital platforms, timely replaces old ships with new-build technological and eco friendly ships, closely monitors shipping schedules and improves efficiency of port operations, so as to reduce fuel consumption and costs as well as increases cargo capacity utilization.

It is confronted with more severe challenges in the future, including the long-term trade war, China's economic slowdown, the Brexit, rising oil prices due to Production Cut Agreement, the delivery of ultra-

large vessels, the new IMO environmental protection regulations, and the synergy effect of M&A of shipping companies. In response, the company has set the following short-, medium- and long-term goals and strategies:

Short-term goals and strategies

1. Enhance joint cooperation and open up new routes
2. Optimize hull structure and strengthen core routes
3. Update shipping equipment in accordance with relevant laws and regulations
4. Control various costs and R&D of e-commerce

Mid- and long-term goals and strategies

1. Invest in strategic locations to build a global network.
2. Continue to upgrade the fleet to comply with environmental regulations.
3. Leverage digital platforms to develop smart transportation.
4. Expand joint operations and develop emerging markets.
5. Strengthen industry-university cooperation to cultivate seafaring talent.

In response to environmental trends and to support the government's green energy policy, Evergreen Marine issued NT\$ 2 Billion in green bonds on June 27, 2018, for an investment plan certified by DNV GL, an independent certification body, and PwC. The funds raised will go towards capital expenditure on the purchasing and installation of environmental protection equipment for marine fuel. The installation of the environmental protection equipment will reduce emissions of SOx during ship voyages. Benefits include reduced atmospheric pollution and lower environmental impact. Evergreen Marine will begin installation in 2018 Q3 and finish all work by 2021 Q2. Once the equipment upgrades are complete they will reduce annual emissions of SOx by approximately 17,972 tonnes. As of the end of 2018, the actual progress of the construction project was 12.77%, and the accumulated expenditure was NT\$278,826,000, which was spent on the procurement of environmentally friendly fuel equipment.

III. Achievements

In the past 50 years, Evergreen Marine has dedicated efforts to improve operating efficiency, provide high quality services and maintain a green environment, which have long been recognized by customers and port authorities, and has been praised and encouraged by relevant units on its commitments and contributions to the economic, social and environmental matters.

In terms of port operations in 2018, the Kaohsiung Terminal Division has won the "2018 Container Terminal Operation Excellence - Gold Award" of Taiwan International Port Co., Ltd. to express its sincere gratitude for outstanding customers with great contributions to the performance of commercial port operations.



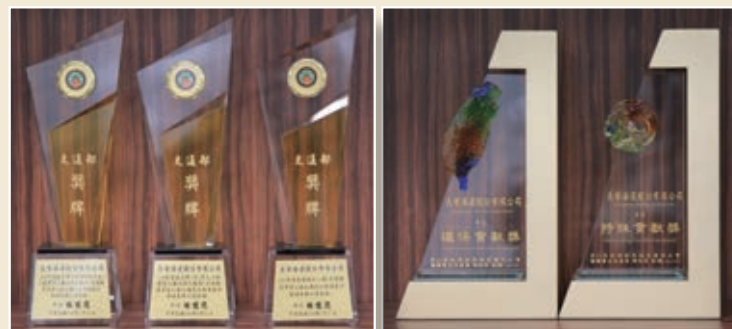
In terms of customer service affirmation, Evergreen Marine has won the "2018 Best Carrier Award" of Best Buy, "2018 Carrier of the Year Award" of Home Depot and "2018 The Ocean Carrier of the Year Award" of Dollarama for demonstrating a high level of cooperation and providing high quality service.

In terms of environmental protection, we have obtained the "2018 Environmental Shipping Award" of New York Port, "2018 Blue Circle Award" of Vancouver Fraser Port Authority, "2018 Vessel Reduction Incentive Program Gold and Silver Awards" of San Francisco Bay and Santa Barbara, as well as AFLAS's "2018 Best Green Shipping Line," which give public recognition to our efforts and contributions on environmental protection.



Evergreen Marine adheres to the cultivation of marine talents and starts with adopting a more comprehensive philosophy of basic education. In addition to the establishment of the seafarer training center, the company also organized maritime and marine engineering classes in cooperation with domestic maritime schools, and provides the highest number of internships compared to industry peers in order to meet the requirements of annual onboard internships for students from maritime and marine engineering schools. Working as a seafarer is different from working on shore, as seafarers must overcome the ocean turbulence and feelings of isolation and loneliness. Therefore, Evergreen Marine not only provides internship opportunities for the graduates from maritime and marine engineering schools, but also performs pre-selection of sea-going summer interns, and selects outstanding students to participate in onboard internships and experience the work environment at sea. The pre-selection system and sufficient number of internships have enabled us to select appropriate and competent marine talents among the interns.

Evergreen Marine has received the "2018 First Place in Accepting the Students from Domestic Maritime Schools and Colleges for On-Board Practical Training and in the Total Number of Days" and "2018 First Place in Accepting Interns for On-Board Practical Training and in the Total Number of Days" and "First place in Total Operating Revenue" from the



Ministry of Transportation and Communications in 2018. In addition, the Company has won the "Special Contribution Award" and the "Environmental Award" at the 65th Maritime Festival in Kaohsiung District.

Stakeholders and Issue Management

Evergreen Marine anticipates smooth operations and will rely on the support and joint efforts of stakeholders. Thus, effective communication and interaction are indispensable in the company's business operations. As a major shipping company in Taiwan, Evergreen Marine is aware of the importance of stakeholder opinions, and understands and responds to relevant stakeholders and their concerns after thorough analysis.

I. Stakeholder identification and communication

In 2017, Evergreen Marine identified 9 important types of stakeholders based on past stakeholder communications and the disclosure of other international shipping companies. The 21 departments of Evergreen Marine then took part in jointly evaluating the extent of each stakeholder's relationship with our company based on the five principles of Responsibility, Influence, Tension, Diverse Perspectives and Dependency from AA1000 SES. In 2018, Evergreen Marine agreed in the internal meetings to utilize the results from 2017, the stakeholders ranked by the degree of their relationship with Evergreen Marine from high to low are as follows: Employee, competent authority, supplier, shareholder/investor, customer, media, other shipping companies, community and society, social group and non-profit organization. We contact these stakeholders through regular/ad hoc channels to ensure full communication of every issue.

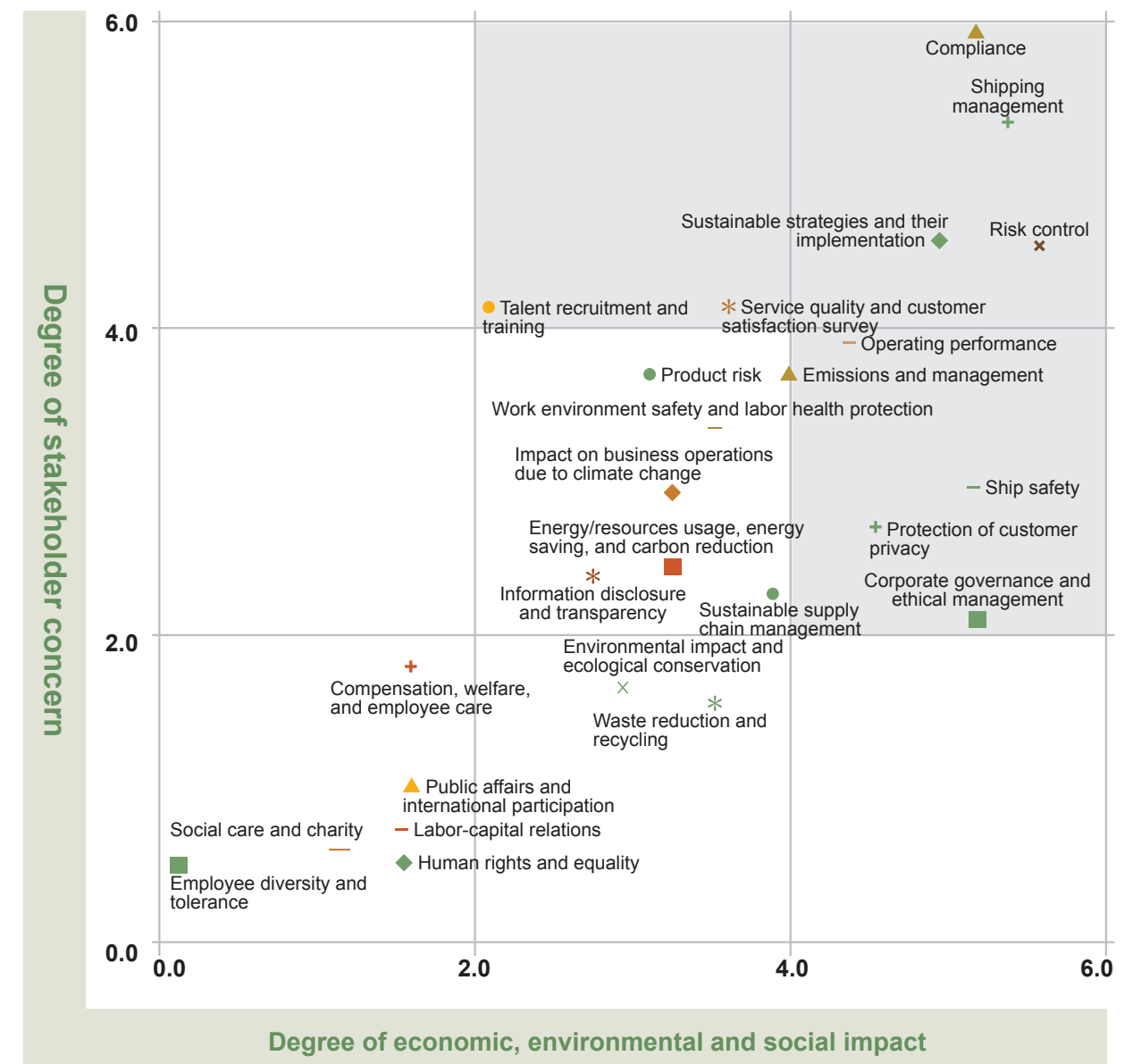
Communication with stakeholders

Category	Importance to Evergreen Marine	Issue	Communication channel and frequency
Employee	The members and assets of the Company	<ul style="list-style-type: none"> Sustainable strategies and their implementation Compensation, welfare and employee care Compliance Shipping management Work environment safety and labor health protection 	<ul style="list-style-type: none"> e-Bulletin board (ad hoc) Operating meetings (every month) Regular and ad hoc meetings (every month, any time) EIP e-Bulletin board (ad hoc) Telephone (any time) Email (any time)
Competent authority	Communicates with the government to help them understand our operations and contribute our expertise in shipping to the policy and law-making process	<ul style="list-style-type: none"> Product risk Talent recruitment and training Compliance Emissions and management Environmental impact and ecological conservation 	<ul style="list-style-type: none"> Telephone (ad hoc) Letter (ad hoc) Visit (ad hoc) Conference (ad hoc)
Supplier	Provides products and services that satisfy the Company's quality requirements and works together to build good services	<ul style="list-style-type: none"> Sustainable strategies and their implementation Sustainable supply chain management Service quality and customer satisfaction survey Risk control Operating performance 	<ul style="list-style-type: none"> Email (any time) Telephone (any time) Meeting (1-2 times every year) Supplier survey and questionnaire (every year) Supplier evaluation (every year) Equipment efficiency statistics table (every month) Company's website (every year) - newly added

Category	Importance to Evergreen Marine	Issue	Communication channel and frequency
Shareholder / investor	Provides the necessary funding for company operations and requires transparent reports on business operations.	<ul style="list-style-type: none"> Operating performance Compliance Corporate governance and ethical management Shipping management Risk control 	<ul style="list-style-type: none"> Investor service area on Company's website (any time) Important financial and business information in MOPS (as specified by the competent authority) Respond to investor inquiries (ad hoc) Annual reports in shareholders' meeting (every year) Investor conference (ad hoc)
Customer	Optimizes services and communications to maximize value for customers	<ul style="list-style-type: none"> Protection of customer privacy Service quality and customer satisfaction survey Product risk Ship safety Shipping management 	<ul style="list-style-type: none"> Email (any time) Telephone (any time) Visit (ad hoc) Company's website/mobile device (any time) Customer satisfaction survey (1-2 times every year) OCEAN Alliance promotional seminar (ad hoc)
Media	Give the general public a better understanding of the Company through positive communications and release of information	<ul style="list-style-type: none"> Shipping management Compliance Talent recruitment and training Service quality and customer satisfaction survey Risk control 	<ul style="list-style-type: none"> Telephone (any time) Email (any time)
Other shipping companies	Satisfy customer requirements through joint services that meet the requirements of the Company	<ul style="list-style-type: none"> Shipping management Compliance Service quality and customer satisfaction survey Sustainable strategies and their implementation Compensation, welfare and employee care 	<ul style="list-style-type: none"> Meeting (quarterly) Telephone (ad hoc) Email (ad hoc) Personal visit (ad hoc)
Community and society	Local residents and groups closely connected to the Company's location and services	<ul style="list-style-type: none"> Compensation, welfare and employee care Labor-capital relations Emissions and management Talent recruitment and training Environmental impact and ecological conservation 	<ul style="list-style-type: none"> Personal visit (ad hoc)
Social group and non-profit organization	Our partners in the engagement of public care and charitable activities	<ul style="list-style-type: none"> Emissions and management Talent recruitment and training Compensation, welfare and employee care Labor-capital relations Environmental impact and ecological conservation 	<ul style="list-style-type: none"> Telephone (ad hoc) Email (ad hoc) Personal visit (ad hoc) Meeting (ad hoc)

II. Management of important issues

We developed a questionnaire and surveyed the 9 types of stakeholders and internal executives to understand the extent of stakeholder concern on each sustainability issue, as well as the external economic, environmental and social impacts of Evergreen Marine operations. The sustainable development of an enterprise involves a wide range of issues. We have generalized 25 sustainability issues from the characteristics of the industry, international tendency, and important facets of sustainability. These issues included corporate governance, economic issue, environmental issue, labor and human rights issue, social issue, product liability issue, etc. In 2018, Evergreen Marine agreed in its internal meetings to utilize the results from our external stakeholder issues of concern survey along with 20 responses from internal executives on issue impact. Analysis of survey responses from the seven types of stakeholders with a higher degree of relationship yielded a ranking of 25 issues by degree of concern and degree of impact. A materiality matrix was then drawn up using these results.



In 2018, Evergreen Marine defined material issues as those that ranked highly in terms of stakeholder concern or impact or operations, or those that ranked as high in one or moderate in the other. In keeping with the trend on sustainability disclosure, the following 12 issues were considered to be material in terms of industry impact: legal compliance, shipping management, risk control, sustainability strategies and their implementation, operating performance, ship safety, emissions and management, service quality and customer satisfaction, protection of customer privacy, corporate governance and ethical management, talent recruitment and training, work environmental safety and labor health protection. We have established complete management policies as well as measurement and management systems to ensure managing and responding to all the important sustainability issues. We also follow-up annual performance and set goals for the future in the hope to make improvement in all aspects every year.

Management policies of important issues and its evaluation mechanism

Important issues	GRI/ internal topics	Meaning to Evergreen Marine	Impact boundary and degree of impact		Management policies	The evaluation mechanism and performance in 2018	Future goals	Corresponding section
			Directly	Indirectly				
Compliance	Compliance related to environmental protection	Compliance forms the basis of business operations so a complete system has been put in place by Evergreen Marine to ensure full compliance.	Evergreen Marine	Competent authority	<ul style="list-style-type: none"> Ensure that the ships of the Evergreen Group meet the international requirements and the regulations of the port state 	<ul style="list-style-type: none"> Provide appropriate reports to concerned departments for further arrangements according to the laws and regulations. No serious violations of environmental protection regulations in 2018. 	<ul style="list-style-type: none"> “Zero” violation of environmental laws or regulations. 	01. Stable Operations and Ethical Management
	Compliance in society and economics				<ul style="list-style-type: none"> Replace email auditor system to audit the official mailboxes of the Company Conduct educational and training programs to strengthen employee awareness on compliance with competition laws 	<ul style="list-style-type: none"> Monthly monitor the utilization performance of the email auditor system. Improving the awareness through meetings, orientation training for new employees, e-Bulletin board, complaints mailbox, and competition law notices. 15 competition law training courses on were arranged in 2018 and attended by a total of 774 employees of Evergreen Group. 	<ul style="list-style-type: none"> Implementing email auditor system to local agents/ branch offices around the world. It is expected to be launched in the US by the end of 2019. Maintaining good relationship with competition authorities in different jurisdictions by updating them the changes of shipping practices and exchanging opinions on legal compliance. In 2019, the Company is expected to meet with the European Commission, FMC and the competition authorities of China. Continue to communicate with employees and enhance their awareness on legal compliance according to changes in relevant regulations and enforcement attitude of the competition authorities. 	
Shipping management	Shipping management	A flexible business strategy is crucial to the continued operations of a shipping company in a changing business environment.	Evergreen Marine, customer	Other shipping companies	<ul style="list-style-type: none"> Ensure stable and premium shipping service of the Evergreen Marine on every shipping line and conduct a review of shipping performance. 	<ul style="list-style-type: none"> Conduct regular internal and external license reviews and respond to stakeholder feedback. Develop joint shipping lines based on line attributes and review the performance of shipping lines. 	<ul style="list-style-type: none"> Satisfy customer demand for service and improve the competitiveness of shipping lines through joint operations. 	01. Stable Operations and Ethical Management

Important Issues	GRI/ internal topics	Meaning to Evergreen Marine	Impact boundary and degree of impact		Management policies	The evaluation mechanism and performance in 2018	Future goals	Corresponding chapter
			Directly	Indirectly				
Risk control	Risk control	Complete identification and control of potential operational risks so that Evergreen Marine can respond to external changes in a timely manner.	Evergreen Marine, customer		<ul style="list-style-type: none"> Follow the policies set by the Board of Directors in identifying, assessing and developing measures for mitigating operating risks. 	<ul style="list-style-type: none"> Regular audits are conducted by the Audit department to ensure that every unit is properly managing the risks in their area of responsibility. All the risk management tasks in 2018 were completed in line with the internal execution procedure and reported to the Board of Directors. 	<ul style="list-style-type: none"> Continue to monitor external risks and market intelligence to reduce any potential impacts on company operations. 	01. Stable Operations and Ethical Management
Sustainable strategies and their implementation	Sustainable strategies and their implementation	Evergreen Marine is working actively to integrate sustainable development into its operations as a leading international shipping company.	Evergreen Marine, shareholder/ investor	Supplier and customer	<ul style="list-style-type: none"> Build a fleet that complies with international energy-efficiency and environmental protection regulations. 	<ul style="list-style-type: none"> Closely monitor the shipbuilding market and build a competitive fleet at suitable times. Place a total of 58 orders for 1,800 and 2,500 TEU coastal ships and 11,850 and 12,000 TEU oceangoing ships when prices are low. 	<ul style="list-style-type: none"> Order ships that comply with international environmental regulations in support of the fleet renewal program at suitable times. 	01. Stable Operations and Ethical Management
Operating performance	Economic performance	Evergreen Marine always strives to deliver a sound operating performance as it is our way of responding to shareholders' expectations.	Evergreen Marine, shareholder/ investor		<ul style="list-style-type: none"> Conduct investment and capital management in accordance with internal management regulations and processes. Ensure compliance with regulatory requirements, compile financial statements with proper expressions, and disclose important financial and business information. 	<ul style="list-style-type: none"> Important investments or capital management shall be reported to the Board of Directors for approval and declared according to the relevant laws and regulations. Ask CPA to issue an audited financial report every quarter in accordance with laws and regulations and declare it to the competent authority. The financial report was submitted and important information was disclosed every quarter in 2018 according to the relevant laws and regulations. 	<ul style="list-style-type: none"> Strict observance of the relevant laws and regulations as well as ensuring that financial and other related information are disclosed in a timely and transparent manner. 	01. Stable Operations and Ethical Management
Ship safety	Ship safety	No compromises on ship safety is Evergreen Marine's commitment to our employees and customers.	Evergreen Marine, employee	Evergreen Marine, customer	<ul style="list-style-type: none"> Develop and enforce ship safety management systems. Implement two-way ship-shore emergency drills Adhere to the procedures of the safety management system in all shipboard operations 	<ul style="list-style-type: none"> Convene safety review meetings to examine performance on safety and environmental protection issues Regular internal/external audits and self-inspections Ad hoc shipboard inspections Verify that the requirements of the annual safety and environmental goals are met Reduce the frequency of shipboard accidents 	<ul style="list-style-type: none"> Evaluate maritime cases in the fleet and set annual safety goals Continue to refine specialist personnel training 	02. Talent development and Employee Care

Important issues	GRI/ internal topics	Meaning to Evergreen Marine	Impact boundary and degree of impact		Management policies	The evaluation mechanism and performance in 2018	Future goals	Corresponding section
			Directly	Indirectly				
Emissions and management	Emissions	Evergreen Marine is keenly aware of the shipping industry's impact on the environment so strict emissions management is enforced.	Evergreen Marine	Competent authority, community and society	<ul style="list-style-type: none"> Execution of environmental protection management system. Wastewater is treated and purified before discharge Waste is sorted then disposed of through EPA approved recycling contractors 	<ul style="list-style-type: none"> Observe all the international safety and environmental conventions to avoid pollution of the air, water source and environment Push for pollution prevention, energy conservation and carbon reduction Ensure all EPA reporting requirements are met There were no cases of serious environmental pollution or violation of environmental regulations in 2018 	<ul style="list-style-type: none"> Regular inspections to ensure that management systems and policies accomplish their intended goals Send a staff member to perform onsite inspections on the Company's waste tire recycling plant to confirm that the plant is a legal tire recycling company. A 40% reduction in CO2 emissions by 2030 is planned with 2008 as the baseline. 	03. Sustainable Shipping and Environmental Protection
	Wastewater/sewage and waste							
Service quality and customer satisfaction survey	Service quality and customer satisfaction survey	Evergreen Marine hopes to listen to our customers and satisfy their needs through high-quality service.	Evergreen Marine, customer		<ul style="list-style-type: none"> Set up service management project to verify the quality of service of online customer service personnel Ad hoc customer visits to learn about customer requirements and satisfaction 	<ul style="list-style-type: none"> Service management project guidelines used to conduct education and training programs for online customer service personnel along with regular checks and enhanced individual training/testing Respond to customer feedback and take immediate action. Improvements in all customer survey results in 2018 	<ul style="list-style-type: none"> Maintain the quality of customer service by continuing to carry out professional practice and service etiquette training for online customer service personnel through service management project guidelines. 	04. Partnership and Customer Management
Protection of customer privacy	Customer privacy	Supporting human rights, customer protection, and legal compliance are important business policies at Evergreen Marine.	Evergreen Marine, customer		<ul style="list-style-type: none"> Set precautionary guidelines on business conduct for company personnel Promotions through meetings and internal bulletins at various times 	<ul style="list-style-type: none"> Randomly check employees on their compliance with the protection of customer privacy Full compliance with the protection of customer privacy in 2018 	<ul style="list-style-type: none"> Continue to set and emphasize precautionary guidelines on business conduct for company personnel Continue to push for rigorous self-review in compliance with relevant laws and regulations 	01. Stable Operations and Ethical Management

Important issues	GRI/ internal topics	Meaning to Evergreen Marine	Impact boundary and degree of impact		Management policies	The evaluation mechanism and performance in 2018	Future goals	Corresponding section
			Directly	Indirectly				
Corporate governance and ethical management	Anti-corruption	The building of a sound governance system and ethical corporate culture are important business policies at Evergreen Marine.	Evergreen Marine, shareholder/investor, supplier, customer		<ul style="list-style-type: none"> Set precautionary guidelines on business conduct for company personnel using the Ethical Corporate Management Principles and Ethical Corporate Management Procedures and Code of Practice Dedicated HR manager placed in charge of independent whistle-blower mailbox to ensure that complaints are processed in accordance with the relevant regulations Establish an anti-corruption/anti-bribery system 	<ul style="list-style-type: none"> Promotions of ethical management policies through meetings and internal bulletins at various times The orientation courses for new employees include corporate governance and ethical management, with a total of 53 new employees that completed the training in 2018. The "Introduction to Corporate Governance" online course to all managers is also conducted, with a total of 341 people that passed the test. Provide the Board of Directors and management with regular reports on compliance with ethical corporate management. Report on compliance with ethical corporate management presented at Board of Directors meetings in December 2018 Formulating an anti-corruption/anti-bribery policy 	<ul style="list-style-type: none"> Continue to push for rigorous self-review and continuous improvement Include corporate governance and ethical corporate management courses for new personnel and top executives, in order to enhance the ethical corporate culture The Company has formulated the Evergreen Line Integrity Policy in January 2019 and as disclosed on its official website, and will set up relevant regulations and education and training which are expected to be completed in 2019. 	01. Stable Operations and Ethical Management
Talents recruitment and training	Education and training on employee diversity and equal opportunity	Talent is the company's most important asset and key element in Evergreen Marine's shipping operations.	Evergreen Marine, employee	Shareholder/investor	<ul style="list-style-type: none"> Set up strict selection procedures and standards in place to ensure non-discrimination in our employment policy. Provide employees with comprehensive training and career development opportunities 	<ul style="list-style-type: none"> Recruitment advertisements were posted through major print media, our corporate website, recruitment websites and university websites Conduct departmental and external professional training, as well as a pro-active rotation scheme in order to hone professional abilities, while expatriate assignments can hone international horizons in order to boost our operating performance. 	<ul style="list-style-type: none"> Recruit new talents with development potential in compliance with the company's future development strategy, and continue to arrange departmental and external professional training for existing employees to boost professional abilities. Continue to organize management courses to assist managers on effective management for the Company to achieve higher performance 	02. Talent development and Employee Care
Work environment safety and labor health protection	Occupational safety and health	The safety and health of employees is an essential part of Evergreen Marine operations.	Evergreen Marine, employee	Competent authority	<ul style="list-style-type: none"> Compile the Evergreen fleet safety and environmental protection manual to govern workplace safety, employee health and accident prevention measures Conduct ship/shore safety and environmental education and emergency drills 	<ul style="list-style-type: none"> Regular internal/external audits, safety and health self-inspections and the convening of safety management meetings. Audits and reports carried out in adherence to regulations in 2018. Ad hoc shipboard inspections. Fleet exercises and training carried out in adherence to regulations in 2018. Reports on feedback from the fleet for continuous improvements to the safety management systems 	<ul style="list-style-type: none"> Implementation of safety and environmental protection manuals on ships and throughout the fleet Continue to improve work safety and environmental awareness among personnel 	02. Talent development and Employee Care

01

Stable Operations and Ethical Management

- I. Corporate Governance
- II. Risk Control
- III. Information Security
Maintenance
- IV. Compliance



Highlights

- Ranked in the top 5% of publicly-listed companies in the 5th corporate governance evaluation
- Established the “Privacy Advisory Committee” and formulated the “Evergreen Line Privacy Policy”
- There were no penalties imposed over violations of environmental protection and social laws in 2018

SDGs

Corresponding to the UN SDGs



SDG17

As a top-7 container shipping company in the world, we are dedicated to developing more shipping lines, direct-call ports, and joint operational models in our business operations. No effort is spared on the pursuit of sustainable shipping operations. Suppliers and cargo are reviewed through a rigorous management system to ensure compliance with all the requirements during the promotion of the international trade.

I. Corporate Governance

Independent directorships were introduced by Evergreen Marine as part of our corporate governance efforts. Accountants and attorneys were invited to become independent directors in order to further strengthen the Board of Director’s management and supervisory capabilities through their professional background and independence. Information transparency initiatives include regular disclosures of financial reports on our English and Chinese corporate websites. “Corporate Governance,” “CSR,” “Stakeholder,” “Ethical Corporate Management” and “Investor Service” sections have also been implemented to disclose our efforts in CSR fulfillment, implementation of ethical corporate management, and maintenance of labor-management relations. The disclosures keep local/foreign investors, global customers and supply chain partners informed about our company’s business situation.

Corporate governance at Evergreen Marine is overseen by the head of Stock Department (assistant manager) who has more than three years of experience with corporate governance matter such as company share affairs, shareholder meetings and Board of Director meetings. Oversight is provided by the head of the Finance Department. Related activities include:

1. Provide directors with the information and laws/regulations required for carrying out their duties and assisting directors with compliance.
2. Organize the convening of shareholders’ meetings, Board of Directors’ meetings, and functional committees in accordance with the law. These include preparing the agenda, pre-meeting preparations, compilation of meeting minutes and change of registration.
3. Organize annual continuing education courses for directors based on the nature of the company’s business and the directors’ requirements.

The following business were conducted during the course of 2018:

1. Renewal of liability insurance for directors, supervisors and key employees in 2019 and reported to the Board of Directors on December 21, 2018.
2. Outcome of the performance assessment for Board of Directors in 2018 have been reported to the Board of Directors on March 22, 2018.
3. Continuing education courses for directors are already conducted on February 7, 2018 and October 24, 2018.

Evergreen Marine was ranked in the top 5% of publicly listed companies during the first three corporate governance evaluations conducted by TWSE. We received an excellent rating for three consecutive years and was the only sea freight company to achieve this distinction. We ranked between the top 6 ~ 20% of public listed companies in the 4th corporate governance evaluation, and was ranked in the top 5% of publicly listed companies in the 5th corporate governance evaluation, so we are continuing to perform well in corporate governance.

A. Governance structure

Operation of the Board of Directors

A nomination system is used for the selection and appointment of directors in accordance with the laws of R.O.C. and our articles of association. Directors are appointed for a term of 3 years and are elected by shareholders from a list of candidates announced by the Company.

The Board of Directors was convened 7 times (A). Attendance by directors and supervisors were as follows:

Title	Name	Actual attendance (B)	Actual attendance rate (%) [B/A]
Chairman	Evergreen Steel Corp. Representative: Anchor Chang	7	100%
Director	Chang Yung-Fa Foundation Representative: Chang, Kuo-Hua	7	100%
Director	Chang Yung-Fa Foundation Representative: Chang, Kuo-Ming	5	71.43%
Director	Evergreen International S.A. Representative: Ko, Lee-Ching	7	100%
Director	Evergreen International S.A. Representative: Lee, Mong-Jye	6	85.71%
Director	Evergreen Steel Corp. Representative: Hsieh, Huey-Chuan	7	100%
Independent director	Yu, Fang-Lai	7	100%
Independent director	Chang, Chia-Chee	7	100%
Independent director	Li, Chang-Chou	5	100%

Note: A total of 9 directors (8 males, accounting for 89%; 1 female, accounting for 11%) are over the age of 50.

Please refer to the Evergreen Marine 2018 Annual Report for information regarding the experience, academic background and positions at other companies held by members of the Board of Directors. The Chairman of Evergreen Marine cannot also serve as the President of the Company. All members of the Board of Directors exercise due diligence and come from a variety of professional backgrounds including business administration, sea transport, financial accounting, law, electronic information, government and supervision. The Board of Directors' meeting is convened at least once every quarter in accordance with the "Rules Governing Board of Directors Meetings" to effectively supervise the business activities of the corporate management and pass resolutions on important items of business. They also ensure that the Company adheres to the law and proper disclosure is made on all business and financial information. Three independent directors were appointed to strengthen corporate governance and improve the effectiveness of the Board. An Audit Committee was also established on June 22, 2017, to strengthen the functions of the Board.

To avoid conflicts of interests, if a director or the legal entity they represent has a conflict of interest with an item up before the Board then the conflict of interest must be explained at that meeting. Where the conflict may impact on the interests of the Company then they should recuse themselves and not participate in the discussion or voting. They may not exercise voting rights on behalf of other directors either.

Recusal of directors over conflicts of interests in accordance with relevant laws by not participating in the discussion or voting:

Director	Proposal	Reason for recusal
Chang, Kuo-Hua Chang, Kuo-Ming Ko, Lee-Ching	"Evergreen Marine (Hong Kong) Ltd." subsidiary's acquisition of 100% shares of "Hatsu Marine (Hong Kong) Ltd." held by "Chestnut Estate B.V." (subsidiary of "Evergreen International S.A." under 100% shareholding)	Director Chang Kuo-Hua is also the director of "Evergreen Marine (Hong Kong) Ltd." In addition, directors Chang Kuo-Hua, Chang Kuo-Ming and Ko Lee-Ching are also the directors of "Evergreen International S.A."
Chang, Kuo-Hua Chang, Kuo-Ming	Capital increase of the subsidiary "Evergreen Marine (UK) Ltd." by the subsidiary "PEONY INVESTMENT S.A."	Directors Chang Kuo-Hua and Chang Kuo-Ming are shareholders of "Evergreen Marine (UK) Ltd." holding above 10% stake.
Ko, Lee-Ching	Capital increase of "EVA Airways Corp."	Director Ko Lee-Ching is also the director of "EVA Airways Corp."
Chang, Kuo-Hua Chang, Kuo-Ming Ko, Lee-Ching	The lease of assets from "Evergreen International Corp."	Directors Chang Kuo-Hua, Chang Kuo-Ming and Ko Lee-Ching are also the directors of "Evergreen International Corp."
Chang, Kuo-Hua Chang, Kuo-Ming Ko, Lee-Ching	Donation by Evergreen Marine to the "Chang Yung-Fa Foundation"	Directors Chang Kuo-Hua, Chang Kuo-Ming and Ko Lee-Ching are also the directors of the "Chang Yung-Fa Foundation"
Lee, Mong-Jye Hsieh, Huey-Chuan	2018 annual bonus for executives	Direct personal interest in the proposal
Lee, Mong-Jye Hsieh, Huey-Chuan	2019 remuneration for executives	Direct personal interest in the proposal
Chan, Cheng-Yung	2018 annual bonus for Chairman	Direct personal interest in the proposal
Chan, Cheng-Yung	2019 remuneration and business expenses for the current Chairman	Direct personal interest in the proposal

Evergreen Marine regularly organizes in-service education courses for directors every year to enhance their professional know-how. The courses encompass corporate governance issues such as finance, business, commerce, legal affairs, accounting and CSR. All the directors

have completed training hours in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies." In-service education for directors in 2018 is disclosed on the Market Observation Post System website.

Performance assessment for Board of Directors

The "Rules Governing Performance Assessments for the Board of Directors" were drawn up in accordance with Article 37 of the "Corporate Governance Best Practices for TWSE/GTSM-listed Companies" to ensure sound corporate governance, enhance Board functions, set performance targets and boost the effectiveness of the Board. The performance of the Evergreen Marine Board of Directors (including functional committees) is assessed on the following five aspects:

- Level of participation in company operations.
- Improvement in the quality of decision-making by the Board of Directors.
- Board composition and structure.
- Board appointments and continued education.
- Internal control

The Board performance evaluation rules as well as the methodology and outcome of annual performance evaluations are disclosed on our corporate or the Market Observation Post System website. The 2018 Board of Directors' self-assessment outcome was good.

B. Operations of the functional committee

Remuneration Committee

To ensure sound corporate governance as well as strengthen the remuneration system for company directors and executives, a "Remuneration Committee" was set up by Evergreen Marine on September 30, 2011, in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter" issued by the "Financial Supervisory Commission." The Remuneration Committee consists of all independent directors as appointed by the Board of Directors. The Committee assists

with the formulation and regular review of policies, systems, standards and structure of performance evaluations and remuneration for directors and executives. The Committee also regularly evaluates and sets the remuneration for directors and executives.

It is the responsibility of the Remuneration Committee to prepare proposals to the Board of Directors on the following matters:

- The formulation and regular review of policies, systems, standards and structure of performance evaluations and remuneration for directors and executives.
- The regular review and setting of remuneration for directors and executives.

The Remuneration Committee was convened 3 times in 2018. Meeting details can be found in our 2018 annual report.

Audit Committee

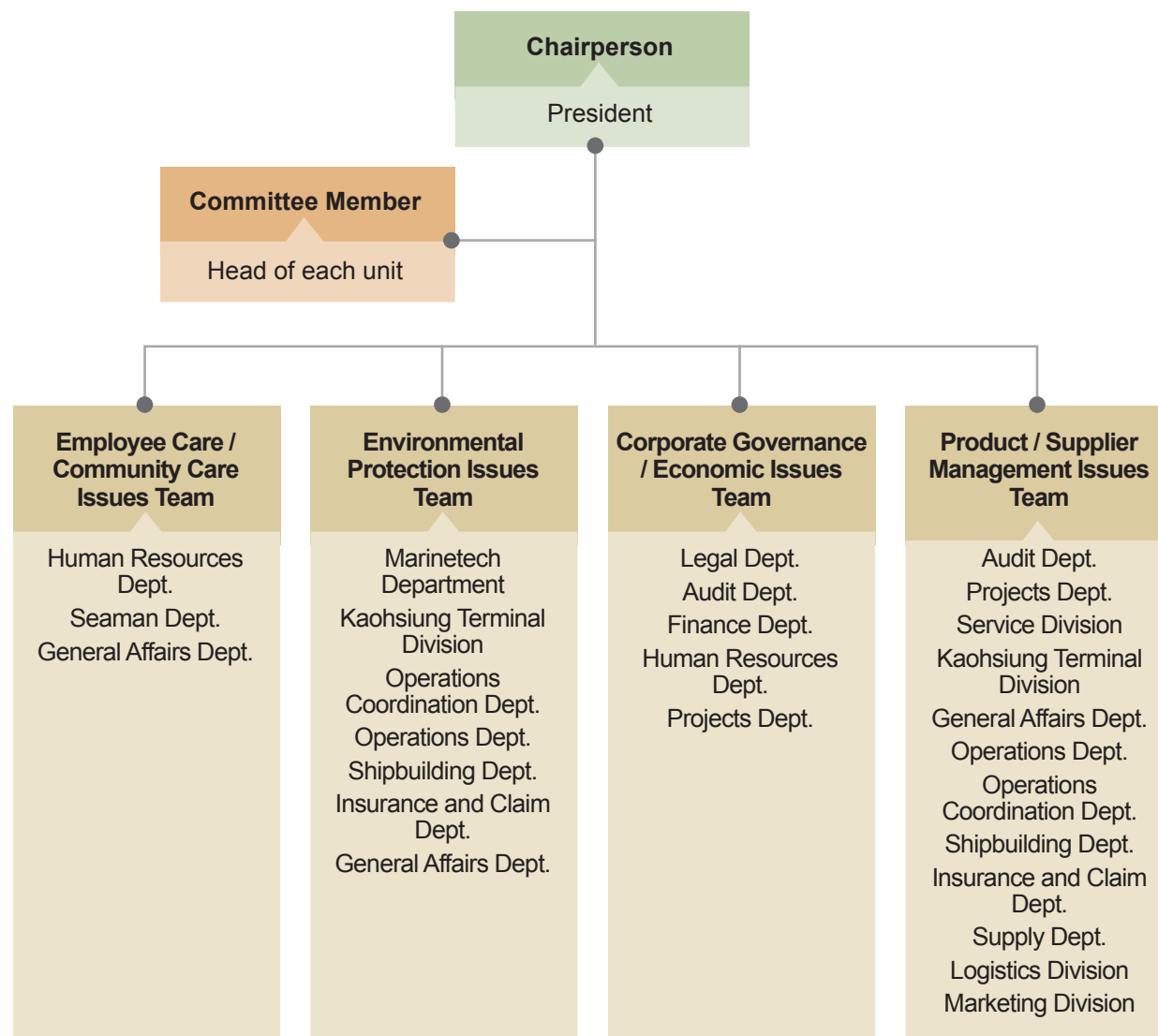
To strengthen the internal controls of corporate governance and the company's overall business performance, an "Audit Committee" was established by Evergreen Marine in place of supervisors as of June 22, 2017, in accordance with the regulations of the Securities Exchange Act. The Audit Committee is purely made up of independent directors and its responsibilities include reviewing the company's financial reports to ensure that they are true and accurate, the selection/removal of CPA as well as the assessment of the CPA's independence and performance, the effective implementation of the company's internal controls, company's compliance with the relevant laws and regulations, and the company's management of existing or potential risks.

The Committee is made up of all independent directors and must consist of at least three people with one being the convener. At least one person must also possess an accounting or financial background. The Committee must be convened at least once every quarter but may be convened at any time if necessary. The Audit Committee was convened 7 times in 2018. Meeting details can be found in our 2018 annual report.

CSR Committee

The “CSR Principles” and “CSR Implementation Rules” were passed by the Board of Directors to embrace sustainable development and fulfill our corporate social responsibility. These reflect Evergreen Marine’s vision and commitments on economic, environmental and social issues. Evergreen Marine is committed to becoming a “guardian of the green Earth” and has set up an “Evergreen Marine CSR Committee” as the lead unit for CSR to ensure the continued implementation of sustainable corporate management practices. The CSR Committee is responsible for the formulation and implementation of CSR policies, systems and related management policies. The President serves as the Chairman of the Committee while the members of the Committee are made up of the heads of each department. The Committee is divided into the Employee Care/Community Care Issues Team, Product/Supplier Management Issues Team, Corporate Governance/Economic Issues Team and Environmental Protection Issues Team. The relevant departments in each team are responsible for communicating and responding to stakeholders on issues of concern. Members of the Committee meet as necessary to discuss economic, environmental and social issues, review related activities and compile the contents of the CSR Report. All content is examined by the members of each team then reviewed by the heads of each department in the team. The CSR Committee reports its progress and work plans to the Board of Directors once a year and makes the fulfillment of CSR part of the corporate decision-making process.

Evergreen Marine CSR Organizational Chart



C. Advocacy and Public Engagement

Participation in public associations

Name of the organization	Membership
National Association of Chinese Ship owners (NACS)	Managing Director, Director/Supervisor Members' Representative Convener and Member of Professional Committee
Taipei Ship owners' Association (TSA)	Managing Director Director/Supervisor Members' Representative
Association of Shipping Services, R.O.C. (AOSS)	Managing Director Chairperson Representative Managing Director Director
The R.O.C. National Association of Shipping Agencies	Members' Representative Managing Director/Supervisor Director
Taipei Shipping Agencies Association (TSAA)	Managing Director Director/Supervisor Members' Representative
General Chamber of Commerce of R.O.C.	Group Members' Representative
Taipei Chamber of Commerce	Members' Representative
China Maritime Institute	Group Members' Representative
Chinese Maritime Research Institute	Group Members' Representative
The Association of Marine Affairs	Group Members' Representative
Chinese National Association of Industry and Commerce	Type C Group Members' Representative
CR Classification Society	Classification Committee Member
Asian Shipowner's Forum (ASF)	Committee Member
ICCO – “Box Club”	Director

Participation in Environmental Protection Platforms

Name of the organization	Participation
WSC (World Shipping Council)	WSC was established in 2000 and is currently made up of 29 liner companies, most of whom are in the industry top 20. The mission of the WSC is maritime safety, the definition of environmental standards for the global shipping industry and related shipping affairs. WSC represents the entire liner industry in liaising with policy/law-makers and stakeholders to resolve issues related to shipping. In 2009 WSC was given consultant status by the IMO. President Lee, Mong-Jye is also one of the Board Members in 2018.
CSI (Clean Shipping Index)	CSI is a clean ships program launched in Gothenburg, Sweden, supported by the EU European Regional Development Fund. The program covers five areas: SOx and particular matter emissions, NOx emissions, CO2 emissions, maritime chemicals and maritime wastewater & waste control. Performance scores in each area as well as overall rankings are provided for the reference of shippers and carriers.
ESI(Environmental Ship Index)	ESI is an online tool developed by the World Ports Climate Initiative (WPCI), set up by the International Association of Ports and Harbors (IAPH). The purpose of the project is to reduce ship emissions. Ship owners are offered incentives to voluntarily upgrade their engines, fuels and technologies to reduce ship emissions of NOx, SOx and CO2 to levels below the environmental standards set by the IMO. The project aims to directly improve the overall environmental friendliness of ships and accelerate carrier investments and the adoption of clean, green and energy-efficient fleets in order to progressively reduce emissions from the shipping industry and make a significant and direct contribution to cleaner air. 18 ports in Europe as well as other ports in the U.S., Canada, Japan, Korea and Israel have now implemented the project. Financial incentives are issued by the port authorities to ships that satisfy the emission reduction standards in accordance with ESI scoring criteria. Evergreen Marine currently has 128 ships registered with this environmental protection platform.
CCWG(Clean Cargo Working Group)	CCWG is an association of carriers and shippers with the mission of promoting the sustainable development of different transportation and supply chain models to reduce their impact on the environment. The environmental targets and management policies of key trade lines each year are made available to global shippers on demand to enhance the social and environmental awareness of shipping companies. The environmental protection information of 179 ships in the Evergreen fleet have been verified by a third-party (Class NK of Japan) to be in compliance. The verification statement can now be viewed by shipper members on the CCWG website.



II. Risk Control

The shipping business is influenced by factors including finance, the economy, terrorism and climate change, so careful monitoring and management of risks are required. Operating risks that need to be controlled during the business process include: strategic & operating risks, market risks, legal risks and financial risks. The frequent extreme weather, climate change and environmental risks in recent years have significantly affected the Company. Thus, we shall actively identify risk factors as well as set up management policies and response measures.

A. Operating risk management

Financial risk management is conducted by the Finance Dept. of Evergreen Marine based on the policies set by the Board. Financial risks are identified, assessed and avoided through close cooperation with business units. Our Company's daily operations are affected by a number of financial risks, including market risk (exchange rate, interest and price risks), credit risk and liquidity risk. Our risk management policy focuses on reducing potential impacts from unpredictable events in the financial market on our financial position and performance.

In the face of threats of global security caused by global terrorism, the Company complies with cross-border security standards set by the customs for supply chain products, obtained the certificate of Authorized Economic Operator (AEO) as well as the C-TPAT certification according to Customs and Border Protection (CBP) of the US Department of Homeland Security, and has established a management system with C-TPAT security standards for supply chain safety from the start till the end.

Evergreen Marine began developing a privacy protection compliance structure based around Evergreen Line as the EU GDPR was scheduled to come into effect on May 25, 2018. This include but is not limited to the inventorying of personal information, confirming that IT systems comply with GDPR requirements, requiring contractor compliance with GDPR through contract terms, and the setting up of a dedicated mailbox for employee and customer inquiries. Privacy protection compliance rules and forms were also devised as guidance. To keep in line with the shipping practice and shipping market trends to identify the company's potential risks, Evergreen Marine ensures the awareness of all employees on legal compliance of the company's business operations by amending relevant documents, education and training, and legal notices. Evergreen Marine will fully comply with relevant laws to provide an important basis for the company's sustainable development. In the future, we will dedicate efforts on establishing a compliance notification system in each operating base and comprehensively preventing any possible illegal risks, with a responsible and positive attitude on dealing with the increasingly stringent legal systems.

The risk management structure for Evergreen Marine operations is as follow:

Risk Type		Risk mitigation operation
Strategic and operating risks		Responsible for formulating the company's business policy, assessment of cost and benefit, planning of line fleets and oversight of operations.
Market risks		Responsible for scope of business operations as well as inter-department coordination of strategic planning and risk assessments.
Legal risks		Define the Company's competition compliance rules, provide competition law education, and supervise company operations to ensure their compliance with competition laws.
Financial risks	Exchange risk	Long-term foreign currency contracts are used for hedging to manage exchange risks from future commercial transactions as well as listed assets and liabilities.
	Interest rate risk	Loans with floating interest rates expose the consolidated company to interest rate risks on liquidity. Cash and cash equivalents held in accounts with floating interest rates provide partial hedging against risk.
	Price risk	1. Investment in equity tools: Investment portfolios are distributed according to the limits set by the Company. 2. Fuel purchasing: A dedicated team monitors the target and increases the hedging ratio when necessary.
	Credit risk	1. Evaluate customer's credit quality based on their financial situation, past experience and other factors 2. Limits on individual risks are set by the Board based on internal or external assessments then monitored on a regular basis. 3. Only conduct transactions with financial institutions with a good credit rating.
	Liquidity risk	Monitor forecasts on liquidity requirements to ensure that there is enough funds on hand to meet operational needs.
Risk management audit		Inspect the execution of risk management by each department.

B. Risk management and response measures for climate change

As a guardian of the green earth, Evergreen Marine upholds the business philosophy of protecting the earth, keep track of issues related to climate change and formulates environmental protection policies. Advanced marine technology is used to optimize each ship type in order to maximize returns and satisfy energy conservation targets, and dedicate efforts towards environmental protection together with suppliers. Under the increasing threat of climate change, Evergreen Marine identifies the opportunities and challenges brought about by climate change and extreme weather referring to the Task Force on Climate-related Financial Disclosures (TCFD). Weather conditions, such as rough sea conditions, typhoons, sea fog, sea ice and extremely low atmospheric pressure, are included in Evergreen Marine's "risk management" assessment system to set up budgets for implementing disaster prevention plans, monitor the effects of response and preventive measures, reduce the risk of climate change, and seize potential opportunities.

Risks and opportunities related to climate change			
Issues	Potential risks and financial impacts	Potential opportunities	Management policies and response measures
Changes in domestic and foreign regulations, such as regulations related to low sulfur fuel and carbon emissions	<ul style="list-style-type: none"> Operating costs may increase due to rising oil prices and developing resources related to environmentally friendly operations and equipment. The International Maritime Organization (IMO) stipulates that for emission standards for sulfur emissions in global waters, the marine fuels shall be limited at sulfur content of no more than 0.5% and reduced to no more than 0.1% in ECA by January 1, 2020. With that, the use of low-sulfur fuel will increase fleet fuel costs. 	<ul style="list-style-type: none"> Improve the company's environmental image, and comply with the customers' business philosophy and requirements to jointly protect the environment. IMO emission standards for sulfur emissions in global waters will be applied in January 1, 2020. Adding scrubbers to this new regulation is one approved by IMO. Thus, the Company considers installation of scrubbers are in legal compliance and reduces fuel costs. Since investing in scrubbers have a short cost recovery period, this improves the Company's competitiveness compared with other shipping companies that use low sulfur fuel oil. 	<ul style="list-style-type: none"> The new design concept is in compliance with ship type optimization and International Maritime Organization's Energy Efficiency Design Index (EEDI). The ship type design adopts optimized treatment to improve propulsion efficiency, achieve equivalent ship speed with less engine performance, and reduce fuel consumption to achieve emission reduction. One-time transport of empty containers to avoid transshipment; ships and railways are the priority transportation for empty containers, while truck haulage is reduce, in order to reduce unnecessary container maintenance, water consumption and carbon emissions, while repairers are required to follow local environmental regulations for container maintenance. 2 B-type ships are delivered in 2018, 4 B-type ships of Imabari, 8 F-type ships of Samsung Heavy Industries and 4 new O-type ships of Jiangnan Shipyard are delivered in 2019, which are all equipped with scrubbers before delivery.
Increased frequency of extreme weather such as hurricanes and typhoons	<ul style="list-style-type: none"> The increased probability and long lifespan of hurricanes and typhoons will not only affect the shipping schedule, fuel consumption and equipment cost for fleets and port facilities throughout the world, but also the safety of ships, seafarers, port facilities and cargo. 	<ul style="list-style-type: none"> Typhoons and hurricanes have fixed conditions and life cycle for their formation and development, which is predictable and traceable. With that, Evergreen Marine combines the shipping service, the Company and WNI system services to work together on an advanced plan, take effective avoidance measures before the typhoon, in order to arrive at the destination port in a safe condition after the typhoon, reduce the fleet and marine terminal costs and safety hazards caused by typhoons and hurricanes. 	<ul style="list-style-type: none"> The Company integrates the Weather Navigation Information (WNI) System with effective response measures for each typhoon and hurricane based on five stages, including early monitoring, pre-disaster planning, emergency response, regular reporting, and effectiveness review. Constant monitoring of shipping schedule. When there is temporary closure of the port of destination, the Team Line Manager will coordinate with different departments and/or negotiate with alliance members to take early response measures such as late arrival, drop shipping or change the order of ship berth. The main response measures to extreme weather is to adjust the business model to reduce impacts and adapt to increasingly frequent climate change. For example, the occurrence of volcanic eruption or earthquake can be declared as force majeure according to relevant laws and regulations, and the Company shall suspend its marine service in the disaster area, as well as change the shipping route and place of delivery. The modified objectives above includes providing comprehensive service for customers, compliance with laws and regulations, and reducing company loss. The transportation route needs to be changed, and suppliers are requested to timely provide contingency plans in response to abnormal operations, with improved simulation employee training.
We aim to raise customer awareness on environmental protection, including the Company's reputation, as well as the image on low carbon and environmental protection.	<ul style="list-style-type: none"> Customers are more stringent in supplier management, and require suppliers to be responsible for the protection of the ecological environment, such as complying with relevant environmental laws and regulations, and avoiding air and sea pollution during ship operations. 	<ul style="list-style-type: none"> The Company upholds the business concept of conducting environmental protection measures such as the construction of environmentally friendly ships and installation of scrubbers in accordance with relevant laws and regulations, and promote the company's environmental image under customers' awareness on the importance of environmental protection in order to enhance customer relationships and cooperation opportunities. 	<ul style="list-style-type: none"> Conduct education and training on the company's new environmental protection policies, in order for effective policy promotion to customers by customer service. The information related to the company's environmental protection policies are announced in the Environmental Guardians and Corporate Sustainability section on the company website for customers to be aware of the company's environmental policies.



C. Emergency response system

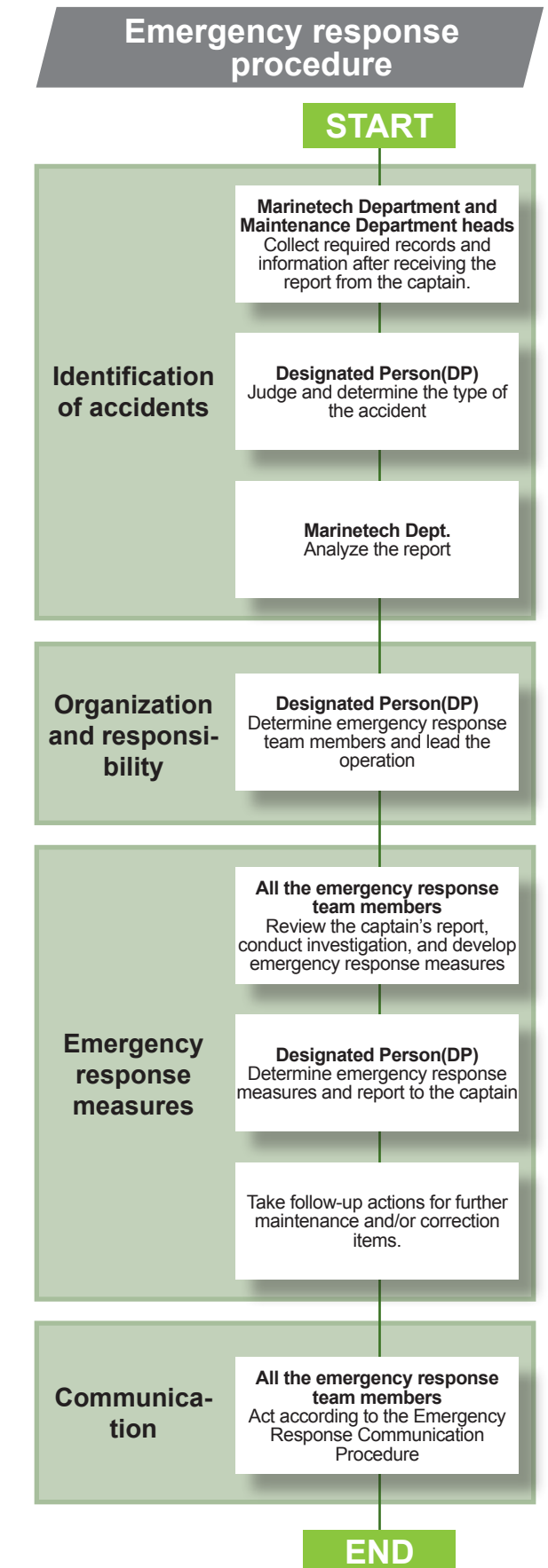
Evergreen Marine has adopted the SE Management System for fleet management. The fleet management system complies with the ISM Code and encompasses the ISO 14001 environmental management system as well. System compliance has been certified by the American Bureau of Shipping (ABS). Our Company is dedicated to providing a safe and positive working environment. Comprehensive protective measures in place for all work-related hazards to ensure the safety of ship crews and to prevent marine pollution. Risk management during shipboard operations and prevention of potential hazards are clearly set out in the management manual.

Every critical operation is clearly defined in the ship management manual, including: sailing during limited visibility and in high-traffic waters, adverse weather conditions, as well as ship refueling operations; it also covers special operations such as hot work, entering enclosed ship spaces, elevated operations, helicopter operations, underwater operations, elevator maintenance and high-voltage operations. Evergreen Marine has not only established comprehensive risk assessment procedures to prevent accidents during critical and special operations. Standard checklists are also defined for important ship operations to ensure the standardization and uniformity of fleet operations.

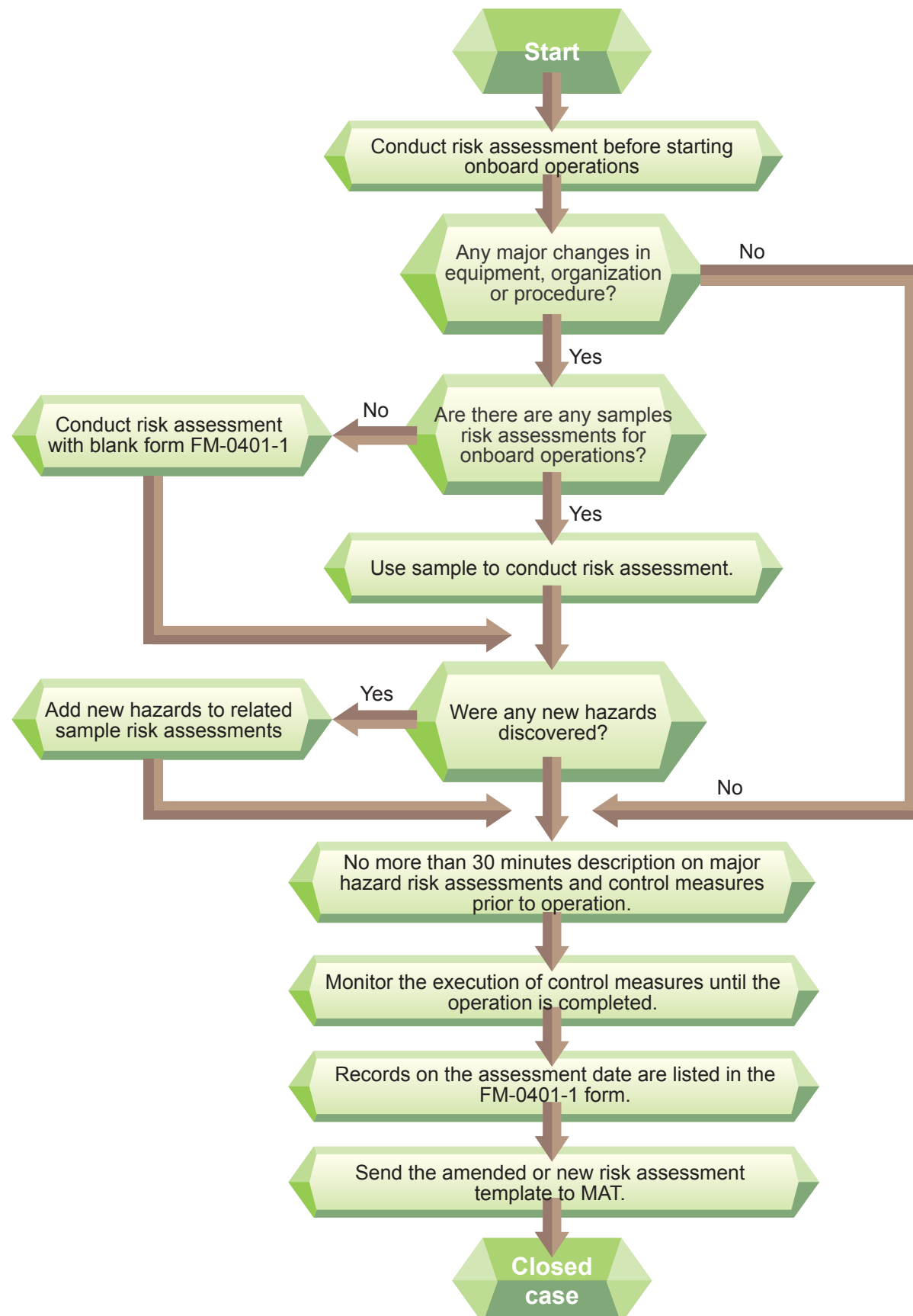
Establish a complete training program for the fleet based on the guidelines set by the management system to deal with shipboard emergencies. A complete monthly, quarterly and annual training program has been developed based on different types of disaster and their frequency. In addition, the Company must be capable of providing immediate and effective support as well as guarantee unobstructed communications between ship and shore management personnel when a disaster occurs. Evergreen Marine and the fleet therefore conducts regular bilateral ship-shore exercises every year to guarantee personnel and cargo safety, minimize ship damage to reduce the impact on the marine environment if an accident should unfortunately occur. The risk management structure for Evergreen Marine operations is as follow:

	Item	Frequency
1	Abandon ship drill	Once every month
2	Firefighting drill	Once every month
3	Steering failure and emergency turn drill	Once every quarter
4	Collision drill (including oil pollution/warning/report)	Once every year
5	Water ingress drill	Once every year
6	Pipe leakage/Hull damage	Once every year
7	Rescue tow drill	Once every half a year
8	Refueling/Fuel spill	Once every year
9	Stranding/Running aground	Once every year
10	Man overboard and rescue	Once every year
11	Engine failure	Once every year
12	Generator failure	Once every year
13	Fire and explosion/ Personnel search and rescue	Once every year
14	Hazardous substance training	Once every year
15	Entry into enclosed space and search and rescue	Once every quarter
16	QI drill	Once every quarter
17	Simulated scenario drill	Once every year

If an emergency accident or disaster should unfortunately occur, the captain must follow the management system's reporting procedure to notify the Company's ship management dept. and the competent maritime authorities. The appropriate emergency response procedures specified in the management system must also be taken. At the same time, an internal inter-department emergency response team is organized by the Designated Person to provide the ship with the best emergency guidance and any necessary support.



Risk assessment and control process for fleet operations



III. Information Security Maintenance

A. Information Security Management

In order to improve information security management and safeguard the security of the company's critical information, information systems, equipment and networks, Evergreen Marine has formulated the information security policy and management procedures as the guideline for the division of responsibilities in respect of information security management, employee education and training, as well as computer hardware, software, the Internet and physical and environmental security management. The information security policy is assessed annually to reflect latest developments in government regulations, technology and business to ensure effectiveness of information security practices.

The company's information security management objectives are as follows:

1. Maintain continuous operations of the information system
2. Ensure confidentiality, integrity and availability of information
3. Prevent improper motive and illegal use of information
4. Avoid accidents caused by human error
5. Prevent attacks by hackers and computer viruses and damage of information
6. Maintain physical and environmental security

Relevant security structure and implementation status are as follows:

Evergreen Marine information security structure and implementation						
Please refer to ISO27001 International and Domestic Information Security Standards and Regulations						
ISO27001 information security management scope						
A. Information Security Policy						Audits of information security management
B. Organizing Information Security						
C. Information Asset Management						
1. Human Resources Security	2. Physical and Environmental Security	3. Communication and Operation Management	4. Access Control	5. Information Systems Acquisition Development and Maintenance	6. Information Security Incident Management	
D. Business Continuity Management						
E. Compliance						

A. Security Policy: Set up the information security policy

- Ensure all objectives and plans of information security are set up
- Provide management directions and objectives to support the Company's information security policies
- Communicate the importance of complying with information security objectives, information security policies, legal rights and responsibilities, as well as requirements for continuous development.

B. Organizing Information Security

The main purpose is to devote sufficient management resources to develop, implement, operate and maintain the Company's information security system.

C. Asset Management

Asset management is mainly based on organizational requirements, particularly for asset ownership, as well as the scope, item list, type and management of information assets.

1. Human Resources Security
Include safety precautions of HR pre-employment, employment period, and termination of employment or job rotations
2. Physical and Environmental Security
Provide physical and environmental security precautions
3. Communication and Operation Management
 - Provide communication and operation management precautions
 - Includes third party service delivery management, especially emphasizing on monitoring third party services and managing changes on third party services.
 - Prepare guidelines for malware to provide methods to protect against malware, as well as ways to detect malware and to investigate websites.
 - Especially provide e-commerce related security precautions
4. Access Control
 - Provide access control security precautions
 - Changes were made to various security access controls in order to meet security requirements of the rapidly changing Internet access technologies and mechanisms.
5. Information Systems Acquisition Development and Maintenance
 - Provide security precautions for information systems acquisition development and maintenance
 - Add or modify the checking and recording of data input/output, password control, key management and vulnerability management to meet requirements of the increasingly complex network environments.
6. Information Security Incident Management
 - Identify, analyze and prepare response measures to possible information security incidents through risk assessment.
 - Aim at further prevention on information security incidents.

D. Business Continuity Management

Provide security precautions for business continuity management

E. Compliance

Provide precautions for compliance with laws, security policies, standards, technologies, and audit requirements

B. Protection of personal data

In May 2018, Evergreen Marine announced the "Evergreen Line Privacy Policy" on the official website, and established the "Privacy Advisory Committee" which involves the Legal Department, Human Resources Department, Audit Department, Seafarers Department and top executives of the Information Management Team in the Planning Department. A dedicated mailbox has been set up for internal and external units/personnel to report issues or incidents on personal data. The reported incident will be handled by the Legal Department, and further verified by concerned departments when necessary.

Evergreen Marine has already prepared a notification related to employee's personal data (including the nature of data, purpose of data collection, storage limitation, whether the personal data is transferred to third parties, whether there is cross-border data transferring, and the rights of personal data subject) for European offices to announce in response to EU's General Data Protection Regulation (GDPR). A personal data processing agreement is also prepared for each office to obtain employees' consent on handling their personal data when necessary. In addition, European offices are also required to analyze and report on data flows to verify what personal data has involved cross-border transferring as well as its purposes. Based on this analysis report, Standard Contractual Clauses will be signed in compliance with the GDPR. Evergreen Marine's Germany office has also appointed a data protection officer, who will be responsible for replying to queries related to personal data in the European offices and reporting to the Company's personal data protection management team. To protect Evergreen's interests, Evergreen has inserted a Personal Data & Privacy Protection Clause in agency's contracts, in which we have clearly listed all requirements for data processors.

Personal data breach reporting email address: dataprivacy@tw.evergreen-line.com

IV. Compliance

A. Legal Compliance

Evergreen Marine's Legal Department has appointed dedicated personnel to be responsible for study of the Competition Law, EU's General Data Protection Regulation, Anti-Bribery/Anti-Corruption Laws and Economic Sanction Regulations, as well as setting up legal compliance policies and the relevant guidelines.

Competition Law

In 2018, no investigations/ lawsuit filed against the Company in relation to the violation of competition law. In response to rapid changes in the shipping market, Evergreen actively met with competition authorities to update them the development of business models and practices in maritime industry, and exchange opinions on competition compliance. Internally the Company keeps requiring all employees to comply with all competition laws. A total of 15 training courses on Competition Law were arranged in 2018 and attended by a total of 774 participants.

EU's General Data Protection Regulation



The Compliance Team of the Company has been keeping communication with the Taiwan Fair Trade Commission (TFTC) for them to understand liner industry's practices. On July 27, 2018 Evergreen was invited by TFTC to share the Company's experiences in competition compliance with the attending corporates in a seminar held by TFTC.

In response to the EU's General Data Protection Regulation, the Company has announced the "Evergreen Line Privacy Policy" on the official website in May 2018 and set up an exclusive mailbox for internal and external persons to seek opinions or report incidents in respect of data privacy. There was no data privacy breach in 2018. 3 training courses on EU General Data Protection Regulation were arranged and attended by a total of 270 participants in 2018.

Anti-Bribery/Anti-Corruption Laws

With regard to anti-bribery/anti-corruption compliance, the Company has announced the "Evergreen Line Integrity Policy" on the official website, and will further announce the "Integrity Manual" in 2019. The Company has clearly advised employees that integrity is one of the core principles during the Company's business operation and should gain the business by outstanding products and professional services. It is strictly prohibited to gain the business by bribery. Evergreen Marine has set up an anti-corruption/anti-bribery mailbox for employees or outside parties to seek opinions or report on any suspicious matters. In the meantime, the Company has required business partners/suppliers to comply with anti-corruption/ anti-bribery laws and Evergreen Line Integrity Policy.

International Economic Sanction Regulations

The Company commits to respect international economic sanction laws, including but not limited the US, the UK, the EU and the United Nations, and has announced the "Evergreen Line Economic Sanction Compliance Policy" on the official website. In view of constant revision of economic sanction laws, the Company will issue/ update detailed guidelines and compliance measures from time to time for the concerned departments to abide. Also, the Company has implemented automatic sanction screening system to assist relevant departments in carrying out due diligence checking against applicable economic sanction programs on specific cargo commodity and each prospective customer, supplier and potential business partner/ counterparty before engaging in a commercial transaction. The compliance team shall conduct second review on any suspicious cases to ensure there will be no violations. Evergreen has suspended providing services to Iran since August 1, 2018 in response to the US Comprehensive Secondary Sanctions against Iran. At present, the company does not provide services to Cuba and North Korea. 2 training courses on economic sanction regulations were arranged in 2018 and attended by a total of 41 participants.

The Company has set up an reporting and handling procedures for all types of regulatory violations. There were neither violations nor penalties imposed on the Company in 2018 in respect of environmental protection and social/ economic laws.



Investigations over competition laws in recent years			
Case	Fact in contention	Start date	Current status
Investigation by the U.S. Department of Justices	The U.S. DOJ issued a subpoena to Evergreen Marine in March 2017 to investigate inappropriate communication , which beyond the scope authorized by TSA among carriers.	March 2017	Evergreen Marine has been cooperating fully with DOJ requests for information. In February 2019, the DOJ informed our lawyer of the investigation results, where there were no violations be found on Evergreen Marine and the investigation is now closed.
Investigation by the Taiwan Fair Trade Commission relating to ocean freight increase on U.S. trades	The TFTC received a whistleblower complaining that carriers are colluding to increase ocean freight by taking advantage of Hanjin's bankruptcy.	November 2016	On September 20, 2019, the Taiwan Fair Trade Commission announced that no violations have been discovered against Evergreen Marine and the investigation is now closed.
The European Commission investigated on Carriers' general increase indication	EU investigators dawn raided the Evergreen Marine branch in London on May 17, 2011, targeting the industry practice that carriers all issue GRIs around the same time. The EU believed this may amount to "price signals" between carriers, which has violated the rules on "concerted practice" under competition laws.	May 2011	On June 22, 2016 European Commission determined that Evergreen Marine did not violate E.U Competition Law. To address Commission's concerns, Evergreen Marine has reached a commitment with E.U Commission and promised to change its quotation process and to submit 4 reports (on 2017/3/7, 2017/12/7, 2018/12/7 and 2019/3/7) between 2016/12/7 and 2019/12/6 as proof that the quotation issued would conform to the commitment provided by Evergreen Marine. The third report has been submitted by the end of November, 2018. The previous three reports have been accepted by Commission, and the fourth report will be submitted in the end of November, 2019.

B. Ethical management

The company adheres to the concept of ethical management through internal public information, departmental meetings, senior executives and ethics lectures in order to implement ethical management. The Company hosted 5 orientation courses on "Ethical management and morality" for new employees in 2018, with a course duration of 6 hours. A total of 53 Evergreen Marine personnel completed the training, which accounted for 4% of all shore personnel, and a total of 119 new shipping-related employees at Evergreen Marine and Evergreen International have completed the training.

The Company has arranged the "Introduction to Corporate Governance" online course to all managers, with course duration of 21mins 36sec, and a total of 341 managers passed the test in 2018.

There were no cases of corruption in Evergreen Marine in 2018.

02

Talent Development and Employee Care

- I. Talent Recruitment and Retention
- II. Talent Cultivation and Development
- III. Human Rights Protection
- IV. Workplace Safety and Employee Health Care



Highlights

- Evergreen Marine has received the “First Place in Accepting the Students from Domestic Maritime Schools and Colleges for On-Board Practical Training and in the Total Number of Days” and “First Place in Accepting Interns for On-Board Practical Training and in the Total Number of Days” from the Ministry of Transportation and Communications.
- 24 campus recruitment events were held throughout Taiwan to give students a better understanding of the roles and future prospects in the shipping industry as well as opportunities for equal employment.
- Obtained the Badge of Accredited Healthy Workplace

SDGs

Corresponding to the UN SDGs



SDG3

We provide all employees with free physical examination and a strong emphasis is placed on shipboard health. Comprehensive medical facilities are in place and 24-hour medical advice is provided by the dispensary to improve employees' health management ability.



SDG8

We observe the laws and regulations related to occupational safety and health. These include the meeting of the Occupational Safety and Health Committee, policy development, education and training. Regular firefighting and evacuation training are conducted as well. Additional preventive measures have also been developed for employees in high-risk specialties to create a safe workplace environment.

I. Talent Recruitment and Retention

Personnel Overview

Evergreen Marine has continued to recruit talented people to strengthen our team advantage in response to our medium- and long-term strategies, deployment in global networks, development in emerging markets, and expansion in joint operations. A total of 1,770 people is employed by Evergreen Marine as of December 31, 2018. The 1,352 in shore duties were assigned to ship owner departments and Kaohsiung Container Terminal. Agency and expatriate personnel are not counted. A total of 418 employees are assigned to sea duties, including 384 R.O.C. nationals and 34 foreigners (including seamen from Asian countries).

Shore personnel are employed directly by Evergreen Marine. All important positions are staffed permanent employees. There are only 3 casual employees and no temporary employees, so permanent employees account for 99.78% of all personnel. All employees are covered by Labor Standards Act.

No. of employees in 2018 (based on contract type and gender)

	Female	Male	Total	Percentage
Permanent	364	1,399	1,763	99.60%
Contract	1	6	7	0.40%
Total	365	1,405	1,770	100%

Note: The number of employees include all shore personnel and ship personnel.

No. of employees in 2018 (based on gender and age)				
	Female	Male	Total	Percentage
Over 60	4	89	93	5.25%
50-59	29	231	260	14.69%
40-49	128	474	602	34.01%
30-39	100	383	483	27.29%
20-29	104	228	332	18.76%
Total	365	1,405	1,770	100%

No. of employees in 2018 (based on gender and educational background)				
	Female	Male	Total	Percentage
Master degree	43	130	173	9.77%
Bachelor degree	271	860	1,131	63.90%
Junior college	43	253	296	16.72%
Senior high school (vocational)	8	145	153	8.65%
Junior high school and below	-	17	17	0.96%
Total	365	1,405	1,770	100%

No. of employees in 2018 (based on gender and work functions)				
	Female	Male	Total	Percentage
Business	29	209	238	13.45%
Professional	98	279	377	21.30%
Management	199	188	387	21.86%
Technique	14	336	350	19.77%
Ship duty	25	393	418	23.62%
Total	365	1,405	1,770	100%

No. of employees in 2018 (based on gender and management position)				
	Female	Male	Total	Percentage
Top management	4	80	84	4.75%
Middle management	13	116	129	7.29%
Supervisor	56	315	371	20.96%
Non-management	292	894	1,186	67.00%
Total	365	1,405	1,770	100%

Note: Junior management (shore personnel: deputy manager ~ manager; ship personnel: second mate/second engineer, third mate/third engineer), middle management (shore personnel: deputy junior vice president ~ junior vice president; ship personnel: first mate/first engineer) and senior management (shore personnel: deputy senior vice president or above; ship personnel: captain/chief engineer).

No. of employees in 2018 (based on gender and educational background)				
	Female	Male	Total	Percentage
Taiwan	365	1,369	1,734	97.97%
Asia	-	36	36	2.03%
Total	365	1,405	1,770	100%

Recruitment and industry-academy collaboration

Talented employees are not only company assets but also critical partners for sustainable corporate development. A range of HR initiatives are used to improve remuneration and benefits, build a fair and transparent management system, and create a friendly workplace. Internal selection is also used for employee cross-training across multiple fields and to offer numerous opportunities for expatriate assignments. Employees can then continue to apply their talents in their work and grow with the company. Evergreen Marine has strived over its fifty-year history to cultivate many international talents.

Evergreen Marine has strict selection procedures and standards in place to ensure non-discrimination in our employment policy. Suitable new blood is chosen through a series of written tests and interviews and new employees are provided with comprehensive training.



In 2018, Evergreen Marine and Evergreen International organized a joint recruiting program for shore-side employees due to the demands of business growth. Evergreen welcomes new job seekers willing to join the team and start from scratch. 24 campus recruitment events were held at 23 universities throughout Taiwan to give students a better understanding of the roles and future prospects in the shipping industry as well as opportunities for equal employment. Recruitment advertisements were posted through major print media, our corporate website, recruitment websites and university websites. A total of 127 shipping-related personnel was employed by Evergreen Marine and Evergreen International in 2018.

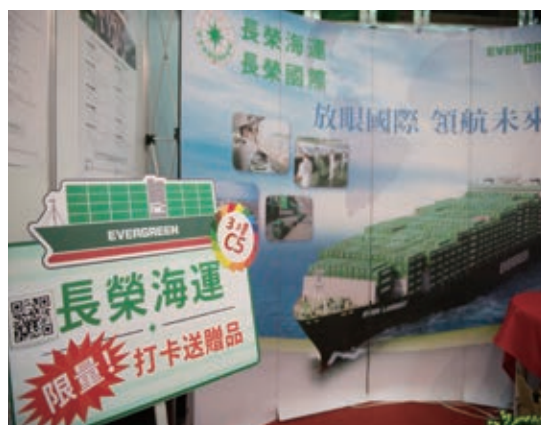
Ship personnel are recruited through the corporate website, seafarer academies or recommendations from training organizations. Applications for all grades of navigation and engineering personnel are accepted all year round.

2018 Number of new employees						
Age	Number of employees			Percentage of new employees		
	Female	Male	Total	Female	Male	Total
Under 30	35	85	120	33.65%	37.28%	36.14%
30 ~ 50	3	36	39	1.32%	4.20%	3.59%
Over 51	-	1	1	0.00%	0.31%	0.28%

2018 Employee turnover						
Age	Number of employees			Percentage of new employees		
	Female	Male	Total	Female	Male	Total
Under 30	4	13	17	3.85%	5.70%	5.12%
30 ~ 50	8	25	33	3.51%	2.92%	3.04%
Over 51	1	27	28	3.03%	8.44%	7.93%

Evergreen has worked closely with maritime schools in Taiwan for a long time for the pre-selection of sea-going interns and summer shore-side interns. We provide the most openings for sea-going internships in the industry. We also arrange for experienced instructors to conduct "Evergreen Seminars" at the Ocean University for cultivating talented students with an interest in sea duties. In 2018, Evergreen Marine arranged sea-going internships for a total of 147 students from local maritime schools. A total of 17,483 days of on-board practical training were completed for an average of 119 days per student.

Evergreen Marine formed industry-university partnerships with the National Kaohsiung Marine University (now the National Kaohsiung University of Science and Technology) in 2016 and the National Taiwan Ocean University in 2017 and 2018 to expand the cultivation of maritime expertise and build the soft power of the shipping industry. The establishment engineering technology programs will hopefully cultivate student interest in working at sea through close industry-university cooperation. The students can then find employment immediately upon graduation and apply everything that they learned. Anyone with an undergraduate degree can apply to sit the exam for the program. Evergreen Marine subsidizes all of tuition fees and part of the accommodation costs for the 18-month program. Students that successfully the program are also offered a 12-month internship on Evergreen ships and those that perform well during the internship will be offered a permanent position in the Evergreen fleet. A graduate engineering technology program was set up in partnership with National Kaohsiung Marine University in 2017. 93% of the students that graduated from the program in January 2019 immediately passed the MOTC exam for 1st class deck officers, and have since been progressively assigned to Evergreen ships for practical training.



The effectiveness of industry-academe collaboration

The graduate shipping program	The graduate engineering program	Onboard internships for students from maritime schools	Summer shore internships for students from maritime schools	Summer shore internships for students from maritime schools
<ul style="list-style-type: none"> Participated in by 31 students, of which 30 students have passed the Hehai examination in 2018, and were offered a 12-month internship on Evergreen ships and those that perform well during the internship will obtain a certificate and permanent position in the Evergreen fleet. 	<ul style="list-style-type: none"> The first session of the program was completed in January 2019. Students that have passed the Marine Personnel examination were offered a 12-month internship on Evergreen ships and those that perform well during the internship will obtain a certificate and permanent position in the Evergreen fleet. (5-year contract). Recruited 17 people in the second session of the program which commenced in September 2018 	<ul style="list-style-type: none"> Provided sea-going internships for a total of 139 students. 	<ul style="list-style-type: none"> 7 students of the graduate engineering program were selected as pre-selected interns of marine engineering units 	<ul style="list-style-type: none"> Outstanding marine lecturers were appointed to teach based on course contents to attract marine engineering students to join the Evergreen Fleet Appointed professional lecturers with practical experience (captain and chief engineer experience) to teach ship and marine engineering practical courses for marine engineering students in response to requirements of domestic maritime colleges and universities. The Company's managers will hold a number of ad hoc career talks with students to convey the correct concept of working onboard, introduce the work contents and share experience and knowledge of onboard life and berthing at foreign ports, in order to encourage young students to pursue a career at sea.

Onboard internship is the beginning of challenge based learning. During the internship, I was guided by two captains and had overcome the transition period smoothly and adapted to the working environment at sea thanks to the first mates and deck officers for their patience in teaching. My greatest achievement comes from the improved self-confidence to gradually become deck officer with abilities such as: familiarity with collision avoidance at sea, using navigation instruments, radio communication and controlling and steering the bridge system. From the school studies to internship at the sea, I deeply realized the long process of becoming a professional deck officer. It requires continuous learning and accumulation of experience, and we must dedicate efforts to overcome difficulties in order to become a professional marine talent. Furthermore, it is most important to maintain a continuous learning attitude and high degree of sensitivity in face of challenges each day.

— Intern Mr. Shen

After went on board, I realized that "learning at school and working on the ship are totally different" something that I heard from many teachers at school. The definitions and study contents are now real practices, such as: it takes 4~6 hours to stabilize the gyro after its adjustment, the customs declaration documents required for berthing in various countries, and special matters that require attention in various special containers. I now understand the reasons and background knowledge for the studies I've learned at school. I believe that I am very adaptable, no matter the experience of dull life onboard or the frequent entering and leaving the harbor. There are only a little more than two months left before the end of my internship. Although I can't guarantee on being qualified for being a third mate as it still requires additional training in the future, I am fully honed during my training to be psychologically ready for the responsibilities of being a third mate.

— Intern Mr. Wang

Students who graduated from the training class showed stronger intentions and enthusiasm than other students. The students worked very hard during their internship to verify relevant knowledge and practice gained from the school, and the interaction and experience sharing of ship officers and staff have brought about clear direction for the students' marine career planning in the future in order to cultivate more talents.

— Comments from the ship officer of Evergreen Marine

Remuneration Policies and Measures

To attract and retain quality talent as well as strengthen our global business team, our remuneration policy adheres to labor laws and regulations while providing shore and ship personnel with competitive salary packages.

Remuneration Policy

The overall salary of Evergreen Marine is based on individual professional knowledge and skills, individual performance and participation at work to encourage employees on continuous self-improvement and contribute to the Company's long-term performance.

The Company provides full-time employee salary for new recruited graduates after they successfully complete the probationary period, which is around 1.86 times the basic salary announced by the Ministry of Labor on January 1, 2018. In addition, an annual bonus will be distributed at the end of each year based on the company's annual operating performance. If the company is profitable after the end of the fiscal year, the company will allocate employees' compensation in the following year in accordance with the Company's Articles of Incorporation and Rules for Setting Manager's Remuneration after the resolution of the Remuneration Committee.

Evergreen Marine provides ship personnel with generous remuneration and a safe, working environment. The generous compensation packages do not differ on the basis of gender, religion, race or political bias. We show respect and tolerance for multi-culturalism in order to build a harmonious and united team at sea. Remuneration for national and foreign mariners must not only meet the standards set by the MOTC and the collective bargaining agreement (the proportion of sea personnel covered by the agreement is 100%, accounting for 23.62% of total employees) with the International Transport Workers' Federation (ITF). Evergreen Marine also seeks to recruit talented personnel through compensation packages that are better than domestic and foreign market rates.

To fulfill our social responsibility on sustainable corporate development, target management and individual performance evaluations now not only incorporate ship environmental performance, energy-efficiency and fuel-conservation into unit targets and employee performance but are also linked to the rewards system. For example, new ships under construction must be green and fuel-saving designs; once the ship enters operations an optimum balance must be achieved between ship speed and fuel consumption; the ship's officers including the captain and chief engineer must adhere rigorously to environmental regulations during the voyage and are issued bonuses for fuel savings in order to improve our fulfillment of sustainable development goals.

Average full-time non-management employee salary and comparison to the previous year			
	2018	2017	Growth rate
Total full-time non-management employee salary (unit: NT\$)	1,517,064,000	1,622,658,000	-6.5%
Number of full-time non-management employees (unit: person)	1,483	1,373	8.0%
Average full-time non-management employee salary (unit: NT\$)	1,059,000	1,181,000	-10.3%

Note: The above non-management employees refer to employees apart from managers in Taiwan-Finance-Securities III No. 0920001301 of the Financial Supervisory Commission.

Regular monthly salary ratio in the past 2 years (Male/Female)								
	2018				2017			
	Shore		Ship duty		Shore		Ship duty	
	Management	Non-management	Officers	Ratings	Management	Non-management	Officers	Ratings
Monthly salary ratio	1.06	0.99	1.10	0.85	1.10	0.98	1.08	1.11

Note 1: Shore duties do not include part-time contractors; ship duties do not include cadet/trainee/trial staff/re-employed retirees.

Note 2: Not enough information is available for female deck officers in some positions so that the male:female salary ratio statistics only covers second officers/third engineers and third officers/fourth engineers.

Employee benefits

In addition to legal compliance, Evergreen Marine also provides employee benefits, such as group accident insurance better than that required by the Labor Standards Act, medical insurance covering hospitalization and injury for the employees traveling abroad for business, group term life insurance with a preferential rate, wedding subsidy, cash gift from supervisor, bereavement subsidy, condolence payment from supervisor and injury or illness condolence payment, as well as employee health check-ups that are better than that of occupational health and safety standards.

In addition to providing official leave, transportation, accommodation and relocation allowances for domestic job rotations, we also provide subsidies for qualified applicants to rent housing and visiting relatives in accordance with our management regulations. In terms of leave allowance, mariners eligible for ship-shore rotation are granted annual leave during the first year if they are assigned to shore duties. Years of service for both sea and shore can be counted together to qualify for 7 days of paid annual leave, giving them more time with their family.



Parental leave

The Evergreen Marine quality document "Work Instructions for the Protection of Maternal Health in the Workplace" implements maternal health protection measures in the workplace. Female employees that are pregnant or who gave birth within the past 12 months are interviewed by medical personnel from the labor health services. A workplace environmental and operating hazards assessment form for maternal health protection is then filled out to ensure the safety as well as physical and mental well-being of female employees at work. If the assessments find that adjustments to employee duties are necessary then they are interviewed by a physician to fill out a form on maternal health protection interview and recommendation on work suitability.

Evergreen Marine offers pregnancy leave, childbirth leave and unpaid parental care leave to eligible employees in accordance with the promotion of equality in work measures under the Act of Gender Equality in Employment. An employee with at least six months of service may apply for unpaid parental care leave for each child under the age of 3. Unpaid leave may run until the child reaches the age of 3 but not exceeding 2 years. The length of unpaid leave for those with two or more children is to be combined and limited to at most two years of care for the youngest child. Under company rules, each application for unpaid parental leave should in principle run for 6 months. The Company may however agree to employees applying for less than 6 months of unpaid leave in order to look after employee needs. Evergreen Marine has set up clean and comfortable breast-feeding rooms. We have also contracted with two child-care organizations to provide employees with discounted childcare services.

Use of parental leave within the past two years				
	2018		2017	
	Female	Male	Female	Male
Actual number of applications for unpaid parental leave that year	11	0	5	0
Number of employees expected to return from unpaid parental leave that year	4	1	5	1
Number of employees re-instated after unpaid parental leave that year	9	1	4	0
Number of applications for extensions from employees expected to return that year	0	0	1	1
Number of employees reinstated after unpaid parental leave in the previous year	4	0	6	3
Number of employees still with the company one year after returning from unpaid parental leave in the previous year	4	0	6	3
Retention after returning from unpaid parental leave (%)	225.00%	100.00%	80%	0%
Retention after returning from unpaid parental leave (%)	100.00%	-	100%	100%

Note: The actual number of re-instated employees in 2018 is greater than expected due to early reinstatement of some employees in that year.

Pension plan

The Evergreen Marine Labor Pension Preparatory Fund Supervisory Committee was formed in 1986. The "Employee Pension Regulations" were drawn up by the Company and pension contributions are continuing to be made each month based on the following criteria: 15% of salary for employees on the old system, and 9% of salary for employees on the new system that chose to retain their years of service under the old system. This regulation covers all full-time employees. Employees that served within a period of fifteen years (inclusive) are provided with 2 basis points

annually, while employees who have served for more than 15 years, are provided with 1 basis point annually, with a maximum total of 45 basis points. The so-called basis point refers to the average basic pay of the six months before retirement.

For employees that opt for the new system introduced by the Labor Pension Statute introduced on July 1, 2005, Evergreen Marine has consulted on the employees' willingness to participate in the new or old pension system, calculated the years of service in the old pension system, as well as conducted pensions declaration and payments in the new system. Hence, employees will receive contributions equal to 6% of their monthly salary in accordance with the new system. We also check the balance of the labor pension preparatory fund account to see if it is sufficient to meet all the pension obligations from all employees that will meet the conditions for retirement in the upcoming year. Any shortfalls are made up by the end of March in the following year. Please refer to pages 55 ~ 58 of the 2018 consolidated financial reports for more information regarding the Evergreen Marine pension plan.

Safe workplace

In consideration of employee health care and regulatory requirements, Evergreen Marine entrusts the environmental monitoring agency approved by the central competent authority to measure carbon dioxide concentration of office buildings every six months. The two monitored carbon dioxide concentration results in 2018 did not exceed relevant standards.

Evergreen Marine's employee cafeteria in Nankang and Taipei can accommodate hundreds of people, and employees can "eat safely" thanks to the catering services provided by the Evergreen International group catering kitchen, which serve free nutritious and delicious vegetarian and non-vegetarian meals to employees. Evergreen Marine has installed Japan's "π" water system on every office floor tea room to supply employees with pure and high quality π-water, as well as an automatic coffee machines to supply employees with free coffee around the clock.

Recreational activities

Our Taipei, Nankang and Kaohsiung sites have also set up 24 clubs for three categories of activities (ball sports, health and

longevity, outdoors and leisure) along with fitness equipment to encourage employees to unwind, connect with each other, and enhance their physical/mental well-being. The Company also provide subsidies and sponsor part of the expenses for club activities. The fitness session at 3PM every afternoon helps employees cope with the stresses of work.

In terms of shipboard life, all of our ships are modern container ships that provide a comfortable living environment. Full-time chefs prepare nutritious and varied meals for everyone three times a day as well. Communication is the top issue for young people today. The majority of Evergreen ships now provides versatile communications software that make it easy for mariners to stay in contact with their families.

Connecting with families

To boost the spirit of teamwork among employees and their loyalty to the Company, the 28th Evergreen Marine Cup Basketball Tournament was held from July 21 through to August 18, 2018, and employees were encouraged to sign up for the three-point contest bring fun to the basketball game. A children's play area was also set up in front of the stage at the venue for the basketball finals to encourage employees to bring their families to company events. The Evergreen Cheerleading Team also provided the intermission performance and led the singing activity.



In 2018, Evergreen Marine used the "cruise train" for the first time in Northern Taiwan to visit sites such as Hualien Chongde Bay, Matai'an Wetlands, Lintianshan Forestry Culture Park and Guangfu Sugar Factory, and 777 people have participated in the recent 2 cruise train tours. The family day activity of employees in Kaohsiung used the "bus tour" to visit Tainan Wapan Salt Fields and Chiayi Lu Ying Ranch and a total of 301 people have participated in the recent 2 bus tours.

The Company also organized family ship visits for current employees. When Evergreen ships are docked at the Keelung, Taipei, Taichung and Kaohsiung ports in Taiwan, the Seaman Dept. may assist their family members with applying for on-board visits on request.



II. Talent Cultivation and Development

Education and training

Evergreen Marine has always embraced the philosophy that “talents are the most important assets of an enterprise” espoused by Dr. Chang Yung-Fa, the founder of the Evergreen Group, in teaching young people everything from scratch, and providing complete training courses for the employees through training courses, case operations, theme lectures, sharing seminars, and in-service training. The Company also improves the depth and breadth of employees’ professional functions via “rotation schemes,” and provide “expatriate assignment” to enhance employees’ international horizons and career development.

Group Founder Dr. Chang Yung-Fa,, who has held the position as the captain in the past, attaches great importance on training and well-being of seafarers, and an innovative “ship-shore rotation” system at Evergreen also provides ship personnel with the opportunity to work on shore. The professional knowledge of outstanding ship personnel help improve the overall efficiency of the service chain.

Training for shore personnel

Training for Evergreen Marine shore personnel include orientation training, departmental professional training, external professional training, management training, and language skills. Fair Trade Act seminars, Evergreen Group Loss Prevention forums, occupational safety and health training and workplace health promotion seminars are also held at various times.



Function analysis techniques were introduced at Evergreen Marine and applied to personnel training. More professional training courses for employees in non-management roles will be developed to enrich our employees’ professional know-how. Our long-term target is to build a complete function-based training system.

Function analysis	Employee “Learning Passport”	Management “Learning Passport”
<ul style="list-style-type: none"> Analyze each position and grade to determine what professional knowhow is needed. Set up a “Job Description” to serve as reference for personnel selection, training, assignment and retention. In 2018, the functions of management levels in each unit has been investigated, and the functional and skills analysis of managers and MAs have also been completed. 	<ul style="list-style-type: none"> Completed the first draft of the “Learning Passport” for logistics and administrative units in 2018. In the next stage, the Company will first plan for the “learning passport” for the Operations Dept. 	<ul style="list-style-type: none"> Divided into “Common” and “Special” units. Physical classes will be complemented by online and mobile learning methods. Online exams will be used to check learning performance after class with “80%” being the pass mark. A total of 3 common courses were conducted in 2018, including “Fleet Environmental Policy,” “Corporate Governance” and “EU’s General Data Protection Regulation”



Orientation training

New employees undergo around a week of orientation training after arrival, which includes the Company’s core values, management regulations, compliance policies, shipping basics and related legal requirements. We also arrange new employees to tour the facilities of Evergreen companies and visit the ships. The training helps new employees learn about our core values, quickly embrace our corporate culture and become a member of the Evergreen family. The orientation training was participated in by a total of 59 new employees employed by Evergreen Marine and a total of 68 shipping-related personnel employed by Evergreen International in 2018.

Training programs on professional knowledge are arranged for new employees once they arrive at their assigned departments. Senior personnel act as “mentors” for new employees to teach them about the right mindsets, their work requirements and assist with adapting to their new workplace. During the employee probation period, the company will ensure that the learning outcomes of new employees meet the standards via evaluations, reviews and assignments such learning reports from the new employees before the end of the probation period.

Departmental professional training

An annual training plan is proposed by each department based on the education and training principles. Each person must undergo at least 12 hours of internal professional training every year, and the course content includes (inter) departmental knowledge, improvement of operational quality, occupational safety and health, Authorized Economic Operator (AEO) and corporate social responsibility courses. After the training course, the outcomes are recorded in the education and training management system. The internal education and training implementation rate (actual number of hours implemented/planned training hours) from all departments averaged 98.79% in 2018, and unfinished training courses has been completed in early 2019. An online learning system and knowledge management platform has been set up by Evergreen Marine as well, providing employees with access to general knowledge courses and specialist information for learning and inquiries at any time. For example, all domestic personnel working with hazardous products must complete the compulsory online course and obtain internal certification before they can undertake any related work.

Professional training

Training courses provided by external training organizations are organized for Occupational Safety and Health Management Dept., Auditing Dept., Marinotech Dept., Finance Division, Kaohsiung Container Division and other departments in accordance with the law. 86 people received 1,574 hours of training in 2018. In order



to increase employees' ability on damage prevention, the "damage prevention seminar" was organized by Evergreen International. 33 people received 102 hours of training in 2018.

In order to improve the skills of cross-border negotiations, the head of the logistics division and operation coordination dept. will participate in the "B2B Cross-Border Business Negotiation Tactics Program," which is guided by external professional consultants. 54 people received the two-day training with a total of 864 hours. In addition, in order to strengthen the supervisor's ability to handle stress and emotions, we arranged the junior management and middle management to participate in the "Management of Stress and Emotions" course guided by external professional consultants. 107 people received the three-stage 2.5-day training course with a total of 824 hours. The contents and the lecturers of the 2 external training courses are highly praised by students.



Management training

The training course for newly promoted or appointed junior managers encompassed administrative management and the development of management communication skills. We have invited external lecturers to teach the junior management and middle management to assist on more effective handling of generational gaps on expectations and understandings between employees and managers. The Company's online learning system and classes taught by internal instructors help students understand and apply what they learned in class to their work. For internal online or face-to-face courses of junior managers have total course duration of 98 hours, and was participated by 28 managers, while for classes taught by external instructors have total course duration of 189 hours, and was participated by 27 people in 2018.

Study of language

Evergreen Marine's rules on language studies provide subsidies for employees with



at least one year of service studying English, Japanese, Spanish, French, Italian, Germany and Russia at designated educational institutions or e-learning websites. The Company also pays for one test by each person to track their English proficiency and as part of the promotion process. These provide employees with an incentive for improving their foreign language proficiency and provides opportunities for expatriate assignments. Language subsidies amounting to 112,600 TWD were provided 45 times in 2018.

Sustainability issues

Evergreen Marine began providing English editions of the Ethical Management Principles, Code of Ethics, Anti-Corruption Policy, Evergreen Fleet Environmental Policy, and Evergreen Cyber-Security Policy on our intranet to enhance employees' understanding of our ideals and activities on sustainability issues.

Ship personnel training

The "Evergreen Seafarer Training Center (ESTC)" was established by Evergreen Marine in 1999. Seamen on shore waiting for their next assignment were sent for professional training at the center in accordance with the 2010 amendment of the STCW Convention (International Convention on Standards of Training, Certification and Watch-keeping for Seafarers). Additional professional development courses were also administered by the ESTC based on mariners' roles aboard the ship to keep them up to date on the latest navigational knowledge and techniques, boost their navigation and engineering expertise, strengthen their identification with the Company's management system, as well as enhance mariners' loyalty to the Company. All training courses must be completed before they can be officially assigned to a ship.



The STCW training courses hosted by the ESTC is accredited by maritime units such as the Maritime and Port Authority of Singapore, Maritime Administration of Republic of the Marshall Islands, U.K. Maritime and Coast Guard Authority (MPA), and Maritime Department of Hong Kong.

The EVERGREEN Seafarer Training Center

The ESTC is equipped with a 360-degree fully functional shipboard simulator, 1:4 scale diesel engine model and other advanced facilities. A variety of auxiliary teaching aids and software tailored to the Evergreen fleet was developed internally to provide a diversified teaching environment. The Center strives to improve the professional skills of seamen through comprehensive equipment and rigorous professional standards. The Center conducts training commissioned by the MOTC including "first aid" and "shipboard medicine." It also provides training required by other business units including "super-sized vessels" and "bridge resource management." The completion of the shipboard high-voltage training equipment in August 2014 enabled ESTC to obtain "STCW High Voltage





The Center received its "ISO 9001:2000", "Maritime Training Center Certificate," "Maritime Simulator Center Certificate" and "Maritime Simulator Equipment Certification" from DNV in 2001.

Management Level” and “STCW High Voltage Operational Level” accreditation with the U.K. Maritime and Coast Guard Authority and Maritime and Port Authority of Singapore. ESTC was therefore the first seafarer training center in R.O.C. to offer the courses and the third country to be accredited in Asia after India and Singapore. Domestic and foreign units now routinely tour ESTC to share experience on related training. ESTC has now adjusted the environmental training materials for seamen in response to increasingly stringent and constantly changing environmental protection regulations. All possible care is being taken to ensure that all related training conforms to the latest environment requirements of each nation and to do our part of protecting marine ecology.

Evergreen Marine won the “Training Award” of “Lloyd’s List Asia Awards” hosted by Lloyd’s, the authoritative media group for global shipping.



Training for seamen on shore

ESTC is continuing to host 26 types of training courses for seamen on shore from each Evergreen carrier (including Evergreen Marine) based on their ship positions and training requirements, with a total of 26 training courses including Marine Environmental Awareness Training, Electronic Navigation Charts and Data Display Systems, Navigation Safety Simulator Training for Navigators, Training for the Carriage of Dangerous Goods, Main Engine Remote-Control Maneuvering System Training, Maneuvering Simulation and ship safety management assessment. A total of 224 classes were held in 2018 and attended 1,639 times by seamen from Evergreen ships.

Foreign seamen training (China/Philippines)

The Seaman Dept. is using the shore leave of Chinese and Filipino seamen to organize training courses that improve their familiarity in professional areas such as navigation safety, energy efficiency and environmental protection, crew management and engine-room work safety in order to continue enhancing the competency of foreign deck officers. The teaching of these courses as well as interactions between instructors and students are also used to strengthen the loyalty of foreign seamen and to familiarize them with the safety culture of the Evergreen fleet. Six classes for a total of 211 foreign seamen on shore leave were completed in 2018.

2018 Total training hours										
	Shore					Ship duty				
	Management		Non-management		Sub-total	Management		Non-management		Sub-total
	Female	Male	Female	Male		Female	Male	Female	Male	
Total hours	1,017.9	7,717.1	4,425.5	10,445.5	23,605.9	456.0	3,360.0	400.0	2,512.0	6,728.0
Average hours	17.9	22.2	15.6	15.7	17.5	28.5	20.6	44.4	10.9	16.1

Note 1: Shore management personnel refer to deputy manager or above.

Note 2: Ship management personnel refer to officers. Non-management personnel are ratings.

Rotation scheme

Evergreen Marine is an international shipping company with the head office in Taiwan. We have deepened our base in Taiwan and deployed the resources all over the world since our establishment, as well as implemented the rotation scheme in order to help employees master professional knowledge from different fields and pave the way for greater diversity in career development. The Company has service bases all around the world, which provide various overseas job opportunities for ship and shore personnel to expand their international horizons and mindset under the comprehensive talent development model and staff promotion system, so they can become maritime management talent with a global perspective.

Multi-discipline rotation training

International talents training

Ship-shore rotation training

Multi-discipline rotation training

Enable employees in different professional fields to conduct cross-border learning through cross-departmental rotation schemes, in order to broaden the views of employees, enhance the communication effectiveness between departments, and improve career development of employees in the future.

International talents training

Employees stationed overseas get to experience foreign cultures directly, learn from other people’s strengths, practice managing people from different countries, and cultivate their international business vision and horizons. Such assignments also help with cultivating leadership skills and becoming an internationalized talent with multiple skills. To help expatriate personnel understand the missions and responsibilities of their new overseas role, training related to the nature of their future position is arranged by the Company before departure. As of the end of 2018, a total of 337 personnel were stationed overseas to support shipping related activities making us one of the few domestic enterprises to boast both depth and breadth in internationalization.

Ship-shore rotation training

Evergreen pioneered the “ship-shore rotation” system to provide ship personnel with opportunities to work on shore, as well as diversified and comprehensive career development. The longstanding initiative not only helped ship personnel to balance work and family life but also made their extensive professional knowledge and experience of working at sea available during shore assignments. Benefits include better ship-shore coordination, better management of shipping operations, and improvements in the overall operating efficiency of the service chain. International talents training To attract and retain quality talent as well as strengthen our global business team, our remuneration policy adheres to labor laws and regulations while providing shore and ship personnel with competitive salary packages.

I used to work according to the company’s instructions onboard, and didn’t understand the reasons, but after I applied for shore personnel under the ship-shore rotation scheme, and operated in the company’s large administrative group, I extended my reach to different fields, which broadened my vision and gradually resolved doubts in my mind. My work duties enable me to not only have the opportunity to visit foreign maritime offices, but also to participate in many education and training and communicate with many cooperative manufacturers. This made me realize that the company has so many resources available for self-development, and become aware of my weaknesses in certain fields.

Ship-shore rotation can allow you to have different perspectives, and broaden your views and have a sense of empathy on different aspects after the exchange of roles between working in the office or at sea.

Ship-shore rotation – Second Engineer Mr. Zhao

Since graduating, I have been working on board with only over 20 seafarers with limited contact to the outside world, whereas working on shore will have the opportunity to contact different units of the Company and employees in various regions for better understanding of other work duties. In addition, unlike the nature of sea duties, there is more spare time for self-development when working on shore duties, as well as the opportunity to prepare for the first mate promotion examination to be promoted to a higher management level.

During the two rotations, I have experienced the duties of the operations dept. and seaman dept., and understand the importance of the administrative support unit and cooperation between the ship and shore personnel, and laid the foundation of coordination and communication through on shore work experience and interactions with many colleagues. This experience would enable me to serve as a communication channel between ship and shore personnel after I return to ship duties in the future. In order for employees to develop a sound career plan, the Company has developed the sea-shore rotation program to allowing employees to be more familiar with the marine management model and cultivate multi-talented employees via rotations to different job positions.

— Sea-shore rotation – Second officer Ms. Chen

After working onboard in the past few years and accumulated the experience as first mate, I am honored to join the Company's sea-shore rotation program again to work in shore duties, which allows me to spend more time on family and personal social life. In this application of sea-shore rotation, I hope to contribute techniques and professionalism that I have learned on board, continue to improve my English language skills to enhance my international horizon, train myself to become a multi-talented employee on all aspects, be entrusted with important tasks by the Company and have the experience of working abroad.

In terms of personnel training, since talent has always been the most important asset of Evergreen Marine, the Company provides professional and diversified functional education. Through sound training, employees not only can serve in various positions the company's departments, but also have the opportunity enrich their working experience in different countries and accept new challenges. The sound rotation scheme enabled ship personnel to balance between work and family, improve their professional skills, and cultivate a second expertise other than navigation skills, and then become a reserve candidate for a management position in the Company.

— Sea-shore rotation – Chief officer Mr. Lee

Performance management and enhancement

All of the employees have been subject to regular performance evaluation since their appointment to review the results of their work. The result of the evaluation is used as a reference for the development of the career in the future.

Evaluation of shore personnel

Shore personnel undergo two performance evaluations administered by their supervisors every year based on the work goals set at the start of year, execution of work targets during the year, end-of-year performance and verified outcomes. Supervisors may also strengthen two-way communication and counseling through job interviews to enhance employee performance and provide career planning. The performance enhancement process is activated for under-performing employees to provide counseling, corrective action and regular monitoring of results. For new employees, the unit arranges for training and organizes ad hoc exams to test their performance. The new employee's performance in each area is then reviewed towards the end of the 3-month probation period. The ratio of shore personnel that underwent regular performance evaluations in 2018 was 100%.

Evaluation of ship personnel

The shipboard performance of active seamen is evaluated twice a year by the ship officers (captain, chief engineer, first mate, first engineer and bosun through the computerized Evergreen seafarer performance evaluation system. Their performance serves as the basis for future decisions on continued employment and promotion. New employees are mentored by senior colleagues in the deck or engineering divisions. The ship officers then test and review the new employee's performance at various times throughout the 3-month probation (trainee) period. The ratio of ship personnel that underwent regular performance evaluations in 2018 was 100%.

Learning and adaptation assessment

In addition to arranging comprehensive in-service training for all non-management employees on cross-departmental rotation or reinstated employees to assist employees on quickly becoming more familiar with their work, we also conduct learning and adaptation assessments on a regular basis to assist the company to grasp the employees' learning and adaption of new functions and the new environment. The head of each unit and human resources department can know if the employees have problems in learning and adaptation and offer timely help. In 2018, a total of 112 people (including Evergreen International and Evergreen Marine personnel) participated in the learning and adaptation assessment, one of which accepted assistance program due to problems in adaptation and had already adapt to the new job.

III. Human Rights Protection

Human rights policies

Evergreen Marine takes human rights very seriously as a leader in the global container shipping industry, and adheres to the local labor and gender equality in employment laws of our global operating sites. We also support international guidelines and principles relating to human rights including the "UN Universal Declaration of Human Rights," the fundamental conventions and core labor standards of the "International Labor Organization," prohibit all forms of discrimination, bullying and harassment, prohibit the use of forced and child labor, and guarantee freedom of association for employees.

Evergreen Marine adheres strictly to the relevant labor laws and regulations. Our management regulations explicitly ban the hiring of those under the age of 15. The quality document "Personnel Employment Work Instruction" was defined by Evergreen Marine, and no child labor has ever been employed as shore personnel as the minimum requirement is a high school/university education. The identification documents and original academic certificates are checked when new employees report for duty to ensure that all employees are over the age of 18 and prevent the hiring of child labor. If child labor under the age of 16 is found to have been accepted for employment, their legal guardian will be immediately notified by the Company to go through the separation process and retrieve the child in question. At the end of 2018, all Evergreen Marine shore personnel were over the age of 19. For seafarers, fleet seamen recruiting guidelines also conform to the Seafarer Act in requiring all applicants to be over the age of 16. At the end of 2018, all Evergreen Marine shore personnel were over the age of 18 in compliance with the Maritime Labour Convention.

Human rights training courses related to company operations have now been included by Evergreen Marine in the CSR training course of each shore unit's annual education and training plan. 0.5 hours of internal training are administered every year in accordance with the publishing teaching materials. The training course was attended by 99.78% of total employees in 2018 with total training hours being 674 hours, and the Company plans to start recording online courses in 2019 to provide a more convenient learning platform for all employees.

Evergreen provides convenient channels of communication to all stakeholders and responds to stakeholder feedback on human rights issues. We place great importance on workplace safety and fundamental labor rights at all businesses in our supply chain. All vendor partners are required

to not engage in any infringement or violation of human rights in their business activities. A supplier CSR survey on environment, labor practices, human rights and social impact is sent to key suppliers at least once a year. The outcome of the evaluation serves as an important basis for further contracts or replacement.

Evergreen Marine human rights related implementation measures and achievements				
Prohibit the use of forced labor <ul style="list-style-type: none"> Identify and support international regulations and principles related to human rights Comply with local government laws and regulations of the business base. No incidents of forced or compulsory labor on unwilling people by Evergreen Marine here were no cases of violations in 2018 	Prohibition of child labor <ul style="list-style-type: none"> Management regulations explicitly ban the hiring of those under the age of 15. The "Personnel Employment Work Instruction" was defined by Evergreen Marine, and the minimum requirement for employing shore personnel is a high school education. Conform to the Seafarer Act in requiring all applicants to be over the age of 16 The identification documents and original academic certificates are checked when new employees report for duty to prevent the hiring of child labor. There were no cases of violations in 2018 	Prohibit racial, religious or gender discrimination in the workplace <ul style="list-style-type: none"> Evergreen Marine's hiring and employment processes adhere to relevant regulations. Recruiting talents through public communications channels Set up strict selection procedures and standards in place to ensure non-discrimination in our employment policy. There were no cases of violations in 2018 	Prohibit the sexual harassment or unlawful harm in the workplace <ul style="list-style-type: none"> Formulated the "Regulations Governing the Prevention, Reporting and Punishment of Sexual Harassment in the Workplace" and provides clear avenues for complaint and a telephone hotline. Introduced a procedure for "Prevention of unlawful while carrying out official duties in the workplace" to control and prevent unlawful harm in the workplace. Ad hoc advocacy through e-Bulletin board and training seminars There were no complaints in 2018 	Provide an official complaint system to resolve any labor practice complaints or human rights complaints. <ul style="list-style-type: none"> Established the "Employee Complaint Regulations" to resolve any labor practice complaints or human rights complaints via the official complaint system. Set up a whistle-blower mailbox for internal and external stakeholders. There were no complaints in 2018

Fair promotion and treatment

Evergreen strives to build a gender-equal workplace. All employees are treated equally in terms of remuneration, performance evaluation, promotion and training regardless of gender in accordance with the "Gender Equality in Employment Act". Evergreen Marine saw the fleet employ its first Taiwan born female officer in 1999. The quality working environment we promote led to a woman being promoted to captain for the first time in 2017, who is currently stationed abroad and has experience of working at sea, on shore and abroad. In 2018, Evergreen Marine employed a total of 16 female mariners and 57 female managers for shore personnel.

Respect for crew diversity

On Evergreen ships, all crew members whether they are from Taiwan, China, the Philippines, Vietnam, Indonesia, Myanmar or Panama, or whether they believe in Buddhism, Taoism, Confucianism, Islam, Catholicism or Christianity, embrace the spirit of fellowship in respecting and tolerating each other's religious beliefs and dietary traditions. Everyone gets along harmoniously and happily with everyone while working aboard the ship. There were no complaints of racial, religious or gender discrimination in the workplace by ship crew members in 2018.

Prevention of workplace sexual harassment and bullying

To protect employees against sexual harassment and gender discrimination, Evergreen Marine introduced the "Regulations Governing the Prevention, Reporting and Punishment of Sexual Harassment in the Workplace" to uphold gender equality in employment and personal dignity by providing clear avenues for complaint and a telephone hotline. Disciplinary measures or

other actions will be taken against the offender based on the severity of the offense if a complaint of sexual harassment is found to be true. To ensure the safety and physical/mental well-being of employees in their work and prevent physical/mental harm from the unlawful actions of others, Evergreen Marine introduced a procedure for "Prevention of unlawful while carrying out official duties in the workplace." Any incidents of workplace violence shall be handled in accordance with Evergreen Marine's complaints process.

In terms of gender equality in the fleet, Evergreen Marine is upholding gender equality in employment and creating a safe, harmonious workplace by notifying all employees aboard our ships no sexual harassment of any form will be tolerated. For example, crew members may not enter a cabin belonging to someone of the opposite sex without due cause and if they must do so for official business then the cabin door should remain open and a third person must be present to avoid any misunderstandings. In addition, if a crew member experiences or feels subjected to sexual harassment, then it must be reported to the ship's officers. They can also report the matter to the Seaman Dept. at headquarters by phone or by contacting the "Safety Report Mailbox" through their personal crew email.

Evergreen Marine promotes harmonious gender relations in the workplace and respect for each other at different times. We plan to include prevention of sexual harassment and bullying in the workplace in the orientation training for new employees from 2018 onwards so that we can all work together to build a friendly workplace. There were no complaints of sexual harassment or unlawful harm in the workplace at Evergreen Marine in 2018.

Labor-management communication

We value mutual communication channels such as monthly departmental meetings, e-Bulletin board, employee training, and crew forums to establish mechanisms for effective regular or two-way communications with employees, as well as mechanisms such as labor-management meetings and seminars. Top executives communicate the business environment, performance changes and business directions to employees at all levels through directions issued at monthly business meetings or ad hoc morale speeches in order to ensure smooth labor-management communications, and are dedicated to creating a positive working atmosphere between the labor and management by adhering to the relevant laws. One labor-management dispute that went to arbitration in 2018. No monetary payments have yet been issued over the above cases. In addition to ensuring smooth channels of communication with employees, the quality of employee communication is also emphasized by Evergreen Marine to minimize the number of labor dispute cases.

Labor's rights and interests

We observe the Labor Standards Act to protect the rights and interests of the labor. Advance notice will be given for termination of contract due to operational changes subject to the following conditions: 10-day notice will be given to those with between 3 months (inclusive) and under one year of service; 20-day notice will be given to those with between one year (inclusive) and under three years of service; a 30-day notice will be given to those with more than three years of service with the Company. Evergreen Marine also ensures smooth communication and harmonious relations between both the labor and management through labor-management meetings, negotiations and conferences.

Labor-management council

Under the enforcement rules for Labor-Management council, labor-management meetings at Evergreen Marine are convened at least once every three months. A total of 4 labor-management meetings was held in 2018. Key resolutions include extended work hours, night-shifts for women, attendance during natural disasters, day-and-night shifts, and the employee work calendar for 2019.

Employee complaints channel

We have established the "Employee Complaint Regulations" as a basis for the employees to seek redress for violations of their rights, unfair treatment, or illegal behavior by other employees.

The measures protect employees' rights while maintaining harmonious labor-management relations. An independent reporting mailbox is set up under the responsibility of a designated person. The identity of the complainer and the contents of the complaint are kept confidential. The complainer is protected from any inappropriate treatment due to the complaint. We did not receive, deal with or resolve any labor practice complaints, human rights complaints, or social impact complaints via the official complaint system in 2018.

The "2006 Maritime Labor Convention" officially took effect on August 20, 2013. The Convention focused mainly on the protection of seafarer's compensation, safe and reliable working/living conditions, fair employment agreements and the right to medical care. The Convention empowers crew members to follow the defined procedure for making a complaint to the relevant authorities if their personal rights were violated or if they were subjected to unfair treatment. The Convention also authorizes port nations to define a mechanism for regular onboard inspections to be conducted by port officers to verify that the ship provides crew members with safe, comfortable working conditions and meets the minimum wage standards set by the Convention.

IV. Workplace Safety and Employee Health Care

Fleet safety culture

Evergreen Shipping attaches great importance to occupational safety of employees, and has set up the Occupational Safety and Health Committee in accordance with relevant laws, which conduct meetings once every three months. The general manager is dedicated as chairman of the meeting, and is responsible for reviewing, coordinating and recommending occupational safety and health related matters, and provide opinions on the company's safety and health policies (of which labor representatives account for one third of the Occupational Safety and Health Committee). An OHS management plan has also been drawn up by Evergreen Marine for safety and health management and voluntary inspections. The plan is also used to manage our working areas and personnel, and has appointed safety and health management personnel responsible for safety and health management and supervision. The OHS management and safety helped the Company to

Evergreen Marine achieve both TOSHMS/CNS15506 and OHSAS 18001 certification



Evergreen Marine obtained the Badge of Accredited Healthy Workplace in 2018

The Evergreen Marine office building and its attached container terminal zone are staffed by round-the-clock security officers. High-definition surveillance camera systems and an access control system for personnel movements have also been installed in work areas to ensure the safety of company assets and personnel.

Safety management

Workplace risk management

Occupational safety and health training

Guardian of health

Workplace risk management

Evergreen Marine is a marine transportation business so high-risk workplaces refer to onboard ships and container terminal operations. Shipboard operating risks include elevated deck operations, loading/unloading, as well as the heat in the engine room, as well as mechanical operations and maintenance. Container terminal risks include: operating machinery, container loading/unloading operations, and truck transportation operations. All of the aforementioned operations are now being managed in accordance with maritime laws and OHS-related regulations.

Occupational safety and health management and training

Work safety training was also organized based on operational requirements including: refresher training for OHS management personnel, dangerous goods training, fire prevention manager training, firefighting training (evacuation), operational manager training, self-inspection before, during, and after the operation, and emergency response. We also hosted first-aid classes and arranged AED+CPR training/certification courses for all personnel, with participation rate of 90%.

To prevent electrocution hazards in the workplace, OHS Management Dept. conducted a number of electrocution prevention seminars. First-aid training and education during the course provided workers with a complete understanding of electrocution and its prevention.

Hazard identification and risk assessment had been conducted for the work and workplace for high-risk employees and pregnant employees. Potential hazards are discovered through hazard identification then SOPs and management measures established based on the findings. Procedures such as "prevention of musculoskeletal disorders induced by repetitive operations and related works," "prevention of ailments induced by exceptional workload," "prevention of wrongful physical or mental harm caused by the actions of others during the execution of job duties," and "maternal health protection at the workplace" have been devised and implemented.

Work accidents within the past two years

	2016	2017	2018
Total person-work hours	3,098,986	3,167,537	3,487,369
Total number of accidents	6	3	3
Frequency of fatal accidents	-	-	-
Frequency of injuries	6	3	3
Total lost work-days	202	238	105
Frequency of disabling injury (FR)	1.94	0.94	0.86
Severity of disabling injury (SR)	65	75	30
Frequency-Severity Indicator (FSI)	0.36	0.26	0.16

Note 1: FR and SR are based on one million work-hours
 Note 2: Frequency of disabling injury (FR) = (Number of disabling injuries x 1,000,000) ÷ total person-work hours
 Note 3: Severity of disabling injury (SR) = (Number of lost work days x 1,000,000) ÷ total person-work hours
 Note 4: Frequency Severity Index (FSI) = (FR*SR/1000)^(1/2)

Guardian of health

Evergreen Marine attaches great importance to the physical and mental health of employees, and has set up a dispensary staffed by medical personnel (shared between both the customs and contractors), which provides free regular physical examinations (more frequent than that of relevant laws and regulations) and medical advice for the physical examination results. In addition, the Company installed Automated External Defibrillator (AED) units throughout the workplace to improve our first-aid system and ensure that timely assistance can be rendered in an emergency. The health physicians provided health advice for 47 people in 2018.

In order to improve employees' health knowledge and self-health management, the health information section of the corporate intranet shares health information with employees through email at various times, as well as health promotion courses (e.g. visual health, preventing depression) and screening for four types of cancer are organized by Evergreen Marine to provide preventive medicine and healthcare resources. Four health promotion seminar were held in 2018, which was attended by 196 people.

03

Sustainable Shipping and Environmental Protection

- I. Sustainable Shipping and Innovative Technologies
- II. Energy Management
- III. Emission Management
- IV. Water Resource Management
- V. Waste Management



Highlights

- The Group's new L-type and B-type ships have obtained the Green Passport which banned hazardous substances
- Our total CO2 emissions in 2018 were 36.2% lower than that in 2008.
- Year-on-year reduction of sulfur oxide emission intensity

SDGs

Corresponding to the UN SDGs



SDG7
Our fleets are equipped with the Load Stability Calculation System and Weather Navigation Information (WNI) System approved by the classification society. The optimization of sailing speed and monitoring of fuel consumption form part of our contribution to improving energy efficiency around the world.



SDG13
The long-term viability of the shipping business is closely related to the global ecological environment. Evergreen Marine is working to build a green container fleet, improve environmental awareness among employees, and helping to create better life for all humanity. The certifications we have obtained from international environmental assessment institutions are proof of the forward-looking business philosophy at Evergreen Marine.



SDG14
The Evergreen Marine fleet has waste management plans in place for the disposal of all solid and liquid waste produced by their operations. To fulfill our duty as users of marine resources, all waste disposals are logged and conducted in strict accordance with international and local environmental protection laws.

Since its founding in 1968, Evergreen always uphold the business philosophy of protecting the earth. Evergreen Marine's environmental policy has always been ahead of government regulations, and comply with the customers' business philosophy and requirements to jointly protect the environment. Evergreen Marine observes all international and local environmental protection conventions, and are committed to preventing pollution, saving energy and carbon reduction, and protecting the earth. Strict standards and procedures are set for environmental protection and pollution prevention matter aboard ships at sea. We also make use of the latest marine technologies to do everything in our power to protect the marine ecology, port safety and the happiness of mankind.

As leader in the marine industry, Evergreen Marine has established a "Safety and Environmental Management System" for our fleet and the Company's shore personnel to provide safe and efficient sea freight services under four commitments. Our formulated policies and related objectives are included in the sound management and regular assessment on the adequacy, effectiveness and suitability of the management system, in order to ensure objectives are fully implemented.

Four commitments

Commit to assess all potential risks and establish appropriate protective measures to provide safe operating procedures for ship operations and the working environment. In addition, each employee can maintain good communications with the company in order for them to understand their obligations on occupational safety and environmental protection.

Commit to environmental protection, such as on pollution prevention and other specific commitments related to the company

Commit to continuous improvement on the professional functions of safety and environmental management for shore and ship personnel, such as functions related to safety and environmental protection

Commit to comply with port and international safety and pollution prevention regulations, especially air, soil and water conservation as well as other environmental protection obligations

Safety and Environmental Policy

EVERGREEN GROUP (hereinafter referred to as the "Company") has traditionally recognized the obligation to conduct its affairs as a constructive corporate member of society has established a "Safety and Environmental Management System" for our cargo ships and Company's shore based personnel. We

- Commit to assess all identified risks to ships, personnel and the environment for establishing appropriate safeguards, so as to provide safe practices in ship operation and a safe working environment. Moreover, to keep effective communication with all persons working for and on behalf and under the control of the Company with the intent that they are made aware of their individual safety and environment obligations as appropriate.
- Commit to protect the environment, including prevention of pollution and other specific commitments relevant to the Company;
- Commit to continuously improve the safety and environmental management skills of personnel ashore and aboard ships, including preparing for emergencies related both to safety and environmental protection;
- Commit to fulfill the compliance obligation of applicable national and international safety and pollution prevention laws, regulations regarding air, water and environment in general, and expectations of interested parties to which we subscribe.

It is our policy to provide marine transportation services with safety and efficiency. Through management review we assess the adequacy, effectiveness and suitability of our management system periodically, including our stated policies and associated objectives, to ensure that these targets are met.

I will be fully responsible for implementing the safety and environmental policy. I hereby formally appoint the Designated Person (DP) to monitor the implementation of Safety and Environmental Management System to provide a link between the Company and ship.

The Company's Safety, Environmental policy can be obtained at any time by visiting our web site www.evergreen-marine.com

Date: 15 APR 2019
Evergreen Marine Corporation

President: Hsieh, Hui-Chuan

EVERGREEN GROUP

I. Sustainable Shipping and Innovative Technologies

Design of environmentally friendly ships

Adhering to the Evergreen Marine philosophy of protecting the marine ecology and watching over the green planet, Evergreen Marine's container ships that operate on all routes around the world, are in compliance with the company's environmental policy and the latest international laws and conventions, regardless of whether these laws and conventions are regulated by law or voluntarily submitted. Meanwhile, the Evergreen philosophy of green ships means advanced marine technology is used to optimize each ship type in order to maximize returns and satisfy energy conservation targets.

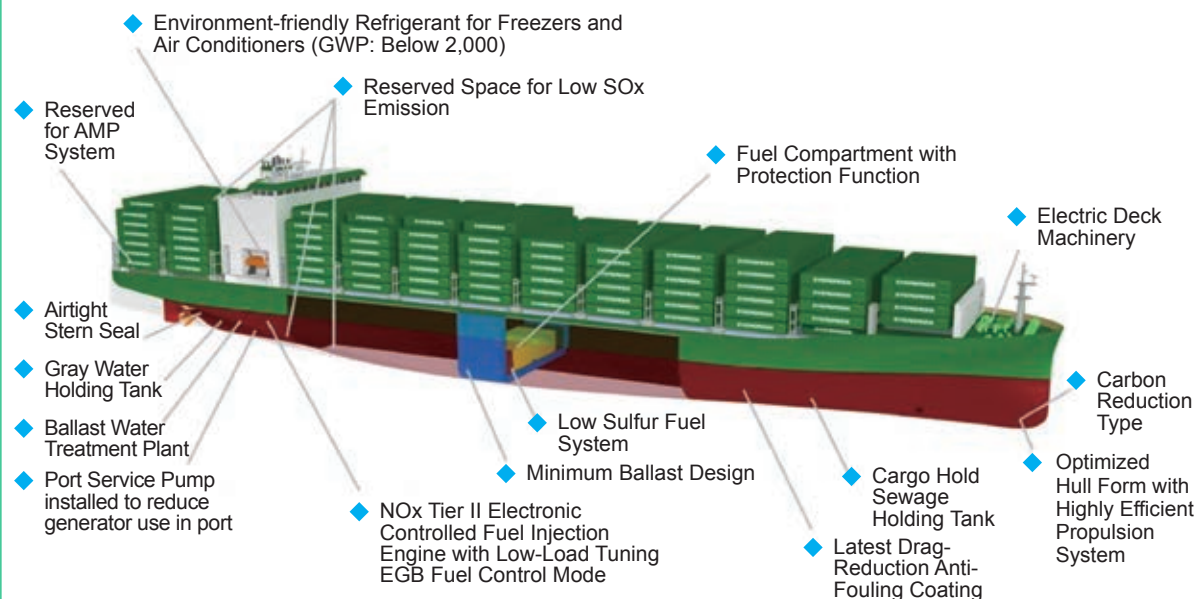
The latest environmentally friendly ship B-type ship measures 211 meters in length, 32.8 meters in width, and has a designed draft of 10 meters. Carrying capacity is approximately 2,800 TEU. The deck of this ship type is designed to carry 13 rows of containers in order to match the reach of bridge cranes used in near-sea ports. Since the docks of most near-sea ports are relatively shallow so a wider hull design was chosen to facilitate sailing in shallow harbors and to improve carrying capacity. A speed of up to 21.8 knots helps to improve the accuracy of sailing schedules and competitiveness in the market. Twenty 2,800 TEU B-type ships are now under construction with CSBC Taiwan and Imabari Shipbuilding in Japan. The new ships are being progressively completed and delivered to Evergreen Marine. All ships should be completed and delivered by the second half of 2019.

Evergreen Marine signed a contract with Samsung Heavy Industries of Korea and Jiangnan

Shipyard of China in 2018 to construct eight new 12,000 TEU ships and four new 2,500 TEU ships. The new ships will optimize the composition of the Evergreen fleet and form part of the ship revitalization plan. To further reduce the fuel consumption and GHG emissions of the new ships, the Shipbuilding Dept. and Samsung Heavy Industries conducted a series of discussions on type optimization after contract signing. Different designs were also put through hydrodynamic modeling and model basin testing to decide upon the hull with the minimum fuel consumption. Deliveries of this new ship type is expected to take place between 2020 and 2021, and will hopefully replace existing Evergreen ships. In addition to increasing the overall capacity of the fleet it will also effectively reduce the environmental impact from our fleet operations.

Environmentally friendly ships: B-type

Regional lines for near-sea regions in Asia mainly pass through coastal regions close to human settlements and make frequent port calls. To effectively reduce the impact of ship operations on the port environment, Evergreen Marine maintained our philosophy of energy conservation and environmental protection by incorporating a number of environmental protection equipment into the design of the B-type. The latest technologies are employed to protect the port environment and ensure the sustainable development of the marine ecology. A main engine with electronic fuel injection produces 20% less NOx emissions than conventional engines so complies with the 2015 Energy Efficiency Design Index (EEDI) and Tier II NOx emission standards set by the IMO. In response to environmental protection for future generations, coupled with the expansion of the Emission Control Areas (ECA) and restrictions on particulate matter (PM), we were the first in Taiwan to install an open desulfurization system on ships. This installation can effectively reduce sulfide emissions generated by main engine and generator, which were already in line with the IMO 0.5% sulfur limit in 2020 and ABS classification notation ESO-SOx.



■ Complies with IACS environmental notation (ABS: ENVIRO % GP Notation, NK: EA & IHM Notation)

■ Green Passport to Comply with Ship Recycling Convention

The ten Gen 3 B-type ships built by CSBC Taiwan are equipped with the latest sword bow developed by the shipyard. The bow can handle different drafts and speeds while effectively reducing wave resistance and drag when the ship is in motion to optimize ship speed and engine performance. Fuel efficiency is improved by 10% compared to the conventional bulbous bow. The 9th B-type ship of CSBC Taiwan named "EVER BOOMY" have won the 15th "Ship of the Year Award" by the Taiwan Society of Naval Architects and Marine Engineers. In addition to the Sea Sword Bow design, the ship takes into account the optimal hull line shape and high efficiency propeller design under the assumption of maximized loading performance. In terms of the hull form, the ship was built with minimum ballast design and mixed stow design.

Air emission purification

The MARPOL convention is set to limit the sulfur content of all marine fuel oils to no more than 0.5% from January 1, 2020 onwards. To comply with the latest environmental regulations, the Evergreen fleet now tries to ensure that sulfur scrubbers for exhaust stacks are installed in new ships if possible to greatly reduce the amount of SOx emissions released directly into the atmosphere. The contract for the twenty B-type ships were signed, and sulfur scrubbers were fit on 6 ships before delivery (2 ships in 2018 and 4 ships in 2019). Sulfur scrubbers will be progressively fitted to the other 14 ships in 2019. The eight new 12K TEU ships and four new 2.5K TEU ships ordered in 2018 will be fitted with sulfur scrubbers at handover. Existing ships such as the thirty 8,000 TEU L-types and ten 7,000 TEU S-types will all be progressively fitted with sulfur scrubbers as well to manage their SOx emissions at sea.

In terms of existing ships, 9 ships were installed with FGD towers in 2018, 28 ships are expected completed the installment in 2019, and other ships are expected to installed with FGD towers by 2021. For new-build ships, two B-type ships were completed before delivery in 2018, 4 B-type Imabari ships were completed before delivery in 2019, F-type Samsung F ships will be completed before delivery in 2020 and 2021, and O-type Jiangnan ships will be completed before delivery in 2021.

Green Passport

The European Union (EU) 1257/2013 Ship Recycling Regulation was implemented on December 31, 2018 to protect human health and the marine environment, as well as to ensure environmentally sound management of hazardous waste generated during ship recycling. The IHM (Inventory of Hazardous Materials) must be listed on new ships with the flags of the European Union and member states (built after December 31, 2018), existing ships, and all ships docking at a port or anchorage of an EU member state (after December 31, 2020). The IHM list must include the location and quantity of hazardous substances contained in the ship structure and equipment. There are currently 12K and 2.5K new-builds that are in compliance with the European Union (EU) 1257/2013 Ship Recycling Regulation.

The EU SRR Directive ensures environmentally sound management of hazardous wastes that may be generated during ship recycling. After December 31, 2020, all ships docking at EU ports are required to provide a certificate or statement for complying with the EU SRR. The ship must list the components of various equipment on board in the Inventory of Hazardous Materials (IHM). Evergreen Marine adheres to global environmental protection, and has obtained the Green Passport in response to the latest environmental issues, when the Group's new L-type and B-type ships were delivered, which is equivalent to the IHM list, which prohibits known hazardous substances (such as asbestos, lead, tin coating and Halon) on ships to reduce, control and monitor the generation of potentially hazardous substances on board (such as waste engine oil and ash), as well as related use of hazardous substances (such as plastics, fluorocarbons, batteries, chemical solvents / detergents), and use as much recyclable materials as possible to avoid environmental pollution and depletion of natural resources. Other types of ships are expected to complete IHM list in 2020 and 94% of the Group's ships will meet EU's highest standards of Ship Recycling Regulation.

Evergreen Marine used the metaphor of a "human body" to describe its shipping equipment. If you visit the doctor for an injection or medicine only when you feel sick, it will inevitably lead to delays in medical treatment and cause deterioration of health condition. Thus, the Company performs a remote vessel monitoring via satellite transmission and automatic output of operation data, in order to automatically recognize anomalies by the system based on the temperature and pressure of fuel, gear oil, cooling water and air at each detection point of the main engine and auxiliary engine. This not only saves time on report preparation, but also on visual inspection, so that abnormal components can be quickly repaired to avoid equipment failure or further jeopardizing ship safety.

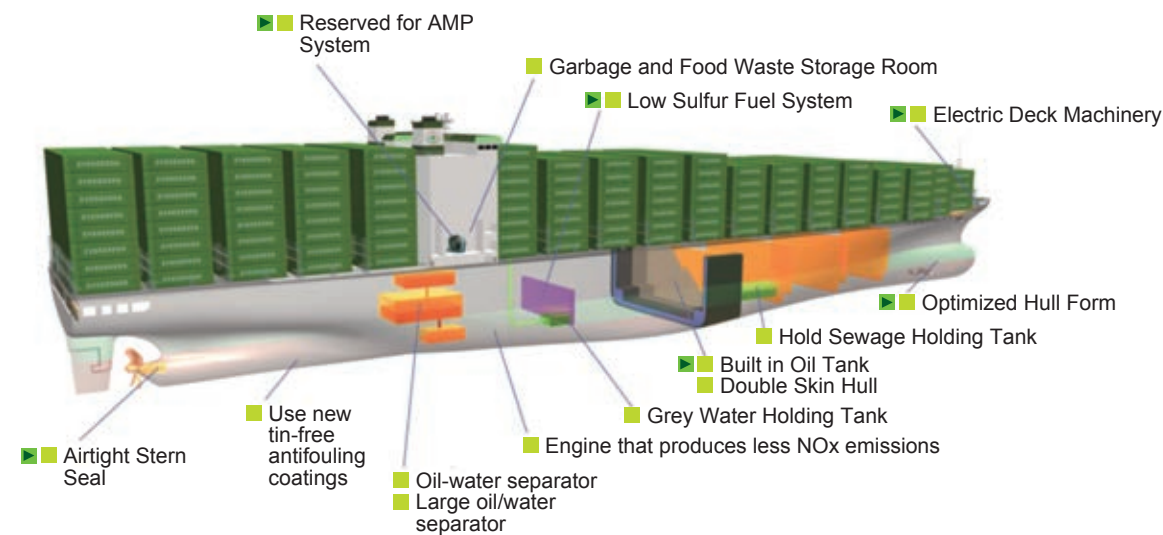
Environmentally friendly ships: S-type

To comply with the Company's requirements on environmentally friendly equipment, Evergreen Marine started installing the latest environmentally friendly equipment for S-type ships, followed by L-type ships.

S-type is equipped with exhaust gas desulfurization tower cleaning system, electric deck machinery, AMP system, airtight stern seal, fuel compartment with protection function, green refrigerant with low GWP value, Tin Free non-toxic paint on the outer panel, and was gradually installed with the ballast water treatment system.

EVERGREEN S-Type Vessels - Green Ships

EVERGREEN S-Type environmental protection equipment

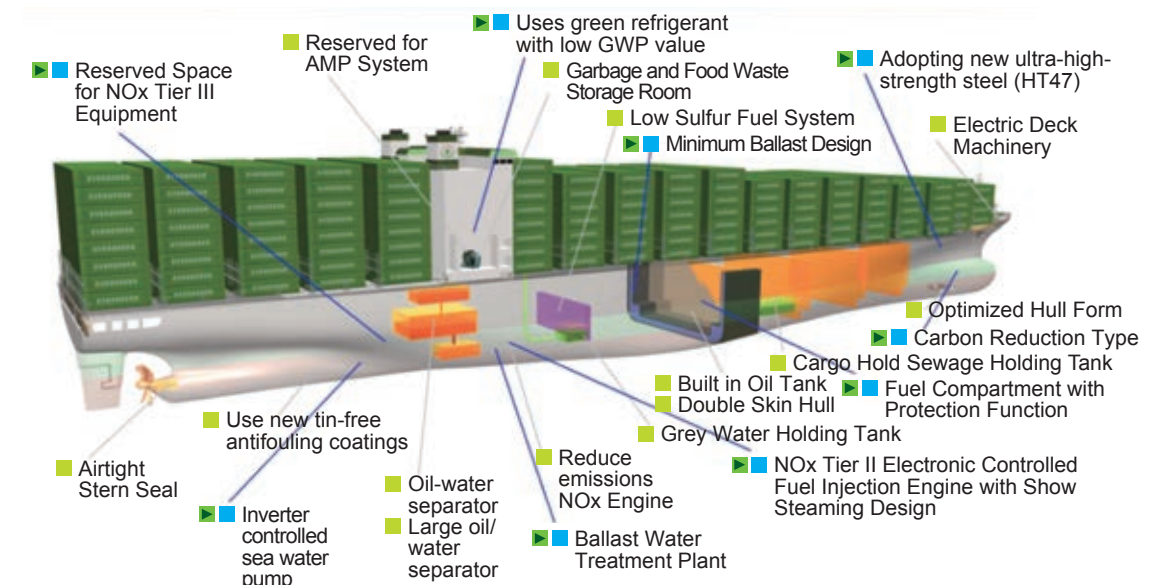


Environmentally friendly ships: L-type

The L-type is equipped with exhaust gas desulfurization tower cleaning system, electric deck machinery, AMP system, airtight stern seal, fuel compartment with protection function, green refrigerant with low GWP value, Tin Free non-toxic paint on the outer panel, ballast water treatment system, NOx Tier II electronic controlled fuel injection engine with low-load tuning EGB fuel control mode, which includes the design of Slow Steaming and installed with grey water holding tank.

EVERGREEN L-Type Vessels - Next Generation Green Ships

EVERGREEN L-Type environmental protection equipment



Comparison of environmental protection and energy saving

Item	Contents	S-type ship	L-type ship	Item	Contents	S-type ship	L-type ship
1	Optimized hull form with highly efficient propulsion system to reduce fuel consumption	O	O	11	Minimum Ballast Design		O
2	AMP system	O	O	12	NOx Tier II Electronic Controlled Fuel Injection Engine with slow steaming equipment		O
3	Low Sulfur Fuel System	O	O	13	Reserved Space for NOx Tier Equipment		O
4	Fuel Compartment with Protection Function	O	O	14	Ballast Water Treatment Plant		O
5	Gray Water Holding Tank	O	O	15	Inverter controlled sea water pump		O
6	Cargo Hold Sewage Holding Tank	O	O	16	Environment-friendly Refrigerant for Freezers and Air Conditioners (GWP: Below 2,000)		O
7	Use electric deck machinery	O	O	17	Adopting HT47 (new ultra-high-strength steel)		O
8	Environmental protection certificate from the Shipyard Association	O	O				
9	Airtight Stern Seal	O	O				
10	Carbon Reduction Type		O				



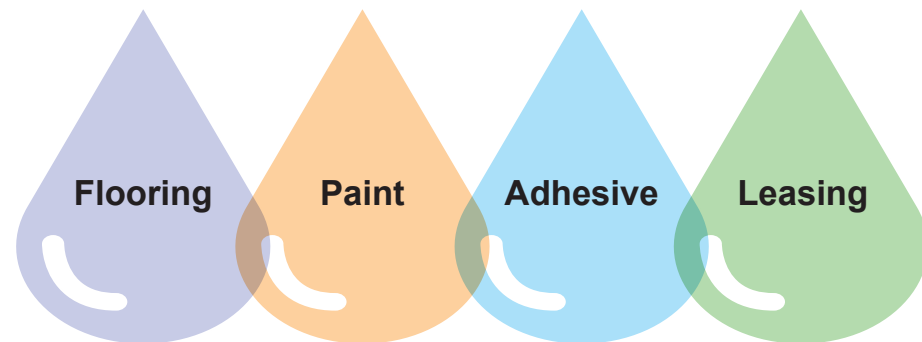
Fuel tips

Evergreen Marine's fuel procurement mainly considers fuel quality and to ensure safety on board. Verify whether the reported ship data such as fuel consumption, main/aux output and flow meter reading are correct. Any doubts will be explained by onboard seafarers. Verify whether inventory is abnormal based on fuel collection and consumption. The fuel team will hold meetings on a regular basis, which discuss matters such as market supply and demand analysis, resolution of the list of fuel suppliers of each port and procurement quantities, and set target prices and quantities for hedging, with subsequent reviews after each meeting. In terms of quality control, the fuel suppliers will be evaluated as the basis for reviewing providers of fuel procurement through oil analysis and testing, in order to achieve the purpose of monitoring fuel quality.

Evergreen Marine's ships will apply for refueling at the best fuel port along the route. The fuel supply must be enough for the entire voyage, and the amount of fuel should be adjusted if there are demands for loading.

Container design

Evergreen Marine strives to prevent pollution, conserve energy and reduce carbon emissions, adopting environmentally friendly materials for container construction, in order to reduce environmental pollution GHG emissions to increase environmental friendliness.



Traditional timber flooring used in containers requires the logging of rainforests and this creates massive ecological damage. The depletion of timber sources and increased environmental awareness led to the Evergreen Group using composite bamboo-wood flooring for dry containers in 2013. All new containers built after 2015 now use bamboo-wood flooring. Composite bamboo-wood flooring reduces the amount of timber consumption by around 50%. The toughness of bamboo also increases the wear-resistance of the floor. As bamboos only take 3 ~ 6 years of mature, it is easier to source than wood which takes 10 years to reach harvestable age. Evergreen Marine's containers currently uses 100% wood-based composite decking panel.

To combat its increasingly serious smog problem, China established an atmosphere pollution prevention law in 2013 with a goal to reduce the emission of VOCs (Volatile Organic Compounds). The law banning oil-based paints in favor of water-based paints had taken effect. Evergreen Marine tested water-based paint on 1,800 TEUs in 2013, and water-based paint means is now used on 123,000 China new containers built in 2018.

The Evergreen Group switched to water-based sealants for dry containers in 2014. Water-based sealant greatly reduces the odors from solvents as well as atmospheric pollution.

In 2018, the new leased container is about 80,000 TEU. In addition to requiring the container leasing company to use environmentally-friendly materials for the container, including flooring, coating and adhesives, the Group also plans to extend the leasing period of the container from 5-8 years to 12-15 years, which thereby make full use of existing resources to avoid excessive production, help reduce environmental pollution, and promote energy conservation and carbon reduction.

Biodiversity

Shipping companies play a key role in the global trade facilitation. Shipping activities are bound to have an impact on marine biodiversity and marine ecological security behind trade liberalization. With that, Evergreen Marine has long been focusing on the trend of international conservation and sustainable development plans, promoting biodiversity to achieve biodiversity conservation and sustainable use. Evergreen Marine has adopted a series of measures to narrow down the loss of biodiversity and avoid species extinctions or ecological imbalance, including the use of ballast water equipment, ship speed reduction in whale habitats, and the control and management of alien species. Ship crews are continuously educated and trained on the latest preventive and control measures. The Company is working towards sustainable use and development, and will dedicate efforts on supporting global biodiversity conservation.

Ballast water

Ballast water is the most convenient method of ensuring the safety and stability of ships. Discharging ballast water and sediments at will however leads to the transfer of harmful aquatic organisms and pathogens to another port or body of water. Some species may end up causing irreversible harm or impact on the local ecology, human health, economy and resources. In 1982, Article 196 of the United Nations Convention on the Law of the Sea and International Convention for the Control and Management of Ships Ballast Water and Sediment 2004 (BWC) formulated by the IMO aimed to prevent, reduce and ultimately eliminate the risks to environment, human health, property and resources posed by the transfer of harmful aquatic organisms and pathogens through the control and management of ships' ballast water and sediment.

There are currently two ways of reducing ecological pollution caused by ballast water. The first is the D-1 Ballast water replacement standard, which is when ballast water is being replaced in the open sea at least 95% of the ballast water by volume should be replaced. For example, ships that use the pump in/pump out method to exchange the ballast water is considered to have achieved the 95% exchange ratio if the amount of ballast water pumped in and out is three times greater than their ballast water capacity. The second is the D-2 Ballast water performance standard, which use ballast water treatment systems to destroy micro-organisms in the ballast water when it is being pumped in or out of the ship. The main method used by Evergreen Marine is the Ballast Water Treatment Systems (BWMS). Ballast water is disinfected by BWMS before discharge

Ballast Water Treatment System

The main types of BWMS are filters and UV disinfection. They also conform to the following ballast water discharge standards:

1. Organic matter equal or greater than 50 microns in size: The discharge must contain less than 10 organic particles per cubic meter of ballast water.
2. Organic matter equal or less than 50 microns in size: The discharge must contain less than 10 organic particles per milliliter of ballast water.
3. The concentration of V.cholerae (serum O1 and O139) must be lower than 1 colony-forming unit (CFU) per 100 ml.
4. The concentration of E.coli must be lower than 250 CFU per 100 ml. The concentration of Enterococcus must be lower than 100 CFU per 100 ml.



For L type



For B type



to greatly reduce the amount of organic matter and pathogenic microorganisms such as V. cholerae, E.coli and Enterococcus. Ecological catastrophes caused by the introduction of invasive alien species due to the exchange of ballast water in different regions can then be avoided. Evergreen Marine has therefore started actively assessing and installing a range of ballast water treatment systems. BWMS will be incorporated directly into new-build ships while all existing vessels will be progressively refitted with the latest BWMS and will be equipped with UV BWMS to fulfill the goal of green shipping and protection of marine ecology.

Preservation of whales

Evergreen Marine is a part of ship speed reduction programs in North America, North Atlantic and Panama to reduce the risk to ship strikes for whales. We actively participated in the “Vessel Speed Reduction Program” sponsored by the National Oceanic and Atmospheric Administration (NOAA), and voluntarily reduced their speed in the Santa Barbara waters off the coasts of Los Angeles and Long Beach, as well as San Francisco to protect the air quality and marine ecology of the port communities.

The conservation program runs from July to mid-November every year. Under the program, ships are required to reduce their speeds to 10 knots (18.5 miles per hour) or less when passing through the Santa Barbara Channel once they are within 95 nautical miles (176km) of the port. Large marine animals such as the blue, humpback and fin whales migrate into these waters to feed during this period so reducing vessel speed helps with the conservation of these endangered species, and reduces the risk of ship strikes by giving the whales more time to get out of the ships’ way. Sailing at a lower speed also reduces polluting emissions of greenhouse gases and particulate matter. The result was a reduction of more than 8,000 metric tons of greenhouse gases and 300 tons of the smog-forming nitrogen oxides (NOx), indicating that slowing ships down helps to protect whales and provides coastal communities with cleaner air to breathe. We have won the Silver Award in Santa Barbara and the Gold Award in San Francisco for Excellent Environmental Protection.



Asia Gypsy Moth prevention

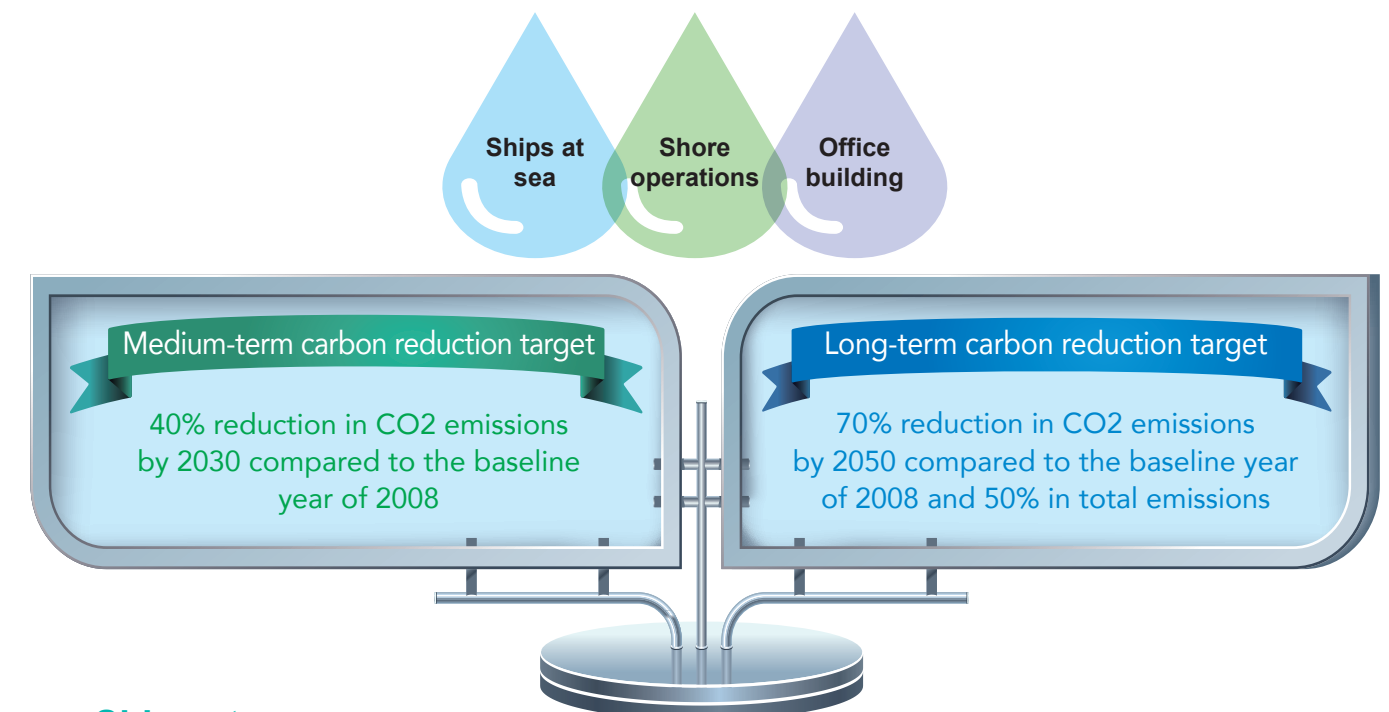
The Asia Gypsy Moth (AGM) is a leaf-eating pest that has a very destructive impact on the ecological environment. Its main food sources are coniferous trees. Their young feeds mainly on leaves and the female AGM can travel distances of up to 21 nautical miles. Infested trees lose a great deal of leaves and become weak, making them more vulnerable to other pests and diseases. The AGM can therefore cause irreversible harm to the environment. There is a high risk of the pest being spread by ships during the AGM breeding period, and ships in northern China (approximately north of Shanghai), Korea, Japan, Russia and the Far East are at high risk of female AGM laying large amounts eggs aboard. To prevent the spread of AGM through trans-border transportation, Evergreen Marine has developed SOPs for onboard inspection to understand the ecology and habits of the AGM, as well as establish methods of detection and removal. A SOP for onboard inspections has been developed for ship crews to implement. An exhaustive inspection and clean-up is conducted before arriving in the ports of nations that AGM is not endemic to. Once each Evergreen ship leaves their last port of call in Asia, professional cleaning companies are brought

in from the shore to clean the ship and secure the “Free of AGM certificate” in accordance with the relevant laws and regulations of destination ports. Evergreen continues to strengthening fleet education and issue fleet announcements in a timely manner. Ship crews are educated and trained on the latest preventive and control measures.

II. Energy Management

Use of energy and GHG management

IMO statistics indicated that CO2 emissions from the shipping industry accounted for 2.7% of all primary global GHG emissions. If left unchecked, this ratio may grow to 15% by 2050. Total energy management is practiced by Evergreen Marine’s ships, Terminal Div. and office buildings. Various energy usage and reduction plans are reviewed and implemented to effectively manage energy use and maximize the returns from carbon reduction. CO2 reduction targets have been set, and a 40% reduction in CO2 emissions by 2030, 70% reduction in CO2 emissions by 2050, and GHG total emission by 50% is planned with 2008 as the baseline. CO2 emission rate of the Evergreen Marine decreased by 36.2% (62.137g/TEU-KM) in 2018 compared to that in 2008.



Ships at sea

Evergreen Marine’s principles and objectives are to provide quality services, safely deliver goods as scheduled to the destination port, and taking into account environmental protection, energy conservation, and reduction of GHG emissions. A variety of business management measures, reduction strategies and improvements in marine design have been employed by the Evergreen fleet to reduce the energy consumption of our ships since 2007, such as applications for refueling 10 days before arriving at the port. It is necessary to adjust the amount of refueling when OCD has demands on loading and when the subsequent voyage has increased. A new generation of green ships is also being introduced to do our part of protecting the Earth’s environment through the reduction of pollution and GHG emissions. The long-term efforts of Evergreen Marine showed achievements in the year by year reduction of the ships’ fuel consumption rate, as well as the continuous reduction of the marine fleet’s carbon dioxide emission rate which decreased by 40.1% (62.137g/TEU-KM) in 2018 compared to that in 2007.

Energy consumption of ships at sea in the past 3 years

	2016	2017	2018
Marine heavy fuel oil consumption (ton)	1,754,691	1,781,944	1,830,318
Marine diesel oil consumption (ton)	111,677	116,539	137,167
Marine fuel oil consumption rate (g/TEU-KM)	18.1	18.4	18.5

Note 1: The statistics includes self-owned vessels

Note 2: Marine fuel includes marine heavy oil and marine diesel fuel.

Note 3: Fuel consumption is the sum of actual monthly fuel consumption by each ship.

Direct CGH emission from EVERGREEN self-owned vessels in the past3 years

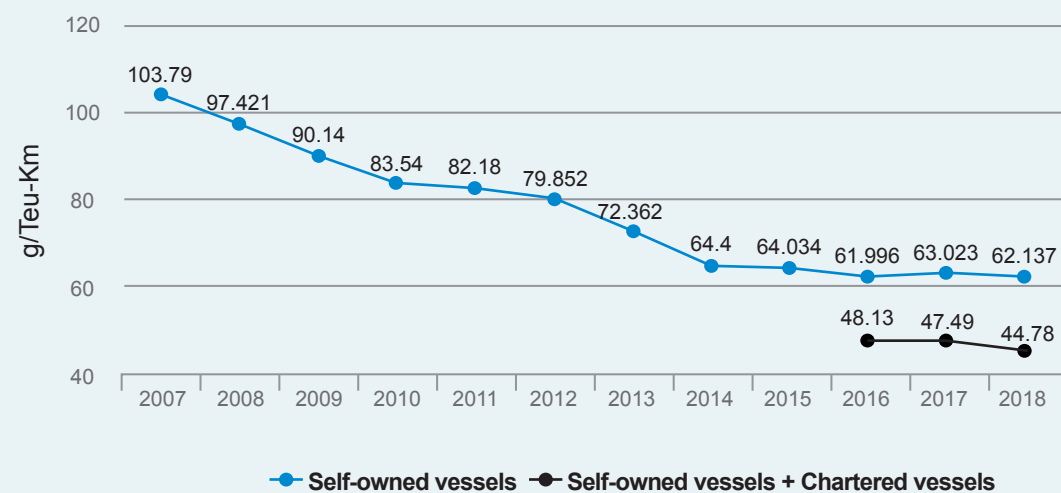
	2016	2017	2018
Fleet CO ₂ emissions (Tonne CO ₂ e)	5,822,147	5,923,081	6,139,371
Fleet CO ₂ emission rate (g/TEU-KM)	61.996	63.023	62.137

Note 1: Scope 1 (direct) GHG emissions only cover CO₂ emissions

Note 2: GHG inventory is based on GHG emissions = Energy consumption and GHG emission factor; The GHG emission factor is based on the values given in IMO MEPC/29/18/ Dec.1989 and the GHG emission factor management table 6.03 edition issued by the MOEA Industrial Development Bureau (IPCC 4th Evaluation Report (2007)); GHG emission total was calculated using the operational control method.

CO₂ annual emission from EVERGREEN self-owned vessels and chartered vessels in the past 3 years

CO₂ annual emissions



Note: The statistics include self-owned and chartered vessels. The data is listed and verified on the CCWG website.

In recent years, severe sea states caused by global warming meant that detours had to be made by our ships to ensure the safety of our personnel, ships and cargo and to ensure to that our customers' goods can be safely delivered as promised. The Evergreen Fleet remains unfazed by the increasingly challenging conditions at sea. In the future, we will continue to work towards our goal of lowering our emissions every year.

Shore operations

Kaohsiung Terminal

No.4 Container Terminal of Kaohsiung Port has started to use 23 diesel (E-RTG) gantry cranes in 2008, which is installed with slide rail equipment to be connected to the municipal power and flexibly adjusted between diesel or municipal power based on the characteristics of the container storage area. The average consumption of municipal power accounted for more than 80% of total electricity, which effectively enhance operational stability and reduce diesel consumption, energy consumption and exhaust gas emissions.

Electricity consumption for shore operations in the past 3 years

	2016	2017	2018
Diesel oil receiving amount (liter)	1,042,829	1,467,566	1,007,457
Gasoline consumption (liter)	26,787	42,306	35,641
Fuel oil intensity (liter/work load)	1.25	1.29	1.23

	2016	2017	2018
Power consumption degrees for hosting machine	24,595,383	22,589,680	21,274,283
Total electricity consumption (kWh)	41,446,863	45,072,653	39,947,664
Hosting machine power use intensity (degree/work load)	3.85	3.54	3.40

Note 1: Diesel use is based on the amount collected; gasoline is based on the amount replenished; electricity usage is based on meter readings

Note 2: Work load refers to the number of containers handled by cranes (diesel or electric-powered).

GHG emissions from shore operations in the past 3 years

	2016	2017	2018
Direct GHG emissions (Tonne CO ₂ e)	2,789.04	3,935.66	2,706.09
Indirect GHG emissions (Tonne CO ₂ e)	21,883.94	23,798.36	22,131.01
GHG emission intensity (Tonne CO ₂ e/load)	3.47	3.78	3.51

Note 1: Scope 1 (direct) GHG emissions are calculated using the CO₂ equivalent generated by company vehicles. Scope 2 (indirect) GHG emissions are calculated using the CO₂ equivalent generated by electricity used in the office building. GHG emissions are summarized using the operational control method. Estimation method and source of coefficient: Energy emission = Energy consumption * GHG emission factor; The GHG emission factor is based on the values given in IMO MEPC/29/18/Dec.1989 and the GHG emission factor management table 6.03 edition issued by the MOEA Industrial Development Bureau (IPCC 4th Evaluation Report (2007)); scope 2 was calculated using the site-based method.

Note 2: Work load refers to the number of containers handled by cranes (diesel or electric-powered).

Evergreen Marine office building

The Evergreen Marine office building relies on electricity provided by Taipower. The electricity use was calculated based on the total degrees of power consumption on monthly electricity bills in order to review electricity consumption. The gasoline use is for company vehicles.

Office building energy consumption in the past 3 years			
	2016	2017	2018
Gasoline consumption (liter)	9,656	7,764	7,952
Total degrees of power consumption	6,805,000	6,585,200	6,287,400
Energy Use Intensity (EUI) (degree/M ²)	242.72	234.88	224.26

Note 1: Electricity use is based on actual energy consumption; gasoline use is based on refueling slips

Note 2: = Externally purchased electricity / Total building floor area 28036.4M²

GHG emissions from the office building in the past 3 years			
	2016	2017	2018
Direct GHG emissions (Tonne CO ₂ e)	17,996.17	17,645.45	21,928.00
Indirect GHG emissions (Tonne CO ₂ e)	3,320.00	3,477.00	3,593.00
Greenhouse gas emission intensity (Tonne CO ₂ e/M ²)	0.76	0.75	0.91

Note 1: Scope 1 (direct) GHG emissions are calculated using the CO₂ equivalent generated by company vehicles. Scope 2 (indirect) GHG emissions are calculated using the CO₂ equivalent generated by electricity used in the office building. GHG emissions are summarized using the operational control method. Estimation method and source of coefficient: Energy emission = Energy consumption * GHG emission factor; The GHG emission factor is based on the values given in IMO MEPC/29/18/Dec.1989 and the GHG emission factor management table 6.03 edition issued by the MOEA Industrial Development Bureau (IPCC 4th Evaluation Report (2007)); GHG emissions include CO₂, N₂O and CH₄; scope 2 was calculated using the site-based method.

Note 2: GHG emission intensity = Carbon emission of externally purchased electricity / Total building floor area 28036.4 M²

Total Energy Consumption of Evergreen Marine			
Energy type	2016	2017	2018
Heavy oil	70,479,621	71,574,275	73,517,285
Gasoline	1,463,775	2,011,132	1,750,974
Diesel	42,507,987	58,325,479	42,144,140
Electricity	173,706,707	185,968,271	166,446,230
Total	288,158,090	317,879,157	283,858,629

Note 1: Evergreen Marine uses only non-renewable energy

Note 2: The energy conversion coefficient is based on the Heat Content of Energy Products table (2018.6.20) published by the MOEA Energy Bureau.

Evergreen Marine's GHG emissions			
	2016	2017	2018
Scope 1 GHG emissions	5,828,529	5,930,494	6,160,073
Scope 2 GHG emissions	43,812	41,444	25,451

Note 1: GHG inventory was based on GHG emissions = Energy consumption * GHG emission factor; The GHG emission factor is based on the values given in the GHG emission factor management table 6.03 edition issued by the MOEA Industrial Development Bureau (IPCC 4th Evaluation Report (2007)); scope 2 was calculated using the operational control method. The 2018 electricity emission factors published by the MOEA Energy Bureau was used for the electricity conversion coefficient; GHG emissions include CO₂, N₂O and CH₄; Scope 2 was calculated using the site-based method

Energy saving and carbon reduction outcomes

Ships at sea

To fulfill our commitment to environmental protection, Evergreen Marine tracks and analyzes the energy consumption of our ships to improve their energy efficiency. High-efficiency operations are conducted to realize the goals of energy conservation and carbon reduction. A fuel consumption data collection system was introduced by the Marine Environmental Protection Committee of the International Maritime Organization (IMO) for the annual reporting of ship fuel consumption and technical parameters, and data collection is carried out in 2019. The EU has adopted a 3-step approach to environmental protection and emission reduction in the shipping industry. Step 1 was the proposal of the MRV (Monitoring, Reporting, Verification) system. All shipping that sail near or dock at EU ports now have their carbon emissions monitored starting on January 1, 2018. Step 2 is to draw up concrete reduction targets for the shipping industry. Step 3 will involve the implementation of further medium and long-term measures including mandatory market initiatives.

To fulfill our commitment to environmental protection, Evergreen Marine tracks and analyzes the energy consumption of our ships to improve their energy efficiency. High-efficiency operations are conducted to realize the goals of energy conservation and carbon reduction. The optimization of docking procedures reduces the demands on the main engines, and lowers fuel consumption. The use of slow steaming means that one turbo-charger can be switched off to reduce the power output from the main engine by one-third, greatly reducing the amount of CO₂ emissions over the same route.

At the same time, the latest maritime weather navigation system is used by Evergreen Marine to provide our ships with the safest and most fuel-efficient routes in order to minimize fuel consumption, save energy and reduce carbon emissions. All of our fleet including leased ships are fitted with the weather navigation system. Captains can then select the shortest and safest route at sea to avoid bad weather and reduce unnecessary drag. Ship crews also actively turn off unnecessary lighting and pumps to reduce fuel consumption and CO₂ emissions from the ship's generator. Each ship is also equipped with a certified ship stability computing system that quickly calculates the optimal trim, draft, weight-distribution and hull stress distribution for any kind of loading. Optimum propulsion efficiency can then be assured without compromising on safety. Ship information such as fuel consumption, route, bunker/water tank level and payload are sent back to our offices for analysis every day via satellite transmission. We also ask our ships to minimize the amount of water ballast in order to reduce the weight of their ships, reduce the amount of fuel

needed for ship propulsion and improve energy efficiency.

Evergreen Marine stayed in contact with the shipping registry, and conducted training to understand EU MRV requirements, develop implementation guides and monitoring plans, as well as implement the monitoring and reporting requirements. Existing data monitoring and analytical methods were assessed to determine if they satisfied the requirements so that the appropriate measure can be put into place. A system for collecting the data required by MRV regulations could then be developed to build a data-collection platform. These measures not only help prepare for the implementation of MRV regulations but also provide an accurate electronic record of our own operational data. The data can be used to facilitate centralized management and analysis of fleet performance so that improvements can be made.

Use the weather navigation to optimize the fuel efficiency

Evergreen Marine is continuing to work with Weathernews Inc. (WNI) to step up our monitoring of fleet fuel consumption. We hope that this will optimize fuel efficiency, reduce carbon emissions and make a difference to the environment.

WNI provided the Evergreen Fleet with weather navigation services on 1,918 voyagers in 2018. Using weather observation data to calculate the optimum route saved 6,569 tonnes of fuel compared to average annual fuel consumption for the same segments.

Evergreen Marine also employed big data analytics to continuously optimize ship speed, improve fuel efficiency and reduce emissions. Fleet status and port arrivals are also closely monitored to optimize their arrival time, reduce waiting times and reduce fuel consumption.

Energy conservation and carbon reduction plan for ships at sea in 2018			
	Reduction in fuel consumption (Tonnes)	Reduction in energy consumption (MJ)	Reduction in GHG emission (Tonnes)
RTA Optimization	17,420	61,2237	54,246
Route optimization	6,569	23,0872	20,456
Ship speed optimization	6,816	23,9552	21,225
Total	30,805	1,082,661	95,927

Note: 1. Refer to MEPC Circ.471 29 July 2005 for further information on fuel oil CO2 emission factor; heat value was based on the Heat Value of Energy Products table published by the Energy Bureau.

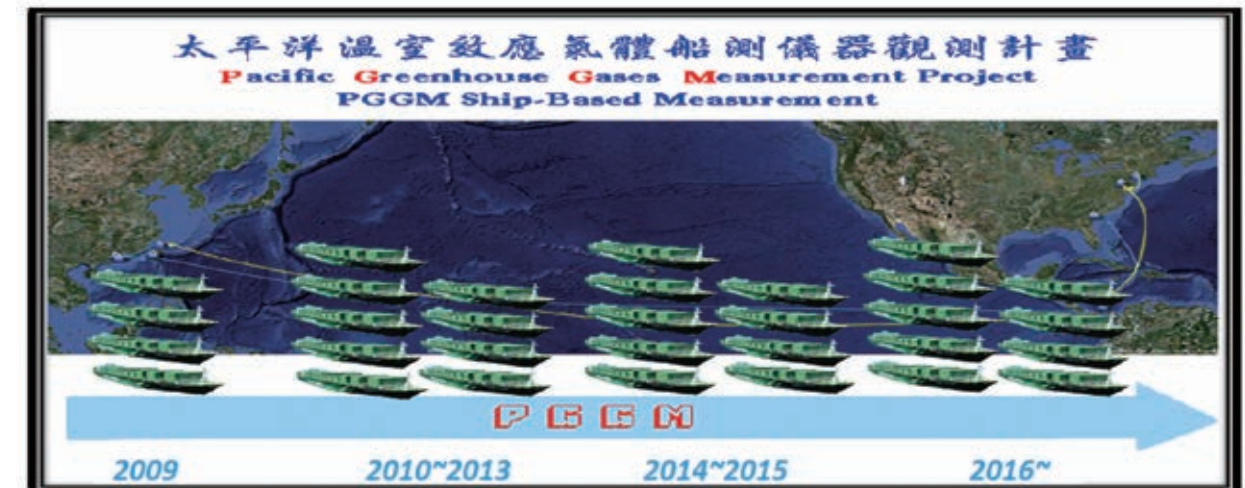
2. *RTA (Required Time of Arrival)

3. Energy conservation calculations used the average annual fuel consumption of the same voyage as the baseline; reduction in fuel consumption was the sum of the average reductions in fuel consumption on each optimized route.

4. The types of GHG included in the calculations were CO₂

Assistance in the PGGM (Pacific Greenhouse Gas Measurement) Project

The "Pacific Greenhouse Gases Measurement Project" (PGGM) launched by Taiwan in 2008 set up the largest atmospheric and maritime GHG monitoring platform in the world. Evergreen Marine joined PGGM in 2009 by assisting with the collection of atmospheric data at the marine boundary under 100 meters for research into global warming and climate change, of which the data is used to help understand the changes in atmospheric CO₂ concentration, and the company became the first shipping company in the world helping in the collection of the marine boundary measurement data.



Reducing greenhouse gas emission is already a global consensus, and related research were largely invested in advanced countries such as Europe and the United States. In 2008, Taiwan launched the "Pacific Greenhouse Gases Measurement (PGGM) Project" under the support of relevant units, which was implemented by National Central University to set up the largest atmospheric and maritime GHG monitoring platform in the world, while Evergreen Marine's "EVER ULTRA" was the first in the world to successfully obtained monitoring data of the Pacific Ocean by using the pacific maritime GHG monitoring platform.

Evergreen Group has strict standards and procedures set for environmental protection and pollution prevention matter aboard ships at sea. With the assistance in this project, we become the first shipping company in the world helping in the collection of the marine boundary measurement data.

Evergreen has provided 10 years of monitoring assistance for the first marine boundary maritime monitoring platform in the world by supporting the collection of atmospheric data for research into global warming and climate change. Some of the monitoring instruments for cargo ships are manufactured by National Central University while others are set up in cooperation with the University of Cambridge. All instruments may be used for more than 10 years.

The global water vapor data and the sea level observing data of Evergreen Marine's ship will help realize the change in GHG intensity in the Pacific Ocean in the next 10-20 years,



and establish a database of GHG three-dimensional spatial distribution in the Pacific Ocean, which would make great contribution to the world.

Shore operations

Kaohsiung Terminal

KC4 refrigeration monitoring systems originally used a total of 88 quartz 220V 300W lamps, of which 80 lamps were already replaced with LED bulb 220V 50W energy saving lamps, and replacements will be completed by August 2019 to achieve energy conservation. 85% of the chasses at Kaohsiung terminal have now been upgraded with all-rubber tires by the end of 2018. We expect all dock-side chasses to be fitted with rubber tires in 2020, a move that will reduce the complexity of recycling and associated environmental pollution. To keep in line with the rise in refrigerated freight volume, the Kaohsiung container division has added 32 power outlets in the centralized customs inspection area, and 90 power outlets for automated gantry cranes. Based on requirements of on-site operations, the energy power can only be dispatched and adjusted by the fuel generator when the number of refrigerated shipping containers exceeds the number during peak hours, in order to save equipment costs, fuel consumption and energy, and reduce carbon emissions.

2018 energy efficiency for business operations on land		
Action plan	Reduce energy consumption	Reduce greenhouse gas emission
All office lighting changed to LED lights	70,080kWh	38,824 Kg CO ₂ e

Note: According to 6.03 edition of IPCC Evaluation Report 2017, CO₂e = 0.554
 $80 \text{ lights} \times 250\text{W (energy savings)} \times 12\text{Hr (18:00-06:00)} \times 365 \text{ days} \times 80\% \text{ (consumption rate)} = 70,080 \text{ Kw/Hr}$
 $70,080 \text{ Kw/Hr} \times 0.554 = 38,824 \text{ Kg for approximately 39 (tons)}$

Evergreen Marine office building

All Evergreen Marine buildings adhere to our energy conservation policy. In 2018, refrigerators in the tea room were replaced with first-class energy efficiency global brand refrigerators, and the 27-year-old transformers were also replaced. Data showed that total savings of 297.800 kWh were achieved in 2018, which reduced 164.98 tonnes of CO₂ emissions compared to that in 2017 to meet energy-saving targets and eliminate energy waste.

III. Emission Management

Air emissions management

Evergreen Marine attaches great importance on managing air pollution. Machinery powered by diesel engines in Kaohsiung Container Division uses high quality diesel, while repair and maintenance of engines are performed on a regular basis for the engines' smooth operations and reduce exhaust gas emissions. The Company plans to procure environmentally friendly machines to replace old machines in the future to meet international initiatives and conventions concerning environmental protection.

Sulfur oxide emissions management

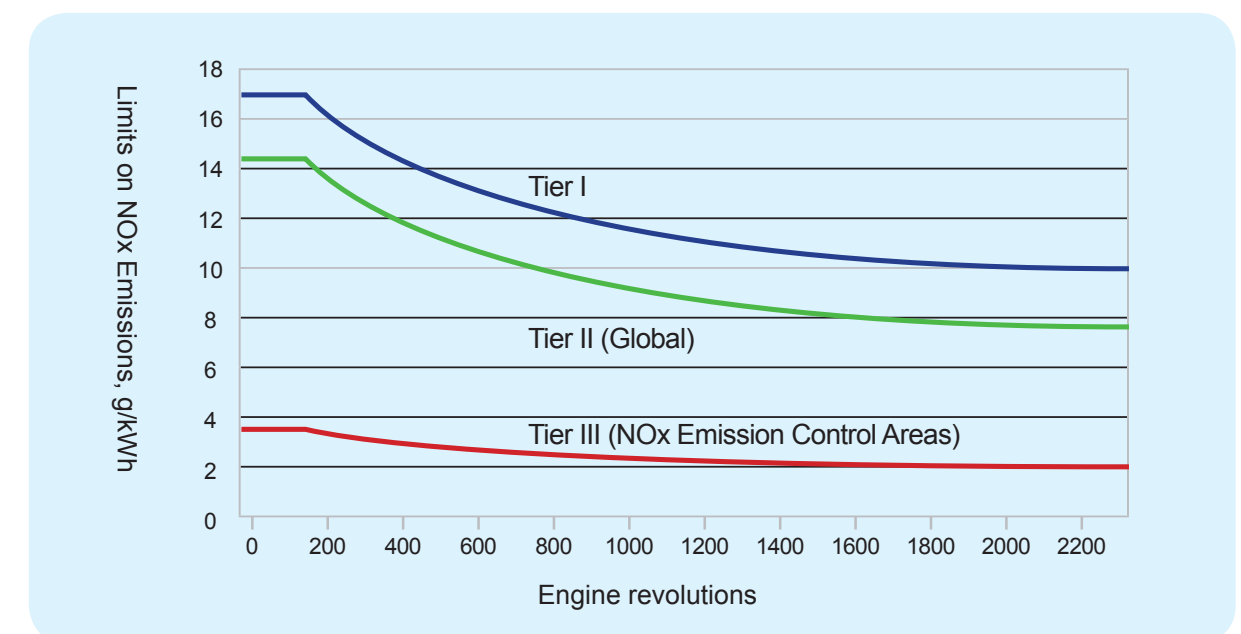
At the 70th MEPC meeting, the IMO passed a resolution limiting all marine fuels worldwide to a sulfur content of no more than 0.5% by 2020. There is no doubt that this decision represents

a major challenge for the global shipping industry. In the interest of sustainable development, Evergreen Marine is now committed to implementing environmental protection policies and reducing the sulfur content in our fuels.

- The sulfur content of fuel oil may not exceed 3.5% of total weight and must be reduced to 0.1% in ECA for SOx.
- New EU regulations implemented on January 1, 2010, limit the sulfur content of fuel used by ships docked at EU ports to no more than 0.1% by weight.
- Starting from January 1, 2014, the fleet introduced fuel changes for main engines, generators and boilers before entering the waters of California, USA, in response to California regulations for air pollution prevention. Only marine light diesel or marine diesel with a sulfur content of 0.1% are used in this region.
- Starting from July 1, 2015, marine fuel with a sulfur content of less than 0.5% must be used when docking at Hong Kong port.
- Starting from January 1, 2019, all ships docked in Chinese waters must not use fuel with a sulfur content greater than 0.5%.

MARPOL Annex VI - Limits on NOx Emissions				
Application	Validity	Limits on NOx Emissions, g/kWh		
		Engine speed < 130 rpm	130 rpm ≤ Engine speed < 2000 rpm	Engine speed ≥ 2000 rpm
Tier I	Since January 1, 2000 -- December 31, 2010	17	45. Revolutions _{0.2}	9.8
Tier II	January 1, 2011 -- December 31, 2015	14.4	44. Revolutions _{0.23}	7.7
Tier III*	From January 1, 2016	3.4	9. Revolutions _{0.2}	1.96

*Tier III is only applicable within NOx Emission Control Areas (Tier II regulations still apply outside of the ECAs)



Source: IMO website and MARPOL Supplementary Provision VI

SOx emissions by the Evergreen Fleet totaled 93,128 tonnes in 2018. SOx scrubbers and the use of low-sulfur fuels will be employed by Evergreen Marine to reduce our SOx emissions.

Sulfur oxide emissions in the past 3 years			
Unit: g/TEU-KM			
Emission intensity	2016	2017	2018
Sulfur oxide	0.981	0.95	0.947

Note: 1. SOx emission = Sulfur content * (% weight) x 20 (g / kg fuel)
2. SOx emission rate = SOx emission/No. of containers / sailing distance

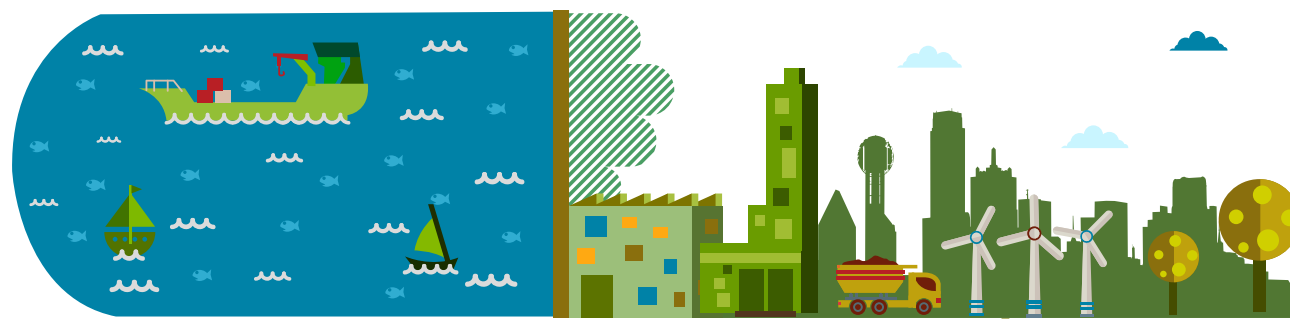
Nitrogen oxide emissions management

The Supplementary Provision VI of the International Convention for the Prevention of Pollution From Ships (MARPOL) has NOx emission standards for marine diesel engines. The emission controls are divided into three phases: Tier I, Tier II and Tier III.

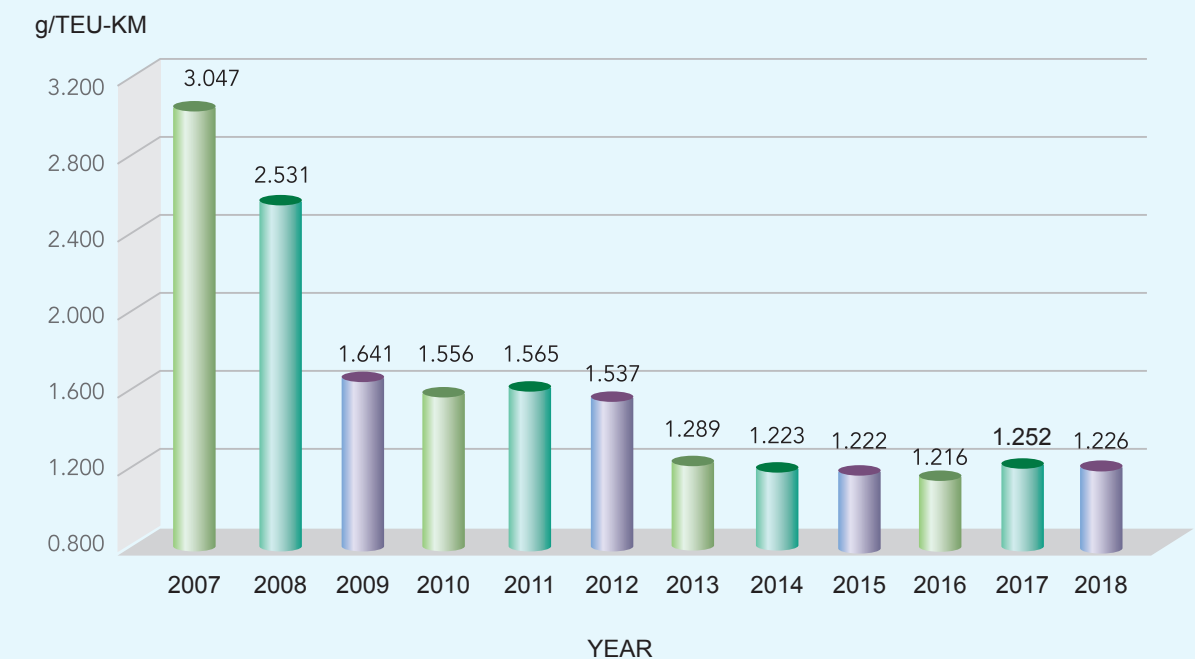
Comprehensive NOx emission controls are implemented by the Evergreen fleet during ship construction, equipment upgrades, and voyages to ensure proper emission controls at all times. New ships are installed with main engines and generators that meet the low-NOx emission rate requirements for Tier I, Tier II or Tier III, as appropriate. All the calibration, replacement with spare parts, or refitting that may affect the nitrates emission rate are carried out according to the technique file of the manufacturer. The parameters of the main engine (or generator) are recorded in the Main Engine (or Generator) Record Book for the administration of the port state to check, if needed, to ensure compliance with the emission standard specified in the international convention. D-type, E-type, U-type and S-type ships in the current Evergreen fleet conform to the Tier I emission standard. The L-type and B-Type conform to the Tier II emission standard. The total NOx emission rate of the Evergreen fleet was 117,076 tonnes in 2018, which represented a decrease of 59.8% compared to 2007.

NOx emissions in the past 3 years			
Unit: g/TEU-KM			
Emission intensity	2016	2017	2018
NOx	1.226	1.252	1.216

Note:
NOx emission = The emission on the certificate*effective output (%)*running hours
NOx emission rate = NOx emission/number of containers/sailing distance
(Certified emissions: The NOx emission recorded on the EIAPP (Engine International Air Pollution Prevention Certificate) indicates how many grams of NOx are produced per kW of engine output per 1 hour of operation)



NOx Annual Emission



Ozone depleting substances

The ozone layer is located in the Earth's stratosphere. It has a higher concentration of ozone and its primary function is to block UV radiation from entering the atmosphere. The ozone layer began shrinking at a rate of 4% every decade in the 1970s in a phenomenon known as the ozone hole. The hole in the ozone layer increases the amount of UV radiation reaching the Earth. Consequences include an increase in the number of people suffering from cataracts and skin cancer as well as the extinction of some species. The main cause of ozone depletion is the catalytic effect that chlorine and bromine compounds have on the breakdown of ozone. The chief source of these halogens are chlorofluorocarbons (CFC) released at the ground level. The Montreal Protocol signed in 1987 placed restrictions on the production of CFCs and other ozone depleting substances.

In 2008, the IMO Marine Environmental Protection Committee passed an amendment to MARPOL Annex VI that took effect in 2010. Ships are now required record the filling, repair/maintenance and draining of all refrigerant-using equipment in the engineering logbook and cabin air-conditioning logbook (or freezer logbook). Evergreen Marine fleet is required to manage and record all refrigerants. Thus, the next generation of eco-friendly refrigerants are now used aboard our green ships. In addition to compliance with international emission regulations and being not damaging to the Earth's ozone layer, its Global Warming Potential (GWP) of less than 2,000 will help control the Greenhouse Effect. There were no emissions of ozone depleting substances in 2018.

In accordance with environmental protection, Chlorofluorocarbons (CFCs) such as R-12 and Hydrochlorofluorocarbons (HCFCs) such as R-22 are to be prohibited in 2020 at the Kaohsiung Terminal Div., and eco-friendly refrigerants are now purchased to avoid emissions of ozone depleting substances.

IV. Water Resource Management

Water resources recycle and discharge

Ships at sea

Evergreen Marine's fleets use the residual heat generated by recycling the engine cooling water. The low-temperature vacuum heat exchanger is used to distill seawater and produce about 20-30 tons of fresh water per day, which is sufficient for shipping equipment and living requirements on board, in order to reduce the consumption of terrestrial water resources.

Waste water produced on the ship sailing on the seas are classified into to engine room bilge water and greywater: Engine room bilge water must be processed using an oil-water separator that satisfies MARPOL requirements and meet the following conditions before it can be discharged into the sea: specified ship speed, oil concentration is below 15ppm, and ship is in non-Antarctic waters. All Evergreen Marine ships use MARPOL-compliant oil-water separators to process the bilge water before they are discharged at more than 15/25 nautical miles. Our coastal and port environmental protection policy exceeds the requirements of MARPOL. Greywater refers to run-off from dish-washing, bathing, laundry, showers and wash-basins. Greywater disposal is currently not covered by MARPOL. Evergreen Marine has nevertheless exceeded MARPOL requirements by installing or modifying grey water storage tank. All new ship built will be equipped with grey water storage tank in the future and it has now been fitted to almost 80 ships. Greywater is not discharged within 15/25 nautical miles of the seashore and is instead stored in the shipboard greywater tank.

Shore operations

Kaohsiung Terminal

The container terminal channels waste water from container washing and cranes to the catchment pond of the terminal's waste water treatment plant. The waste water is treated to discharge standards before being released into the sea. Water quality audits are also conducted on a regular basis to maintain a constant watch over discharge standards, and will be immediately improved when the discharge water quality is lower than environmental protection standards.

Evergreen Marine office building

Water consumption at the Evergreen Marine building uses fresh water supplied by the water company, so that all waste water is domestic wastewater that can be directly discharged.

Water consumption in the past 3 years					
			2016	2017	2018
Ships at sea		Fresh water supply to the ship (ton)	95,744	100,932	103,217
Shore operations	Kaohsiung Terminal	Annual tap water consumption (degree)	31,705	33,298	25,798
		Sewage treatment volume (CMD)	4,883	8,686	6,121
	Evergreen Marine office building	Annual tap water consumption (degree)	24,849	25,904	25,370

Note: 1. Fresh water supply to the ship is based on the quantities requested by each ship.
2. Fresh water supply to shore operations is based on the actual quantity on the meter

V. Waste Management

Waste Disposal

As a user of marine resources it is the duty of Evergreen Marine to minimize our environmental impact. Waste disposal plans have been developed for dealing with all solid or liquid wastes produced aboard our ships. Waste disposal is carried out in strict accordance with international and local environmental regulations. All Evergreen fleets have a waste management plan that specifies how waste should be handled. Records are also kept of all waste disposal to comply with the requirements of international environmental regulations.

Ships at sea

Evergreen Marine has developed a comprehensive fleet waste management plan for all hazardous waste and solid waste produced aboard our ships. The five key principles are: Collection, Sorting, Disposal, Retention and Recording. Every Evergreen ship is equipped with stainless steel rubbish bins for sorting waste. Crew members and visitors can drop their rubbish in the appropriate bins instead of throwing them into the thus causing marine pollution. The 15/25 nautical miles policy was developed by Evergreen Marine in line with international regulations and regional requirements to protect the environment around the coast and port. The extension of environmental regulations and high management standards adopted demonstrate our commitment to protecting the environment.

Ash Analysis

Our waste management policy requires waste to be sorted into the flammable or non-flammable categories. Flammable waste, including rags contaminated with oil, wooden cases, cartons, used napkins and other wastes that cannot be reclaimed, are incinerated aboard the ship. The ash is then processed to avoid the creation of toxic pollutants and transferred to qualified shore side contractors for proper disposal.

Every Evergreen container is equipped with waste incineration equipment that satisfy the relevant regulations. Company policy does not allow the equipment to be used in port or when sailing near inhabited regions to avoid impacting air quality of the surroundings. The incineration of waste oil and oily rags in international waters is also discouraged by company policy to reduce air pollution and CO2 emissions. Crew members are expected to pack the waste ash after incineration for disposal by qualified contractors on shore. There is a blanket ban on the incineration of plastics. All must be unloaded in port for disposal even if the ship is equipped with a super high temperature (over 850 degrees Celsius) incinerator.

The unloading of oily rags and greasy sludge produced during ship operations is now banned by an increasing number of countries. Shipboard rags and sludge are therefore disposed of in accordance with regulatory standards using the incinerator aboard the ship, leading to an increase in the amount of ashes generated over recent years.

Sulfur oxide emissions in the past 3 years			
Unit: M ³			
	2016	2017	2018
Total	71.293	78.900	75.558
Avg. quantity (per ship)	0.7059	0.7812	0.657

Sludge Analysis

Sludge refers to the unusable oil residue left after marine fuel is processed by the fuel oil purifier. All sludge produced by the fleet are collected and measured in waste oil tanks for reclamation by sludge vendors. All unloading receipts or documentation are retained by each ship for at least three years for inspection by the relevant authorities.

When heavy oil is burned in the ship's power plant, this produces tonnes of sludge. To reduce environmental pollution, Evergreen Marine arranges for sludge to be recovered by contractors and sent to government-approved processing organizations for refuse. The main engine, generator, auxiliary boilers, pumping and piping systems also receive regular maintenance to improve fuel combustion efficiency and reduce the amount of waste oil & water produced.

Sludge analysis in the past 3 years				Unit: M ³
	2016	2017	2018	
Total	39,392.3	40,640.1	42,519.8	
Avg. quantity (per ship)	383.293	394.56	369.737	

Unloading of medical waste for shore side disposal by Evergreen Marine

Every ship in the Evergreen fleet is provided with a dispensary for storing first-aid equipment and drugs. Expired medical supplies and drugs must be unloaded for disposal. Each ship makes at least one application for the unloading of medical waste every year. Medical waste and expired drugs are handed over to government-approved receiving or disposal vendors when they come aboard. Existing lines and ports means that medical waste unloading services are currently available in Hong Kong, Singapore, and Los Angeles. If the ship berths at none of these ports then medical waste is sealed for temporary storage until its assigned line brings it into one of the ports that provide unloading services. Medical waste for shore side disposal were unloaded by a total of 49 ships in 2018

Shore operations

Kaohsiung Terminal

For many years, the Company has maintained a clean environment at the Kaohsiung Container Terminal. All the units in the terminal must be disposed of or recycle wastes after being classified and counted in various types of recycled materials to be collected for disposal through recycling vendors in the future. All garbage is are classified into specific storage areas, and qualified cleaning staff are entrusted for daily clean up in each unit, and garbage is collected and transported to for incineration on a regular basis. In 2018, the general waste volume was 256.70 tonnes, while the recyclable waste volume was 262.76 tonnes.

Evergreen Marine office building

In order to maintain a clean working environment for employees, recycling boxes for general garbage, paper, metal, glass, plastics are set up on all floors of the office building, and employees are required to recycle wastes by a 3-stage process: wash, crush, sort/store, in order to reduce the costs for waste disposal and improve recycling quality. Waste is regularly disposed in designated incinerators, with general waste volume of 98.6 tonnes and recyclable waste volume of 4.22 tonnes in 2018.

Disposal of old vessels

The environmental philosophy of the Evergreen Group is to protect the blue sea and ensure occupational safety. During the disposal and scrapping of old Evergreen ships, chosen buyers are required to conform with the operating principles advocated by the Hong Kong Convention during ship recycling. Our request for proposals and sale contracts for old ships explicitly require the buyer to use an ISO certified "Green-Ship Recycling Shipyard", and ensure that the scrapping operations and recycling of dismantled waste resources will comply with Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships advocated by the IMO in 2009. Although the convention still hasn't taken effect, Evergreen still adheres to this stringent standard, and include the provisions of the Convention as necessary conditions for selling old ships, indicating that the company attaches great importance on security and environmental protection.

In addition to setting environmental protection standards for ship recycling, the Hong Kong Convention also sets clear standards for the safety of ship scrapping operations. In order to protect the safety and health of ship scrapping workers, the Convention clearly stipulates that recycling shipyard should take necessary measures to provide workers with protective equipment and appropriate clothing, and conduct training courses prior to ship dismantling to improve the abilities of relevant personnel and their awareness of the nature of their work.

Evergreen Marine attaches great importance to corporate social responsibilities, and will continue to review old ship disposal and recycling policies to ensure safer and environmentally friendly operations can keep up with the changing world.

Waste Disposal in 2018					
Item	Type	Disposal method	Disposal amount	Remarks	
Ships at sea	Incinerator ashes	Recycle	75m3	<ul style="list-style-type: none"> The scope does not include domestic waste, operational waste, kitchen scraps and medical waste unloaded in port The international unit used for unloading of shipboard waste in port is m3 so no data is available for weight. The method of disposal depends on the relevant regulations of the port nation. Removal and disposal is carried out by port-approved operators. 	
	Waste oil	Recycle	42,519m3		
Shore operations	Kaohsiung Terminal	Domestic waste	256.70 tonnes	<ul style="list-style-type: none"> The raw data for waste tires and waste oil does not include weight. Their quantities are also relatively small so were not included in the statistics. 	
		Waste hardware and waste paper	262.76 tonnes		
	Evergreen Marine office building	Domestic waste	98.6 tonnes		
		Recycle	4,220 kg	Recycled by the recycling company	

04

Partnership and Customer Management

- I. Shipping Alliance
- II. Cargo Safety
- III. Supplier Management
- IV. Customer Management



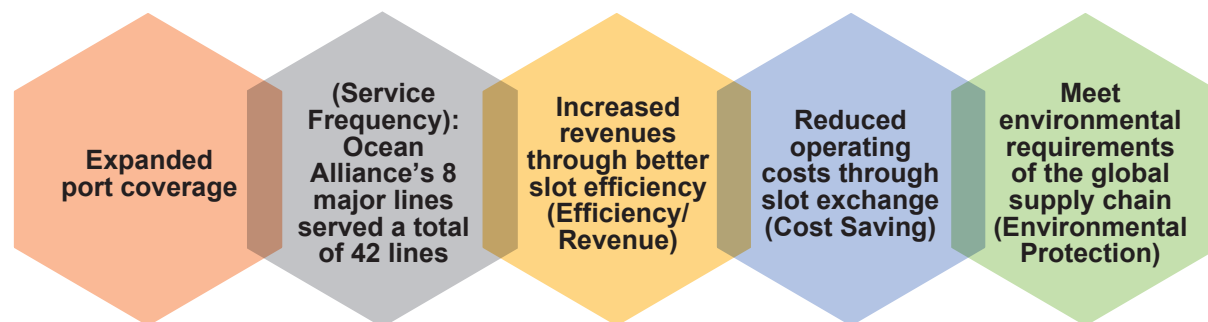


- Evergreen Marine has partnered with the well-known electronic transaction platform Bolero to provide high-quality global delivery services, and added the innovative “i-B/L” and “i-Dispatch” functions to Evergreen’s proprietary ShipmentLink platform.
- The customer satisfaction survey averaged an outstanding 4.83 for overall service performance (on a 5-point scale).

I. Shipping Alliance

Development of associated operations

The trend toward larger vessels to reduce the cost of shipping operations makes it well-nigh impossible for a single shipping company to sell all the slots such large ship can provide if it operates the line by itself. Various partnership models including vessel sharing, slot exchange and slot charter are used by shipping companies to obtain the slots that they each need, in order to increase the port coverage and port-call frequency, reduce operating risk and the imbalance between slot supply and demand on the market, and further meet environmental requirements of the global supply chain. The largest alliance in the shipping market is the OCEAN Alliance formed by Evergreen Marine, CMA CGM, COSCO SHIPPING and OOCL.



The partnership model chosen by Evergreen Marine is independently operated lines (core service) supplemented by vessel sharing. Slot exchanges are conducted with lines operated by associated shipping companies as equals, or directly purchased slots in order to obtain each other's slots on lines that they operate.



EVERGREEN



2018 Evergreen Marine's Cooperation Model of OCEAN Alliance (OA)		
Vessel sharing	Slot exchange	Slot charter
<ul style="list-style-type: none"> • If the returns on a new line and the slot demand are insufficient to support independent operations, team up with one or more carriers to provide ships on that line in order to reduce and share operating costs. 	<ul style="list-style-type: none"> • Exchange slots with one or more carriers on an existing route to provide customers with more options and improve competitiveness. 	<ul style="list-style-type: none"> • Buy and sell slots with one or more carriers on existing lines that they operate in order to satisfy each other's demand for slots on lines that they operate.

In 2018, the Ocean Alliance cooperated in the Day 2 Product with a total of 42 routes, with a total of 338 ships, with total carrying capacity of nearly 3.71 million TEU. In 2019, the Ocean Alliance cooperated in the Day 3 Product with total routes slightly reduced to 39 due to the delivery of ultra-large ships in 2019, and the total number of ships were reduced to 330, with total carrying capacity increased to nearly 3.86 million TEU.

2018 OCEAN Alliance Day 2 Product Cooperation on 42 lines

- Far East/Europe: 6 routes per week
- Far East/Mediterranean: 5 routes per week
- Far East/US East Coast: 7 routes per week
- Far East/US Southwest: 9 routes per week
- Far East/US Northwest: 4 routes per week
- Far East/Middle East: 5 routes per week
- Far East/Red Sea: 2 routes per week
- Pan-Atlantic routes: 4 routes per week

2019 Ocean Alliance Day 3 Product Cooperation on 39 lines

- Far East/Europe: 7 routes per week
- Far East/Mediterranean: 5 routes per week
- Far East/US East Coast: 7 routes per week
- Far East/US Southwest: 8 routes per week
- Far East/US Northwest: 4 routes per week
- Far East/Middle East: 4 routes per week
- Far East/Red Sea: 2 routes per week
- Pan-Atlantic routes: 2 routes per week

Cooperation mode and outlook

The OCEAN Alliance is based on each member providing each other with the contact details for their internal decision-making units and business leaders. All personnel involved handle matters related to their respective units and must be familiar with the conditions set by the alliance contract. Allied carriers are responsible for carrying the cargo of other members on their respective lines and ships. Any adjustments to lines and ports or goods and sailing schedules will only be made after close consultation between allied carriers and if it does not impact on line quality and members' interests. System integrations include providing each other with members' loading information. A data format that is acceptable to each carrier's information platform was also defined through mutual agreement.

An Operations Coordination Center (OCC) staffed by 2 people from each carrier was established by the Ocean Alliance (OA) in Hong Kong to coordinate the operation of OA lines. The key functions of the OCC includes ensuring smooth operations of the OA line network (monitor network performance, monitor dock performance, compile and provide line network, performance reports), updating schedules (compile the standard pro-forma schedule (PFS) based on information provided by alliance members, update the coastal sailing schedule, and maintain contact with alliance members if there are any unexpected incidents), coordinating the sailing schedules for each line and coastal services, maintaining the stability of sailing schedule

and service quality on each line such as the handling of unexpected events and disputes, and supporting monthly settlements by alliance members.

In the short term, Evergreen Marine will continue to maintain close cooperation on the 8 major lines, and discuss any market developments with allied carriers and make line adjustments as necessary to provide customers with the best line services. For medium- and long-term strategies, the company will not only strengthen cooperation on the best-performing lines but also form partnerships on other niche lines such as the Asia/Western South America, Eastern South America, Australia and India market. In order to continuously improve the relationship between alliance members, OCEAN Alliance has decided to officially extend the alliance period by 10 years to 2027.

II. Cargo Safety

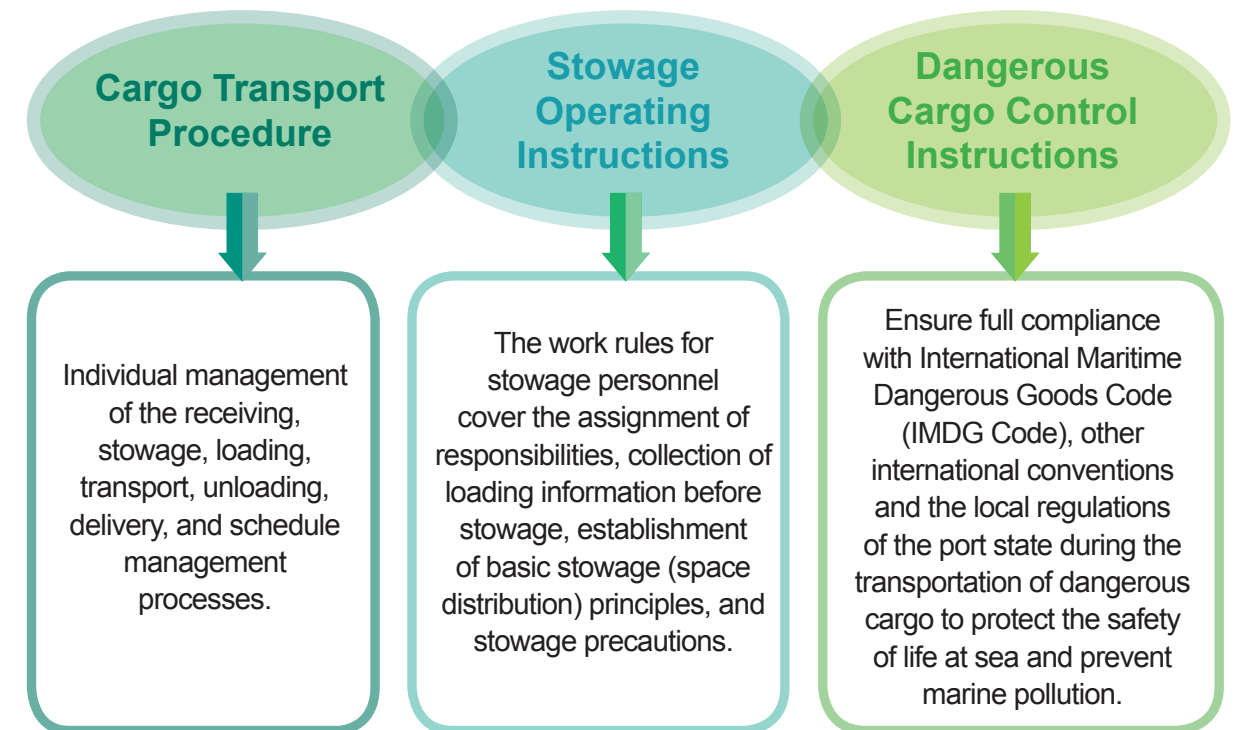
Freight transport regulations

The transportation of goods by sea play an important part in economic and trade development. Upholding the safety of the employee, cargo, and ship as well as the zero accident have always been the Evergreen Marine's philosophy. Containers entrusted to us by customers are carefully loaded aboard our ships in accordance with the International Convention for the Safety of Life at Sea (SOLAS), the International Convention for the Prevention of Pollution From Ships (MARPOL), International Convention for Safe Container (CSC), and International Maritime Dangerous Goods Code (IMDG Code). We also arrange for regular personnel training and education, receive in-depth and sophisticated training on transportation requirements of specific dangerous goods for duties performed by each personnel to raise their awareness and strengthen their sense of responsibility, in order to reduce the chance of accidents and realize the safe transport goals.

Evergreen Marine has also developed the three work instructions to ensure proper management and the correctness of related policies, procedures and implementations. The "Consignment Acceptance Guidelines" were also drawn up to ensure the safety of ships at sea and customer cargo. All customers cooperated with the relevant regulations in 2018 and no violations were reported.



Evergreen Marine's three work instructions are as follows:



The "Cargo Incident Notification System" (CINS) is an accident reporting platform jointly set up by leading international carriers in 2011. The purpose of the platform is to raise the safety of the supply chain through the sharing of accident information in order to reduce shipping accidents caused by cargo on shore and on ship, as well as highlighting the risks on specific goods and/or failure of packaging. As Evergreen Marine is one of its founding members, and company data are analyzed via the CINS database to assess specific cases that may require immediate action or the status of the incident, and find ways of preventing them through the sharing of accident information in order to reduce shipping accidents caused by cargo.

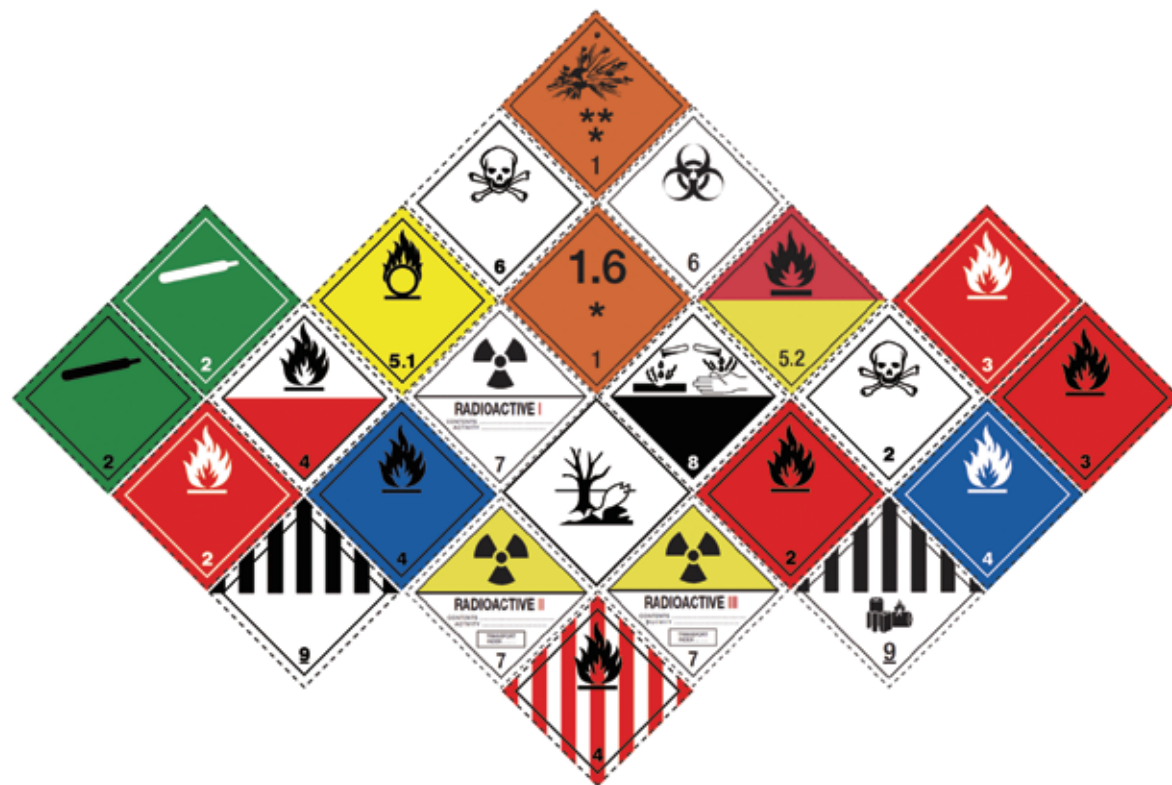
In 2018, Evergreen Marine filed 127 reports with CINS, of which 99 cases are immediately handled. The main cause of CINS reports was mistaken declaration by cargo owners at time of booking. Hence, the company must manage the source to reduce unreported or misreported incidents on dangerous goods. Providing customers with timely reviews of dangerous goods will not only prevent dangers to personnel, cargo and shipping but also avoid fines imposed by the port authority due to such mistakes.

In 2018, CINS organization formulated the document of Safety Considerations for Ship Operators Related to Risk-Based Stowage of Dangerous Goods on Containerships, and jointly discussed preventive measures with the American Bureau of Shipping (ABS) in response to the severe fire disaster on the Maersk Line. While struggling against the threat from undeclared and mis-declared dangerous goods, the organization is expected to develop a proposal based on the concept of risk-based dangerous goods stowage strategy for the carriage of properly declared Dangerous Goods. The draft was completed in February 2019, and five member shipping companies commenced a 3-month trial and further discuss the feasibility of the document. Evergreen Marine believe that the exchanging views and insights can further improve transportation safety in the shipping industry, as well as ensure the safety of seafarers and ships and smooth service for customers.

Management of dangerous cargo

The transport of goods by sea is a part of international trade and dangerous goods are imported and exported by major ports around the world. The regulations of the International Maritime Dangerous Goods Code (IMDG Code) require dangerous goods to be properly labeled for transport to serve as a warning and to make them easy to identify. However, the labeling rules of the IMDG Code are very complex and beyond the ability of ordinary customers. Evergreen Marine has therefore offered dangerous good placards as an option for our customers' to consider, this is as part of our comprehensive customer service. The dangerous goods placards are in full compliance with the size and quality of the IMDG rules. They provide a clear indication of dangerous goods loaded into containers during the transportation process.

Dangerous Goods Label

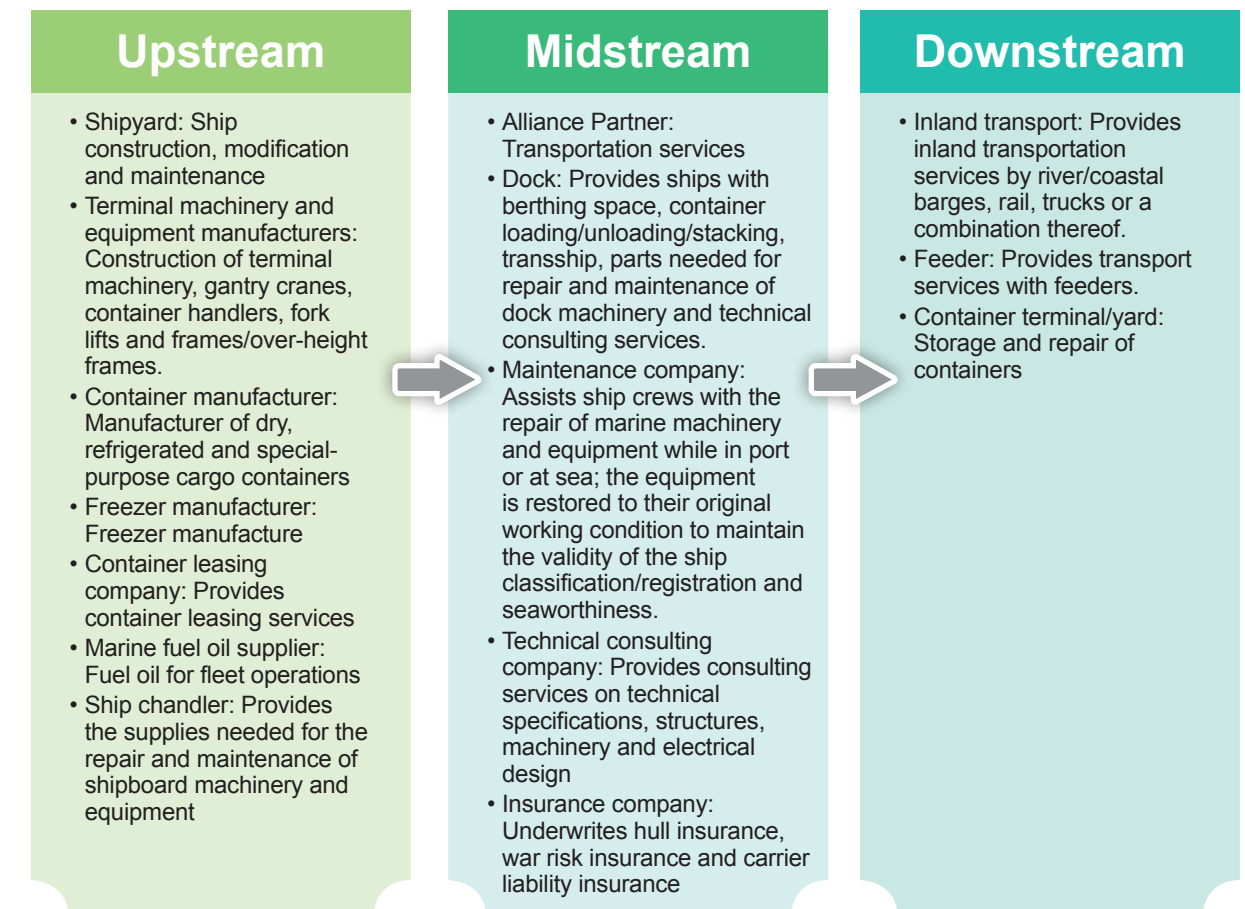


Becoming a member of the OCEAN Alliance means Evergreen Marine has made adjustments to what dangerous goods we will accept to bring them in line with the other three Alliance members. We still maintain our own ideals on safe transportation and other considerations. More personnel from chemical and shipping backgrounds were also added to the Evergreen Marine Dangerous Goods Team to provide multiple checks against the entry of dangerous goods into the OA service network through concealment, non-reporting or misreporting. Our goal is to achieve a safe transportation environment with zero accidents through co-operation. Due to the regular amendments of the International Maritime Dangerous Goods Code, the International Vessel Operators Dangerous Goods Association (IVODGA) has established the e-Learning platform in order for knowledge updates, and adopts a self-learning model without delay to enhance the awareness of the heads of the Dangerous Goods Team and the operations department on dangerous goods. In 2018, there were no incidents of transportation services not conforming to local or national laws/regulations. Evergreen Marine fleets and docks adhere strictly to all operating procedures. There were no significant spills of oil, fuel, waste or chemical substances resulting in massive fines for violation of environmental protection regulations in 2018.

III. Supplier Management

Evergreen Marine's value chain

Evergreen Marine works closely with all suppliers to promote the flow of international cargo by delivering owners' goods to their destinations.



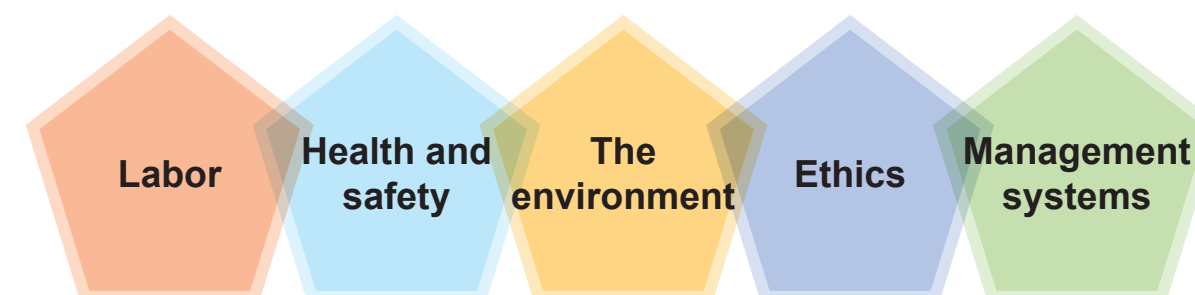
The highly globalized business model of Evergreen Marine has built up enduring partnerships with local suppliers around the world.

2018 Ratio of local procurement						
	Procurement category	Procurement information	Americas	China (including Hong Kong)	Asia (including Taiwan)	Europe / Mediterranean / Africa
Up-stream	Machinery and equipment manufacturer, port machinery technical consulting company (incl. terminal machinery)	Number of suppliers	1	4	6	1
		Ratio of local procurement	0%	69%	31%	0%
	Container manufacturer, freezer manufacturer, leasing company	Number of suppliers	-	17	2	-
		Ratio of local procurement	-	100%	100%	-
	Ship spares	Number of suppliers	41	-	69	27
		Ratio of local procurement	29.9%	-	50.4%	19.7%
	Marine fuel and oil	Number of suppliers	4	12	58	4
		Ratio of local procurement	27.35	22.10	29.23	21.32
	Ship	Number of suppliers	-	-	2	-
		Ratio of local procurement	-	-	67%	-
Down-stream	Barge, lighter, truck and rail transport services	Number of suppliers	562	176	274	282
		Ratio of local procurement	100%	100%	100%	100%
	Inland container yard (Storage and repair of empty containers)	Number of suppliers	198	472	260	291
		Ratio of local procurement	100%	100%	100%	100%
Other	General affairs and office supplies	Number of suppliers	-	-	30	-
		Ratio of local procurement	-	-	100%	-

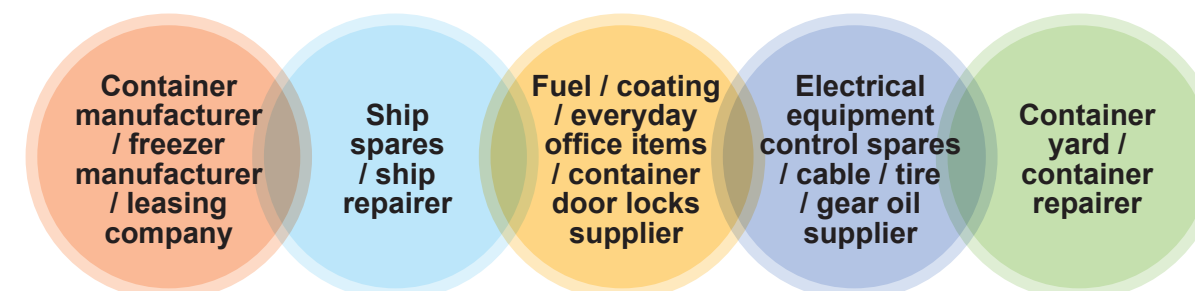
Selection of suppliers

The sea shipping services depends on all suppliers in the supply chain working together. Evergreen Marine established the "Supplier Transaction Management Instructions," "Business Partner Management Instructions" for the procurement department to follow. In 2018, Evergreen Marine established the "Supplier Code of Conduct" to set common values and standards for cooperative suppliers under five key aspects, and encourages suppliers to perform better than basic requirements and enhance services in all fields.

Five major aspects of supplier behavior



Selection of suppliers and CSR standards



Evergreen Marine suppliers for container manufacturing, freezer and cargo leasing services must operate within the environmental, labor, human rights and social policy framework set by the local government. Compliance with national legislation is therefore a basic requirement during supplier selection. Other factors including customer service performance, level of cooperation with Evergreen Marine policies, costs and quotes are also taken into account when selecting suppliers. When selecting a new supplier, their product quality, delivery time, price, market record/reputation and service quality must be considered. Their environmental and social records are also vetted to avoid dealing with companies that are at odds with our CSR policy. Inquiries, price negotiations and orders for all proposed procurements are conducted in accordance with CSR ideals and guidelines as much as possible. Bidders and procurement projects are assessed in terms of environmental sustainability, human rights protection and integrity before they are recognized as a qualified supplier.

For repairers and suppliers, Evergreen Marine attaches great importance on suppliers' labor rights and environmental safety, and requires suppliers to provide employee insurance (labor and health insurance), personnel training and occupational safety management. New suppliers were screened using environmental criteria, and are required to provide as much CSR related documents as possible.

Evergreen Marine's occupational safety regulations for repairers and suppliers	
1	Timely conduct occupational safety and health education for workers
2	Instruct employees to wear personal protective equipment, including helmets/safety footwear/fitted work uniforms/seat belts.
3	Advocate on safety and health precautions before commencement of construction
4	Implement construction according to safety and health standards
5	Educate on safety and health regulations for workers
6	Strictly prohibit smoking/drinking at the construction site
7	Workers must dispose of on-site garbage by themselves.
8	Responsible companies will be suspended from operations for a short period of time when there are work accidents due to construction error, which caused damage to the ship, such as fire disasters and oil spills, and for serious cases, the responsible companies will be permanently suspended from operations and shall compensate for relative damages.
9	Contractors shall comply with the occupational safety regulations and accept guidance from Evergreen Marine's ship personnel.
10	In accordance with entry and exit vehicle restraints at loading docks, the vehicles should have yellow warning lights placed on its car roof, and should park at non-designated locations.
11	The hanging operations has been carried out in accordance with Item 12 of Evergreen Marine's "Operating standards for safety and health."
12	The terminal spraying operation has been carried out in accordance with Item 8 of Evergreen Marine's "Operating standards for safety and health."
13	As for other hazard prevention policies, please refer to the relevant labor regulations and occupational safety and health regulations.

The supplies from relevant suppliers can be classified into fuel oil, gear oil, paints, stores and container door locks. New suppliers are required to sign the "Environmental Protection Agreement" to become part of the Evergreen Marine Fleet supply chain.

To ensure the optimum performance of all cranes and machinery at all times, a variety of spare parts and components are procured by the Kaohsiung Container Div. for repairs and regular maintenance. The top priorities are ensuring the continuity of terminal operations and safety. Suppliers must comply with local government laws, with no violation records, and has sufficient scale, sound mechanism and good market reputation. The supplier must also be able to provide timely service or supply under emergency situations with good (service, product) quality, as well as deliver service and goods on time in accordance with regulations governing Evergreen Marine's outsourcing processes. Evergreen Marine also attaches great importance on supplier CSR, and the supplier's environmental and social records are vetted to avoid dealing with companies that are at odds with our CSR policy. Inquiries, price negotiations and orders for all proposed procurements are conducted in accordance with CSR ideals and guidelines as much as possible. Bidders and procurement projects are assessed in terms of environmental sustainability, human rights protection and integrity before they are recognized as a qualified supplier. CSR clauses are explicitly included in contracts to emphasize and enforce the importance of sustainable purchasing.

For inland container yard suppliers, Evergreen Marine has included labor, health and environmental protection requirements in the supplier evaluation standards. New suppliers must comply with local regulations and standards, with suitable insurance as well as anti-corruption clauses included in the agreement contract.

CSR screening of new Evergreen suppliers in 2018	
Number of new suppliers in 2018	49
Ratio of new suppliers that underwent CSR screening	53.1%

Supplier evaluation

Evergreen Marine established the "Supplier Transaction Management Instructions," "Business Partner Management Instructions" for the procurement department to follow and a procurement evaluation review meeting is convened when necessary. Qualified suppliers with an existing business relationship must undergo and pass at least one evaluation process every year for the relationship to continue. Those who fail the evaluation will have further transactions suspended and issued a deadline for corrective action. If they fail the evaluation again, they are removed from the list of qualified suppliers.

Evergreen Marine, adopts online bidding methods for suppliers such as container manufacturers, freezer manufacturers and leasing companies, with a strict deadline of bidding, the Company ensures a fair procurement and evaluation process. The annual supplier evaluation is conducted in September every year, appraising supplier's service quality, professionalism, flexibility, product delivery time and price. The average result of supplier evaluations in 2018 was positive.

For ship spares and repairers, the computer management system simultaneously sends out e-quotation, and sets consistent requirements and quotation deadlines as the basis for final procurement review and evaluation, in order to implement a fair procurement process. In terms of supplier evaluation, the HUB (ship) and SOL (shore) evaluation mechanism review each procurement case (repairs/spare parts) in a more stringent manner than the required annual supplier evaluation, and the company achieved an average of 8.73 points (on a 10 point scale). Qualified suppliers that could influence Evergreen Marine's quality of service will be appraised in computer system.

The Maintenance Dept. Ship crews evaluate the packaging and documentation when spare parts are delivered while the engineer in charge evaluates the spare part's delivery time, price and quality when it is expended.

A maintenance platform meeting is convened every month. Ad hoc meetings can also be convened, if necessary. Platform members consist of representatives from the Auditing Dept., Supervisory Dept., Finance Dept. and Maintenance Dept. Platform meetings are held to discuss spare parts procurement and selection of ship repair shipyards, the analysis on spare parts inventory, as well as the requirements and progress of related program development.

Evergreen Marine Maintenance Platform Review Items	
1	Procurement of common spare parts Same spare parts of more than two ships with procurement amount above US\$100,001 (inclusive)
2	Review or amendment of the existing procurement process
3	Results and analysis of the fleet's spare parts inventory twice a year
4	Shipyards selection and distribution for the next year If there are temporary factors such as shipping schedules/ship repair that resulted in changes in distribution of the original shipyard, it shall be reported to the maintenance platform after the incident
5	Development progress and major amendments of the new program related to ship maintenance (such as shipping warehouse / inventory / deployment / regeneration / warranty)
6	The change in development or process of the ship maintenance program for outbound shipping stations (Tokyo, Shanghai & Singapore) (including repairs and spare parts)
7	Other main/special matters that require group resolution

The suppliers uses an online quotation system to prevent behavioral risk. Evergreen Marine will also sign contracts with suppliers to guarantee reasonable prices and supply in order to save on costs. For example, the fuel contract price will save about US\$4 million per month compared with the market price. Supplier evaluation is conducted annually, and showed positive evaluation results in 2018, indicating that suppliers are in compliance with Evergreen Marine's requirements.

In order for repair and maintenance of equipment and construction facilities at the container yard so as to ensure safe operations, Evergreen Marine annually adopts an internal computer evaluation system to select outstanding suppliers as long-term partners. For major procurement or maintenance construction projects, the Company will provide various conditions for the bidders, and conduct a cross-department review meeting, in the hope to select qualified suppliers that meet requirements to participate in related projects. After the construction is completed, Evergreen Marine will perform assessments as a reference for future evaluation in order to achieve good construction quality.

Evergreen Marine has inland container yard suppliers all around the world. Local offices and agents work together to supervise the quality of service at all inland container yards and make improvements to their cost structure. Due to national differences in environmental protection, labor, human rights and social policies, all of our local suppliers must obey the laws of their nation. They must also adjust their operating models based on changes and developments in national legislation to avoid impacting negatively on environmental protection, workers, human rights and society. The annual supplier evaluation is conducted in April every year, appraising supplier's service quality, professionalism, flexibility, product delivery time and price. The average result of supplier evaluations in 2018 was good and the requirements were met in every category.

2018 Supplier evaluation						
	Container manufacturer / freezer manufacturer / leasing company	Ship spares / ship repairer	(Supply)	Electrical equipment control spares / cable / tire / gear oil supplier	Container yard / container repairer	Total
Number of suppliers audited in 2018	29	239	78	442	24	812
Number of suppliers that passed the audit	29	239	78	442	24	812

IV. Customer management

Attach great importance on customer service

Evergreen Marine values every customer and makes the provision of comprehensive, high-quality services as our goal. In addition to assist our customers with solving any import and export issues we also make customer visits with the sales unit or customer service in order to understand customers' requirements through face-to-face communication and provide customers with tailored services. Dedicated sales and customer service personnel are assigned by the sales and customer service units to each route or account to ensure that they understand the customer's shipping characteristics. If the customer has any special requirements regarding the bill of lading or method of payment, customer service personnel can configure the system to manage and provide tailored service.

Evergreen Marine organizers also carry liability insurance to protect customers against the loss or damage of their goods in transit. When a customer claim for compensation is received it is immediately provided to the relevant units for their reference. The statistics for all cases of cargo damage are analyzed every year and the necessary units are notified to take preventive measures to reduce customer claims for compensation, improve the safe delivery of goods and maintain long-term customer relations.

Evergreen Marine takes customer privacy very seriously. In addition to the systematic protection and management of customer information, our personnel receive additional training on "privacy protection" and "information security" for protecting customer privacy. There were no complaints over violations of customer privacy or leakage of customer information in 2018.

Premium customer service

We provide human-friendly and cordial services and with the concept of “one stop service,” so that customers will get a satisfactory answer with just one call. We provide customers with 24-hour service all-year round. We are committed to developing the ShipmentLink e-commerce system that will provide our customers with everything that they need to know at any time including the sailing schedule, container movements, register and call sign, B/L information, e-mail release status, container tare weight and regional information. ShipmentLink can be used to subscribe the sailing schedule and for submitting the containers’ verified gross mass (VGM).

Establish “Intelligent Service” for more efficient trading

Evergreen Marine has partnered with the well-known electronic transaction platform Bolero to provide high-quality global delivery services. The innovative “i-B/L” and “i-Dispatch” functions added to Evergreen’s proprietary ShipmentLink platform creates a reliable shipping service chain and high performance information system. The paperless e-commerce service helps cargo owners streamline international trading processes, improve their operational efficiency, and achieve high quality global delivery services.

i-B/L

- Evergreen issues an electronic bill-of-lading that serves as a document of title recognized by banks and insurers through the ShipmentLink platform. Once it is received by the customer, they can transfer the ownership of their goods with ease through the ShipmentLink platform. Procedures such as importing/exporting, payment processing between banks and carriers, collection and settlement can all be accelerated.

i-Dispatch

- The digital delivery of trade documents to all units involved in the international trade process, which includes commercial invoices, loading list, place of origin/quarantine/insurance certificates can be encrypted and uploaded in electronic format to ShipmentLink for rapid dispatching. Commercial confidence is assured as well.

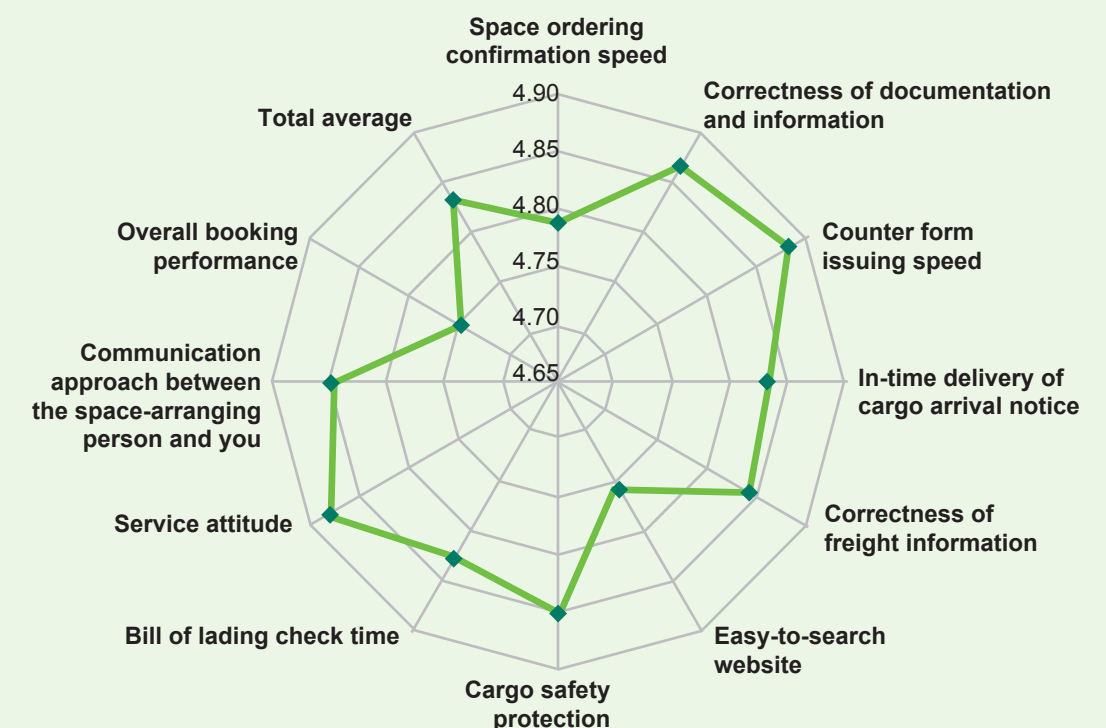
To maintain a premium standard of customer service, we enhance the professional practice and etiquette of the customer service personnel by implementing the “Customer Service Management Project” and the management cycle mode of Plan-Do-Check-Act(PDCA). Relevant operational indicators and standards have been established from the start of training through to the actual online operations. Continuous improvement of operational deficiencies is implemented through regular inspections of operational quality at every level. Internal inspections were carried out 93 times in 2018. All audited personnel achieved a score of 90 or more and met the target score of 4 or higher. Ratings for professional practice averaged 4.94 while ratings for service etiquette averaged 4.93. Personnel with a lower audit score will be targeted during the next audit to check the quality of service that they provide to customers.

Satisfaction survey

We firmly believe that customer opinion plays an important role in ensuring the service quality. An external questionnaire survey is therefore conducted at different times every quarter in order to differentiate our service from that of our competitors.

In 2018, Evergreen Marine conducted a customer satisfaction survey via customer visits and questionnaires, and collected a total of 1,067 valid questionnaires. The overall service performance averaged 4.83 points (on a 5-point scale), and which has been continuously increasing since 2015. The survey found that customer approval was highest for Evergreen’s “service attitude” and “overall operator performance.” Regarding the “overall booking performance” which had lower approval rating, the customer service unit has analyzed customer’s opinions and discovered problems on slot supply, container shortage and review of dangerous goods and special goods, which have led to booking delays. The Company’s responsible units have been asked to improve handling efficiency and reminder frequency to reduce the waiting time for customers.

2018 Customer satisfaction survey



05

Public Care

- I. Promotion of Maritime Education
- II. Contribution to Society
- III. Art and Literature Participation
- IV. Charity



Highlights

- Coordinate the Port of Kaohsiung Taiwan International Ports Co., Ltd. to test the feasibility of connect to shore power when they are docked at the No.115 Container Terminal of Kaohsiung Port
- Support the Immigration Department of the Ministry of the Interior in organizing the “2018 Education and Training Program for Immigrant Children” and a total of 43 immigrant children visited the Evergreen Maritime Museum as well as participated in the Evergreen Marine Career Lecture.

SDGs

Corresponding to the UN SDGs



SDG9

We have leased docks at Kaohsiung Port and upgraded them over the years to handle larger ships, improve their operational efficiency, reduce energy consumption and air pollution, as well as lower operating risks for employees. By doing so, we make a contribution to the sustainable development of the infrastructure.



SDG10

We are dedicated to promoting “Away from Poverty by Sailing” by providing channels and information for potential sailing talents to enter the shipping industry, supporting equal opportunities for disadvantaged families, and helping to lift them out of poverty.

I. Promotion of Maritime Education

Maritime career lecture

A. Marine Engineering Career Lecture

National Kaohsiung Marine University guided the high school/vocational school students to study in the marine engineering department to assist students' on their career development for working on board and to engage in jobs related to the maritime industry. On January 5, 2018, Evergreen Marine's Chief Engineer was invited to introduce the career development and working characteristics of marine engineers to auto maintenance students at Taipei Municipal Da-An Vocational High School.

B. Invite immigrant children to visit the Evergreen Maritime Museum

In order to care for immigrant groups, Chang Yung-Fa Foundation supported the Immigration Department of the Ministry of the Interior in organizing the “2018 Education and Training Program for Immigrant Children” in July 17, 2018 and a total of 43 immigrant students from high schools and universities have visited the Evergreen Maritime Museum as well as participated in the Evergreen Marine Career Lecture. In addition to having a good impression on Evergreen Maritime Museum collections, the students also participated in the introduction of marine life presented by Evergreen Maritime's second officer Lin Yuan-Sheng, and were all encouraged to pursue their dreams in the maritime industry.



C. Nanjing Maritime Career Lecture

In December 2018, Evergreen Marine organized a seminar on maritime career lecture at Jiangsu Maritime Vocational Institute in Nanjing in conjunction with the Chang Yung-Fa Scholarship presentation ceremony in China, which was participated by a total of 250 navigation and engineering students.



II. Contribution to Society

Evergreen Marine pays great attention to local care and social feedback, and signed a lease contract with Taiwan International Ports Corporation, Ltd. for the seventh container terminal in 2018, deeply cultivating Kaohsiung Port as a transshipment hub for Southeast Asia, which has provided many local residents with employment opportunities. The terminal is designed on annual capacity of up to 6 million TEU, and will provide facilities such as automatic Terminal Operation system in the future under the prevailing market situation and demands.

Evergreen Marine will reduce emissions from ships during ship turnaround in accordance with the Green Port Policy of the Ministry of Transportation and Communications, in order to improve air quality near ports and create an environmentally friendly green port. The Company has carried out the following measures:

1. High-quality low-sulfur fuel should be replaced for ships within 5 nautical miles distance from Kaohsiung Port since February 1st, 2018 and seven major international commercial ports since July 23, 2018.
2. Reduce ship speed as much as possible within 20 nautical miles distance from the Taiwan Strait.
3. Actively coordinate the Port of Kaohsiung Taiwan International Ports Co., Ltd. to test the feasibility of connect to shore power when they are docked at the No.115 Container Terminal of Kaohsiung Port.

III. Art and Literature Participation

Knowing that music is one of the best ways to purify people's hearts, Evergreen Marine sponsored Evergreen Symphony Orchestra on five "Classical Music Banquet" concerts in the National Theater and Concert Hall in 2018, with a total of 2,000 concert tickets for the Company's employees and their families. We also invited customers, the physically and mentally disabled and social welfare groups to participate in the music and art appreciation, enabling them to alleviate physical and mental stress.

In 2018, Evergreen Marine sponsored the concerts of Evergreen Symphony Orchestra and invited the following list of public welfare groups:

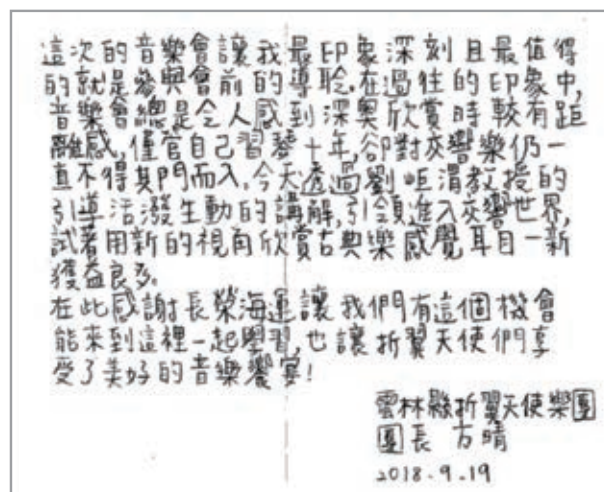
Date	Name of concert	Groups invited
June 10, 2019 (Sunday)	Manfred Symphony Night	Music Foundation for the Blind in Taipei, Zayin, Huashan Social Welfare Foundation
September 16, 2019 (Sunday)	Beethoven Romantic Night - Huang Bin and ESO	Music Foundation for the Blind in Taipei, Zayin, Yun Lin Angel Orchestra
October 12, 2019 (Friday)	Classical and Impression Tour	Volunteers of Evergreen Maritime Museum
November 2 (Thursday)	Brooklyn Symphony Night	Huashan Social Welfare Foundation, Holy Word Children and Youth Foundation, Yun Lin Angel Orchestra
December 28, 2019 (Friday)	Mozart Winter's Love - Hu Ching-Yun and ESO	Arts Promotion for the Disabled R.O.C.



Evergreen Group 50th Anniversary Concert

2018 marks the 50th Anniversary of Evergreen Group. To express joy and gratitude by celebrating with customers, employees, families and friends, Evergreen Symphony Orchestra has organized the "Evergreen Group 50th Anniversary Concert" in the Taipei International Convention Center on September 2, 2018, and traveled to China to perform in the National Centre for the Performing Arts in Beijing, Ningbo Cultural Plaza Grand Theatre and Shanghai Concert Hall.

In addition to venues in Taiwan, the three concerts in China were also warmly welcomed by local customers, of which tickets for the concerts were sold out quickly. The concerts have a crowded audience and almost had a full house. The Beijing concert was participated by hundreds of Beijing Tsing Hua University and Peking University students awarded with the Chang Yung-Fa Scholarship, which brought about a warm atmosphere for celebrating the 50th anniversary of Evergreen Group.



IV. Charity

Sponsor for “Paint a Marvelous Ship - National Elementary School Maritime Drawing Competition”

Evergreen Marine co-organized the “6th Paint a Marvelous Ship - National Elementary School Maritime Drawing Competition” held by the Evergreen Maritime Museum. The competition was open to all elementary school students throughout Taiwan, and a special “Angel Division” was also set up for the works of handicapped students nominated by their schools to draw public attention to art education for ordinary and handicapped children.

The competition enables participants to select a favorite maritime cultural relic in the Evergreen Maritime Museum for sketching, while the Angel Division is open for teacher’s recommendations on disabled children who are unable to arrive at the museum for sketching, so that the children can still show their talent, and opening the window of opportunity for art talents!

A total of 2,399 students and parents visited the Museum during the 9 days of the competition. There were 576 entries and 32 entries in the Angel division. Anonymous judging was carried out by invited veteran art teachers and art therapists. 42 outstanding artworks were ultimately chosen including 15 entries from the Angel division. The award presentation ceremony by Chang Yung-Fa Foundation was held at the ground floor lobby of the Evergreen Maritime Museum on June 24, 2018. Evergreen Marine Senior Captain Huang Yi-En was invited as the award presenter, with a number of colleagues and children participating in the interesting sing along activity. All of the prize-winning artworks as well as the works of the Angel division were put on display in the Museum.



2018 Unfailing Love Coastal Cleanup

Evergreen Marine has long been aware of marine environmental protection issues. In November 3, 2018, the Kaohsiung Terminal Division and the Wildlife Conservation Society jointly organized the “2018 Unfailing Love Coastal Cleanup” in Zhongyun Beach, Linyuan District, Kaohsiung City. On that day, over 47.9 kg of garbage was cleared, including special types of garbage such as plastic products and medical needles. Through onsite participation, employees can understand the actual status of the ocean and reflect upon changes that can be made in daily life.



Experience sharing

Early in the holiday morning, I participated in clean beach activities organized by the Company in Linyuan Dist. From the instructor’s picture explanation, I learned that the plastic wastes from humans have polluted the ocean and was accidentally eaten by fish. Plastic may be spreading from ocean food chains, and the decomposed plastic particles will get into the flesh of fish eaten by humans and affect our health. We then teamed up for beach cleaning, picking up trash under the hot sun, which were then classified under the guidance of the instructor.

The Government has been encouraging the use of reusable shopping bags to reduce the use of plastic bags, and has recently prohibited the use of plastic straws. Good policies require joint efforts to be effectively implemented. Let us protect the earth together and implement plastic reduction to safeguard our health and the environment for the current and next generation.

“After listening to the ecological environment of Zhongyun Beach explained by Wildlife Conservation Society, let’s all roll up our sleeves and protect our ocean. After beach cleaning, we discovered that plastic waste, such as plastic bottle caps, straws and disposable tableware accounted for the largest proportion in the collected garbage, followed by fishing nets, fishing tackles and derelict fishing gears, indicating that the beach is a popular fishing spot. After viewing the “ICC International Beach Record” provided by the Wildlife Conservation Society, we have re-learned that our marine ecology is situation of being polluted by man-made garbage, and recognized that “Beach Cleaning” is not enough to offset the rapid pollution of the marine environment!

We not only need to “pick up” waste, but also “reduce” the amount of disposable waste produced in our lives, and accumulate more people to jointly protect our ocean and cherish our marine resources.

Appendix – GRI Standards Comparison Table

Indicators	Disclosure	Report Section	Page	Remarks
General Disclosure				
GRI 102: General Disclosures 2016				
Organizational profile				
102-1	Name of the organization	About Evergreen Marine Corp.	8	
102-2	Activities, brands, products and services	About Evergreen Marine Corp.	8	
102-3	Location of headquarters	About Evergreen Marine Corp.	8	
102-4	Location of operations	About Evergreen Marine Corp.	8	
102-5	Ownership and legal form	About Evergreen Marine Corp.	8	
102-6	Market served	About Evergreen Marine Corp.	8	
102-7	Scale of the organization	About Evergreen Marine Corp.	8	
102-8	Information on employees and other workers	2.1 Talent recruitment and retention	46	
102-9	Supply chain	4.3 Supplier management	101	
102-10	Significant changes to the organization and its supply chain	4.3 Supplier management	101	There were no significant changes to operations this year
102-11	Precautionary Principle or approach	1.2 Risk control	33	
102-12	External initiatives	Appendix	118	Not a signatory of any external initiatives
102-13	Membership of associations	1.1 Corporate Governance	26	
Strategy				
102-14	Statement from senior decision-maker	A Message from the Chairman	6	
102-15	Key impacts, risks and opportunities	About Evergreen Marine Corp.	8	
Ethics and Integrity				
102-16	Values, principles, standards, and norms of behavior	A Message from the Chairman 1.4 Compliance	6 41	
Governance				
102-18	Governance structure	1.1 Corporate Governance	26	

GRI standards	Disclosure	Report Section	Page	Remarks
102-19	Delegating authority	1.1 Corporate Governance	26	
102-20	Executive-level responsibility for economic, environmental, and social topics	1.1 Corporate Governance	26	
102-23	Chair of the highest governance body	1.1 Corporate Governance	26	
102-24	Nominating and selecting the highest governance body	1.1 Corporate Governance	26	
102-25	Conflicts of interest	1.1 Corporate Governance	26	
102-26	Role of highest governance body in setting purpose, values, and strategy	1.1 Corporate Governance	26	
102-27	Collective knowledge of highest governance body	1.1 Corporate Governance	26	
102-31	Collective knowledge of highest governance body	1.1 Corporate Governance	26	
102-32	Highest governance body's role in sustainability reporting	1.1 Corporate Governance	26	
Communication with stakeholders				
102-40	Stakeholder groups	Stakeholders and Issue Management	17	
102-41	Collective bargaining agreements	2.1 Talent recruitment and retention	46	
102-42	Identifying and selecting stakeholders	Stakeholders and Issue Management	17	
102-43	Approach to stakeholder engagement	Stakeholders and Issue Management	17	
102-44	Key topics and concerns raised	Stakeholders and Issue Management	17	
Reporting practice				
102-45	Entities included in the consolidated financial statements	Appendix	118	Please see Evergreen Marine 2018 Annual Report
102-46	Defining report content and topic Boundaries	About the CSR Report Stakeholders and Issue Management	4 17	
102-47	List of material topics	Stakeholders and Issue Management	17	

GRI standards	Disclosure	Report Section	Page	Remarks
102-48	Restatements of information	Appendix	118	There were no re-statements of information in this year's report
102-49	Changes in reporting	Appendix	118	There were no significant changes to this year's report
102-50	Reporting period	About the CSR Report	4	
102-51	Date of most recent report	About the CSR Report	4	
102-52	Reporting cycle	About the CSR Report	4	
102-53	Contact point for questions regarding the report	About the CSR Report	4	
102-54	Claims of reporting in accordance with the GRI Standards	About the CSR Report	4	
102-55	GRI content index	Appendix	118	
102-56	External assurance	About the CSR Report	4	
GRI 103: Management Approach 2016				
103-1	Explanation of the material topic and its Boundary	Stakeholders and Issue Management	17	
103-2	The management approach and its components	Stakeholders and Issue Management	17	
103-3	Evaluation of the management approach	Stakeholders and Issue Management	17	
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed by the organization	About Evergreen Marine Corp.	8	Please refer to the annual report and financial statements for full disclosure of financial information
201-2	Financial implications and other risks and opportunities due to climate change	1.2 Risk control	33	
201-3	Defined benefit plan obligations and other retirement plans	2.1 Talent recruitment and retention	46	

GRI standards	Disclosure	Report Section	Page	Remarks
GRI 204: Procurement Practices 2016				
204-1	Proportion of spending on local suppliers	4.3 Supplier management	101	
GRI 205: Anti-Corruption 2016				
205-3	Confirmed incidents of corruption and actions taken	1.4 Compliance	41	
GRI 206: Anti-Competitive Behaviors 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.4 Compliance	41	
Environmental Indicators				
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	3.2 Energy management	79	
302-3	Energy intensity	3.2 Energy management	79	
302-4	Reduction of energy consumption	3.2 Energy management	79	
302-5	Reductions in energy requirements of products and services	3.2 Energy management	79	
GRI 303: Water 2016				
303-1	Water withdrawal by source	3.4 Water resource management	90	
GRI 304: Bio-diversity 2016				
304-2	Significant impacts of activities, products, and services on biodiversity	3.1 Sustainable Shipping and Innovative Technology	71	
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	3.2 Energy management	79	
305-2	Energy indirect (Scope 2) GHG emissions	3.2 Energy management	79	
305-4	GHG emissions intensity	3.2 Energy management	79	
305-5	Reduction of GHG emissions	3.2 Energy management	79	
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	3.3 Emissions management	86	

GRI standards	Disclosure	Report Section	Page	Remarks
GRI 306: Effluents and Waste 2016				
306-2	Waste by type and disposal method	3.6 Waste management	91	
GRI 307: Compliance with environmental laws and regulations 2016				
307-1	Non-compliance with environmental laws and regulations	1.4 Compliance 4.2 Cargo Safety	41 98	
GRI 308: Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	4.3 Supplier management	101	
308-2	Negative environmental impacts in the supply chain and actions taken	4.3 Supplier management	101	
Social Indicators				
GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	2.1 Talent recruitment and retention	46	
401-3	Parental leave	2.1 Talent recruitment and retention	46	
GRI 401: Labor/Management Relations 2016				
402-1	Minimum notice periods regarding operational changes	2.3 Human rights protection	63	
GRI 403: Occupational Health and Safety 2016				
403-1	Workers representation in formal joint management-worker health and safety committees	2.4 Workplace safety and employee health care	66	
403-3	Workers with high incidence or high risk of diseases related to their occupation	2.4 Workplace safety and employee health care	66	
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	2.2 Talent cultivation and development	56	
404-3	Percentage of employees receiving regular performance and career development reviews	2.2 Talent cultivation and development	56	All employees receive regular reviews

GRI standards	Disclosure	Report Section	Page	Remarks
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	1.1 Corporate Governance 2.1 Talent recruitment and retention	26 46	
GRI 406: Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	2.3 Human rights protection	63	
GRI 411: Rights of Indigenous Peoples 2016				
411-1	Incidents of violations involving rights of indigenous peoples	2.3 Human rights protection	63	
GRI 412: Human Rights Assessment 2016				
412-2	Employee training on human rights policies or procedures	2.3 Human rights protection	63	
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria	4.3 Supplier management	101	
414-2	Negative social impacts in the supply chain and actions taken	4.3 Supplier management	101	
GRI 416: Customer Health and Safety 2016				
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.2 Cargo Safety	98	
GRI 417: Marketing and Labeling 2016				
417-1	Requirements for product and service information and labeling	4.2 Cargo Safety	98	
417-2	Incidents of non-compliance concerning product and service information and labeling	4.2 Cargo Safety	98	
GRI 418: Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.4 Customer Management	106	
GRI 419: Compliance with social and economic laws and regulations 2016				
419-1	Non-compliance with laws and regulations in the social and economic area	1.4 Compliance	41	

TWSE Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies

Standards	Disclosure	Corresponding chapter	Page
TWSE Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies	Listed companies shall disclose the number of non-management full-time employees, the average and median full-time salary of non-management employees, and comparisons with the previous year	2.1 Talent recruitment and retention	46

CSR Assurance Statement Report


勤業眾信

勤業眾信聯合會計師事務所
11073 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 11073, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

會計師有限確信報告

長榮海運股份有限公司 公鑒：

長榮海運股份有限公司民國 107 年度企業社會責任報告書，業經本會計師針對所選定之標的資訊執行確信程序竣事，並出具有限確信報告。本次執行確信程序之標的資訊請詳附件一「確信項目彙總表」。

管理階層對企業社會責任報告書之責任

管理階層之責任係依據臺灣證券交易所「上市公司編製與申報企業社會責任報告書作業辦法」及全球永續性報告協會（Global Reporting Initiatives, GRI）發布之 GRI 準則（GRI Standards）及依行業特性參採其他適用之準則編製企業社會責任報告書，且維持與編製企業社會責任報告書有關之必要控制，以確保企業社會責任報告書所列標的資訊未存有重大不實表達。

會計師對企業社會責任報告書執行確信程序之責任

本會計師係依照確信準則公報第一號「非屬歷史性財務資訊查核或核閱之確信案件」，對上開企業社會責任報告書所選定之標的資訊（詳附件一）在所有重大方面是否依照第二段所述準則編製表示意見，並提出有限確信報告。相較於合理確信，有限確信案件所執行程序之性質及時間與適用合理確信案件不同，其範圍亦較小，因是取得之確信程度明顯低於合理確信。

本會計師係基於專業判斷規劃及執行確信程序，以獲取相關標的資訊之有限確信證據，且任何內部控制均受有先天限制，因此未必能查出所有業已存在之重大不實表達。本會計師執行確信程序包括：

- 取得及閱讀企業社會責任報告書；
- 訪談管理階層及相關人員，以瞭解公司編製企業社會責任報告書有關政策及程序；

- 訪談相關人員了解所選定標的資訊產生之流程、內部控制及資訊系統；
- 分析及以抽查方式測試標的資訊相關文件及紀錄。

獨立性及品質管制遵循聲明

本會計師及所隸屬會計師事務所遵循會計師執業道德規範中有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及盡專業上應有之注意、保密及專業態度。此外，本會計師所隸屬會計師事務所遵循審計準則公報第四十六號「會計師事務所之品質管制」，以維持完備之品質管制制度，包含與遵循執業道德規範、專業準則及所適用法令相關之書面政策及程序。

確信結論

依據所執行之程序及所獲取之證據，本會計師並未發現長榮海運股份有限公司民國 107 年度企業社會責任報告書中所選定之標的資訊在所有重大方面有未遵循其衡量基準暨臺灣證券交易所「上市公司編製與申報企業社會責任報告書作業辦法」及全球永續性報告協會（Global Reporting Initiatives, GRI）發布之 GRI 準則（GRI Standards）及依行業特性參採其他適用之準則之情事。

勤業眾信聯合會計師事務所

會計師 吳世宗

吳世宗



金融監督管理委員會核准文號
金管證審字第 1010028123 號

中 華 民 國 108 年 9 月 9 日

附件一

確信項目彙總表

編號	指標編號	指標敘述	對應章節	衡量基準
1.	GRI 306-2: 2016	按類別及處置方法劃分的廢棄物（陸上營運廢棄物）	3.6 廢棄物管理	107 年按類別及處置方法劃分的陸上營運（高雄貨櫃場及海運大樓）廢棄物之處置量。
2.	GRI 404-1: 2016	每名員工每年接受訓練的平均時數	2.2 人才培訓與發展	107 年度陸勤與海勤員工訓練總時數與平均訓練時數之統計。
3.	自訂指標 1	2018 年失能傷害嚴重率 (SR)	2.4 職場安全與健康維護	107 年失能傷害嚴重率 (SR) 之結果。
4.	自訂指標 2	競爭法及個資保護法訓練人數	1.4 法規遵循	107 年競爭法及歐盟個資保護法教育訓練場次及訓練人數。
5.	自訂指標 3	客戶滿意度調查	4.4 客戶經營	107 年度客戶滿意度調查之統計結果。