



2014

Corporate Social Responsibility Report



Editorial Principle

- **Reporting Period**

We have published the first Corporate Social Responsibility Report of Yang Ming Marine Transport Corporation annually since 2012. This is the third Corporate Social Responsibility Report regarding our efforts on social responsibility of year 2013, which covers the period from 2013/01/01 to 2013/12/31. Moreover, we also provide the datum of 2011, 2012 for reference, including the target and the performance after 2013/12/31.

- **Reporting Scope**

This report is the performance about economic, environment and social responsibility of Yang Ming and the affiliated companies. The financial information is given in New Taiwan Dollar, and the performance of environmental data is prepared using the global indicators. This report covers the sustainable management issue which is relevant to all stakeholders.

The content structure of this report was made by consulting the Global Reporting Initiative G3.1 in the appendix of this report for your reference. Both English and Chinese version will be posted on Yang Ming website.

http://www.yangming.tw/csr/01csr_005.html

- **This report is not verified by Third Party.**

- **Contact Information**

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From the Chairman and Chief Executive Officer



Dear readers:

I would like to deeply appreciate the hard work and outstanding contribution of all Yang Ming family, the great cooperation of our supply chain partners, the positive affirmation and support of customers, investors and stakeholders, since Yang Ming conquered the difficulties and challenges with persistent passion and efforts in 2013.

Although the world economic recovery is slow, our performance is not as good as everyone has expected. We use Green vessels, and we have continued to dedicate ourselves to energy saving and carbon reduction policy. The company's sustainable development and growth is what we pursue. We uplift employees' spirits and deepen all stakeholders' and the public's good impression and trust for Yang Ming. This is also the purpose that we carry out the "Code of Ethical Management" and the "Code of Conduct." It is hoped through these codes, Yang Ming can establish its core value and the standard of judgment among its employees across the world and also the image of the Company.

Faced with the changing economic environment and the pressure of oversupply, we have stood pat on the policy of "Strengthen Competitiveness, Embrace Challenges" this year. Our plan is to continue to cut costs, to seek rate restoration, and to strictly control operating fuel costs in order to ensure sustainable operation. More vessels will use deceleration to save fuel and reduce carbon emission. Besides, we will improve the IT system and strengthen internal management and development tools, such as e-commerce App to meet customer needs. We strictly comply with international conventions and environmental standards to reduce the environmental pollution of

marine transportation, promote creative marine culture, and contribute ourselves to social care activities to fulfill corporate citizenship's responsibility.

As the dynamics of the shipping market is still changing, Yang Ming will keep paying close attention to it, provide customers with the best service and undertake long-range strategic planning by taking into account the market development in order to strengthen our competitiveness, improve our operating efficiency and performance, and meet shareholders' and the community's expectations.



Frank J. W. L.

Chairman & CEO

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Chapter 1 Yang Ming Profile

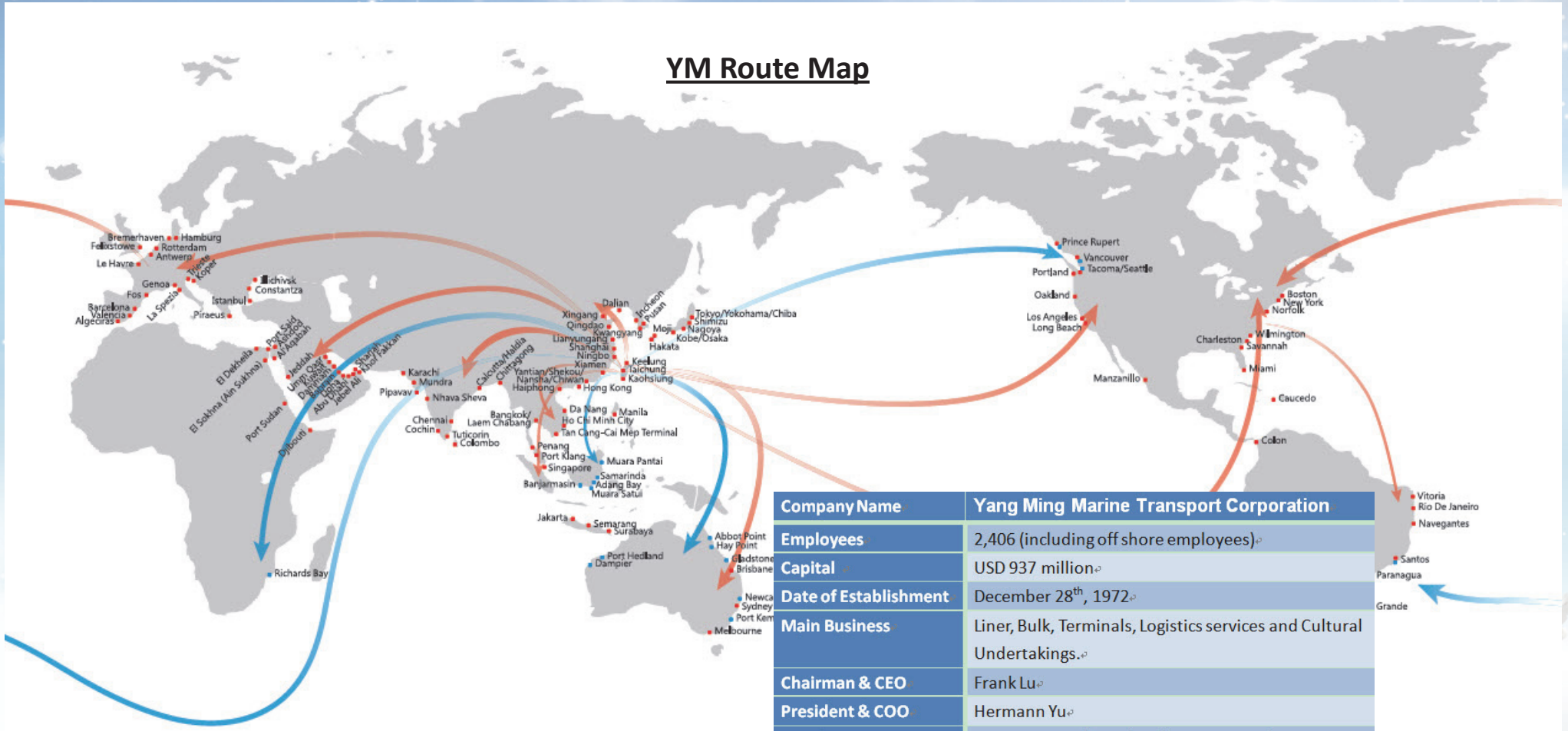
1.1 Company Overview

Yang Ming Marine Transport Corporation (Yang Ming, for short) was established on December 28, 1972. Our headquarter is located in Keelung City, Taiwan. At the end of December 2013, Yang Ming operated a container fleet of 89 vessels totaling 4.73 million DWT/385 thousand TEUS. The paid-in capital amounts to USD 937 million. Our business ranges from ocean freight carrier, warehouse storage, terminals, tugboats, barges, inland container yards, to ship repairing, chartering and sailing/purchasing. The container- and chassis-related business is also a part of our diversified operations. In line with the motto of providing "Punctual, Speedy, Reliable and Economical" services to our customers, Yang Ming accomplishes many breakthroughs by concerted efforts. Yang Ming is now one of the world's leading, seasoned container transportation companies. Our fleet is relatively young in comparison to many of our competitors around the world.

Yang Ming Group Business Profile



YM Route Map



Company Name	Yang Ming Marine Transport Corporation
Employees	2,406 (including off shore employees) ◊
Capital	USD 937 million ◊
Date of Establishment	December 28 th , 1972 ◊
Main Business	Liner, Bulk, Terminals, Logistics services and Cultural Undertakings. ◊
Chairman & CEO	Frank Lu ◊
President & COO	Hermann Yu ◊
Headquarter	271 Ming De 1 st Road, Cidu District, Keelung, Taiwan ◊
Office Network	Over 190 places. The service covered Asia, Europe, America, Australia, and Africa. ◊

1.2 Market Overview

According to the Drewry Container Forecaster 2013 Q4 report, the growth rate of box trade demand in 2013 was 3.4%, while that of capacity supply was 3.9%. The overall supply/demand remained unbalanced. As for the global economy, the U.S. and Eurozone struggle with pale recovery, which overshadows the growth of demand in box trade. Confronted with the sluggish market, carriers initialize the renewal of their own fleet by taking advantage of the bottomed-out new-building price, in hopes of lowering unit cost by building mega cellular ships with economies of scale.

Box trade supply/demand growth rate forecasting by Drewry

	2011	2012	2013	2014	2015
Demand	8.5%	3.5%	3.4%	4.4%	5.4%
Supply	8.7%	4.3%	3.9%	4.7%	6.8%
Balance	-0.2%	-0.8%	-0.5%	-0.3%	-1.4%

Source: Drewry Container Forecaster 2013 Q4

Facing the severe, fast-paced environment, Yang Ming concluded the long-term lease of fifteen 14,000 TEU containerships in 2013. Due to a proper timing for the charter deal, we have achieved remarkable competitiveness in operating cost and energy utilization among peers in the era of mega ships. In addition, Yang Ming continues to increase income by grasping every possibility of restoring freight rates, advancing the turnaround of containers and promoting Inter-Port-Cargo. As for the cost-cutting part, implementing fuel-saving projects, securing the berth priority, and increasing terminal operation efficiency to save berth time as well as bunker are the measures we have taken.

In order to cope with the competition, Yang Ming has kept its own flexibility while cooperating with partners in alliance. Besides existing main east-west long haul services, we evaluate and grasp every opportunity to venture upon emerging markets. All the effort we make is to meet customers' demand with full-scale port coverage in global service network, and to fully utilize our tonnage and capacity for greater efficiency.

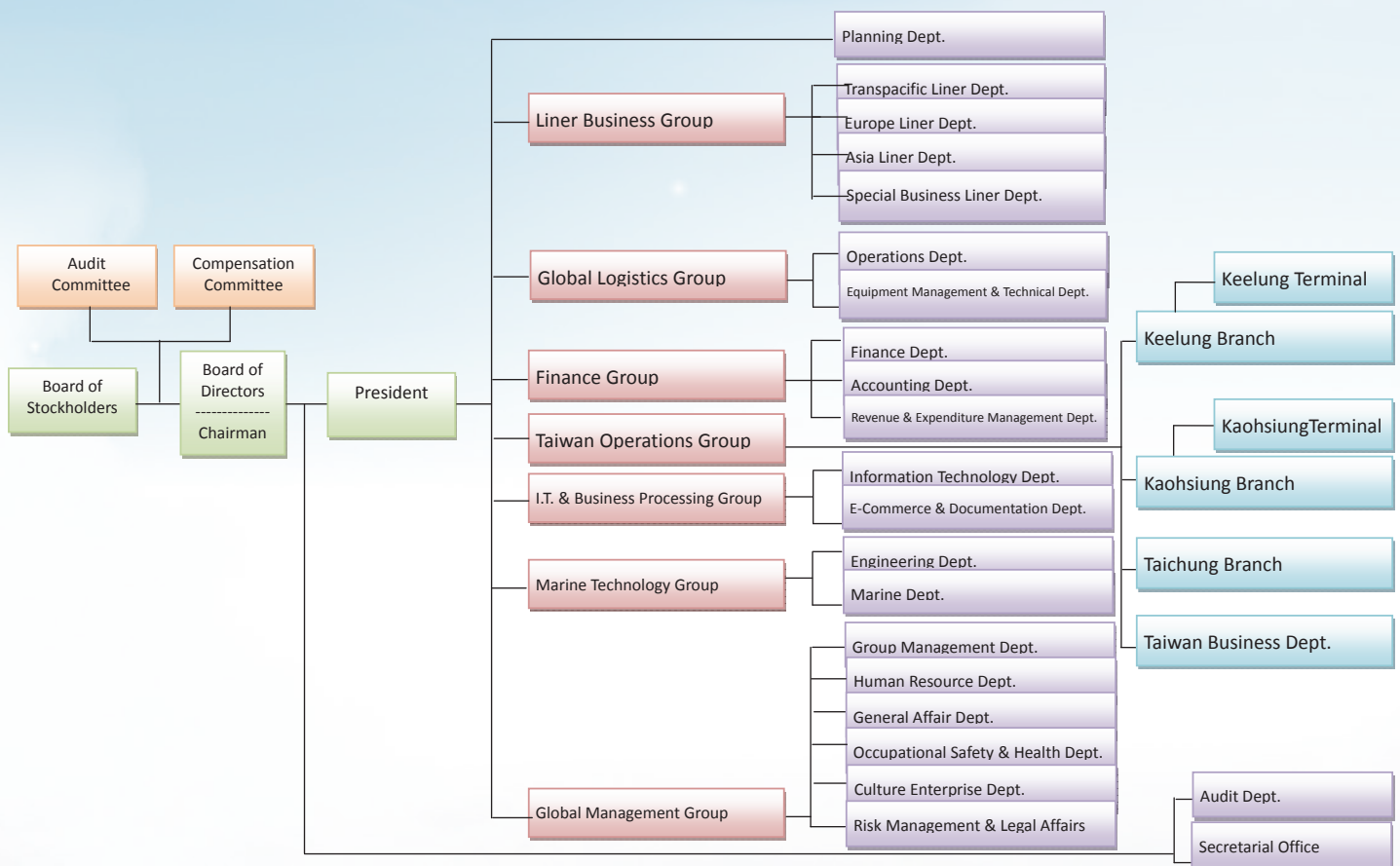
1.3 Corporate Governance

In order to establish good governance, improve supervision function and strengthen management functions, Yang Ming has adopted the following control mechanisms:

A. The top management within Yang Ming is the Board; Chairman is also the CEO (Chief Executive Officer) of the company. The Board is composed of 11 directors (including 3 independent directors) and one of them is Labor Director.

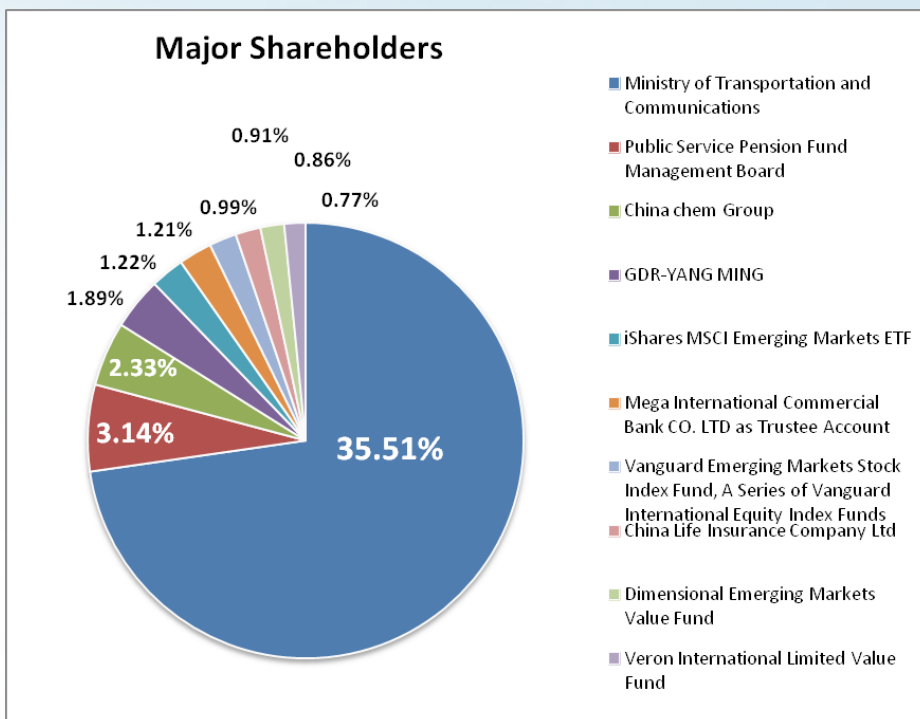
In order to review the business effectiveness and discuss important strategies such as economics, environmental protection, corporate social responsibilities, Yang Ming Marine Transport Corp. charter provides the Board meeting shall be held seasonally and the important resolutions shall be immediately proclaimed on M.O.P.S. (Market Observation Post System) of Taiwan Stock Exchange for public checking.

Organization Chart of Yang Ming Marine Transport Corp.



B. To enhance the independence and professional function of the Board, to protect shareholders' interests and to ensure the quality of financial information, the company has set up the Audit Committee since the 17th Board of Directors, which is organized by all independent directors and is responsible for the implementation of the duties of Supervisors stipulated in the Company Act, the Securities Exchange Act and other laws and regulations. In addition, to enhance the function of managing remuneration, the Company has set up the Remuneration Committee under the Board, which is also organized by all independent directors. The main task of the Remuneration Committee includes concluding, verifying and reviewing the remuneration policy, system, standard, structure for board members as well as managers and other cases tendered by the Board.

C. MOTC (Ministry of Transportation and Communications) is the largest shareholder and appoints 6 directors to represent government's share. Besides, to strengthen corporate governance as well as to advance risk management, the Company buys the insurance for Directors to avoid their responsibilities involving a third party suit while performing their duties.



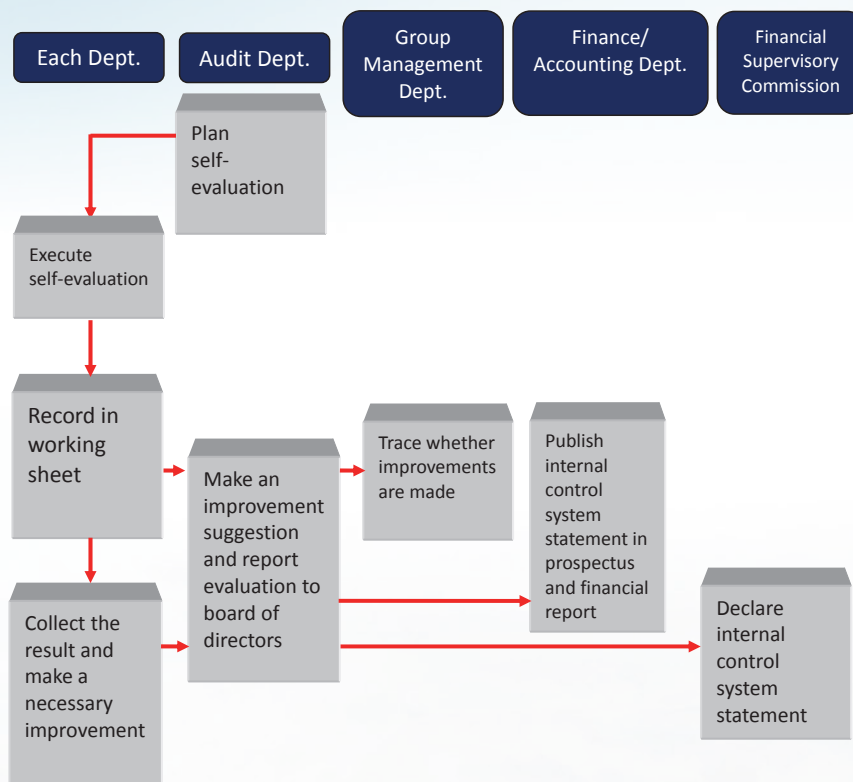
D. Yang Ming is a listed TWSE company, it shall select a professional, responsible, and independent CPA to be its external auditor, who shall perform regular reviews of the financial conditions and internal control measures of the company.

Yang Ming shall also replace the engaged CPA regularly and ensure that CPA does not receive a fixed salary, or concurrently serve as a director or shareholder thereof.

E. Enterprise information transparency helps to improve the capital market. Yang Ming upholds the spirit and idea of honest and transparent "Information Disclosure." Yang Ming regularly publishes quarterly financial data and operating conditions in accordance with regulations and also provides financial reports, annual reports and dividends information on website. Yang Ming received A+ ranking award in 2013 for its "Information Transparency and Disclosure Ranking System" from TWSE and OTC. This shows that Yang Ming is an information transparency company and also respects our shareholders.

F. Our company implements internal control system, in which board directors and each department execute said management system together. We also have internal auditors to periodically check whether each department has followed the rule of internal control system accordingly and reported the result to board of directors. Besides, to make sure internal control system has been implemented effectively, corporate governance and risk control are in good order, we do checking and make corrections or update annually.

Procedure for internal control checking and self-evaluation



1.4 Risk Management and Legal Compliance

Our risk management policy is to efficiently prevent and control the risks in order to ensure regular and permanent operation. Every department keeps a close watch on risky events, foreign or domestic, which may have adverse effects on our operation. We have established the risk assessment procedure and executed the identification, analysis, assessment, control of risks and confirmed the improvement of preventive actions regularly every year in order to control our potential risk at the minimum level and respond timely.

Meanwhile, to demonstrate our compliance with the rules and regulations with regard to the environment, health and safety, discrimination, bribery, conflicts of interests and the protection of investors' and company's assets, Yang Ming has regulated and published the "Code of Ethical Management" and the "Code of Conduct" as guidelines for the directors, managers, and all employees of the Yang Ming Group when they are engaged in any business activities. They are required not only to follow all national and international conventions and the company's rules, but also observe the trade practices and social ethics in order to establish the principle of consistent behavior and good company image of the Yang Ming Group.

- A. The Board of Directors has prescribed the "Proceedings of Board of Directors" and the "Code of Conduct for Board Directors and Managers" as operation guidelines.
- B. We established the "Procedures for Handling Important Information" to strengthen corporate governance.
- C. Through the "Code of Conduct" and the "Code of Ethical Management," we have established our core value and the standard of judgment. If anyone violates these codes, he or she will be punished according to the severity of the offense.

For all the members' acknowledgement of the rules and regulations to be followed, such as the Securities and Exchange Act, the Personal Information Protection Act, the Fair Trading Act, the relevant departments implement education and training for the members using external resources and internal online education system. Until the end of 2013, Yang Ming had never been fined or otherwise punished for violation of any law and regulation regarding the restriction of unfair competition, antitrust

and monopoly, and has no internal contravention to Yang Ming's "Code of Ethical Management" and "Code of Conduct."

1.5 Affiliated Company Management

The Company examines the important policy decision, business and finance management, internal procedures and audits its affiliated companies in accordance with "Management Procedures for Yang Ming's Affiliated Companies." The Company would check the business achievements of each affiliated company quarterly. For those companies with worse achievements, the Company and those companies would work out a better solution together to improve their achievement and promote the group synergy.

The Company would appoint competent people to be the chairmen, general managers, directors and supervisors of its affiliated companies after considering their business characteristics and joint venture agreements. The Company would also evaluate the performance of these chairmen and general managers periodically.

1.6 Association Membership

Yang Ming is actively involved in many association activities. Our executives have been elected chairmen or managing supervisors of National Association of Chinese Ship Owners, Chinese Ship Owner's Association of Taipei, Association of Shipping Services ROC, Taipei Shipping Agencies Association, and China Maritime Institute, etc. Besides, some employees, thanks to their expertise, are members of professional committees in these associations, often showing interests in providing suggestions on public affairs that affect the shipping industry and economy.

As for international organizations, Yang Ming is a member of World Shipping Council (WSC) and International Council of Containership Operators, the Box Club. WSC's goal is to provide a coordinated voice for the liner shipping industry in its work with policymakers and other industry groups. It also partners with governments and stakeholders to solve some of the world's most challenging transportation problems. The main target at this stage is the sustainable management of the environment. Through amendments to the law and communication with governments and international organizations, WSC seeks to reduce the pollution caused by marine

transportation on the environment. Yang Ming is also a member of forums on various trades and environmental-related affairs. Such forums are helpful for individual carrier's own business strategy development. Yang Ming is a member of Canada Transpacific Stabilization Agreement (CTSA), Intra-Asia Discussion Agreement (IADA), Informal Rate Agreement (IRA), Informal Red Sea Agreement (IRSA), Informal South Asia Agreement (ISAA), Transpacific Stabilization Agreement (TSA), Westbound Transpacific Stabilization Agreement (WTSA) and Clean Cargo Working Group (CCWG).

Association	Supervisor	Committee Member	Member
National Association of Chinese Ship Owners	V		V
Chinese Ship Owner's Association of Taipei	V	V	V
Association of Shipping Services ROC	V		V
Taipei Shipping Agencies Association	V		V
Chinese Maritime Research Institute	V		V
Chinese National Association of Industry and Commerce, Taiwan			V
Chinese International Economic Cooperation Association			V
Sino-Arabian Cultural & Economic Association			V
The Arbitration Association of the Republic of China			V
China Maritime Institute	V		V
Chinese Institute of Transportation			V
Chinese Management Association			V
International Ocean Freight Forwarders & Logistics Association Taiwan			V
Taiwan Society Naval Architects and Marine Engineers			V
Commerce Development Research Institute	V		V

Turnaround Management Association Taiwan			V
Taiwan Russia Association			V
CR Classification Society	V	V	V
Chinese Professional Management Association			V
The Association of Marine Affairs Established			V
Institute for Chinese Economics Industry	V		V
Cross-Strait CEO Summit			V
Intra-Asia Discussion Agreement (IADA)		V	V
Informal Rate Agreement (IRA)			V
Informal South Asia Agreement (ISAA)			V
Informal Red Sea Agreement (IRSA)			V
Transpacific Stabilization Agreement (TSA)		V	V
Clean Cargo Working Group (CCWG)			V

Chapter 2 Concern About Stakeholders

2.1 Awards

The Ministry of Culture offers the annual Arts & Business Awards in recognition of outstanding cultural and art contributions made by businesses, organizations and individuals. Yang Ming won the 11th Creative Enterprise Award. It is an affirmation of Yang Ming's effort to promote ocean culture with multiple and creative activities through these years.



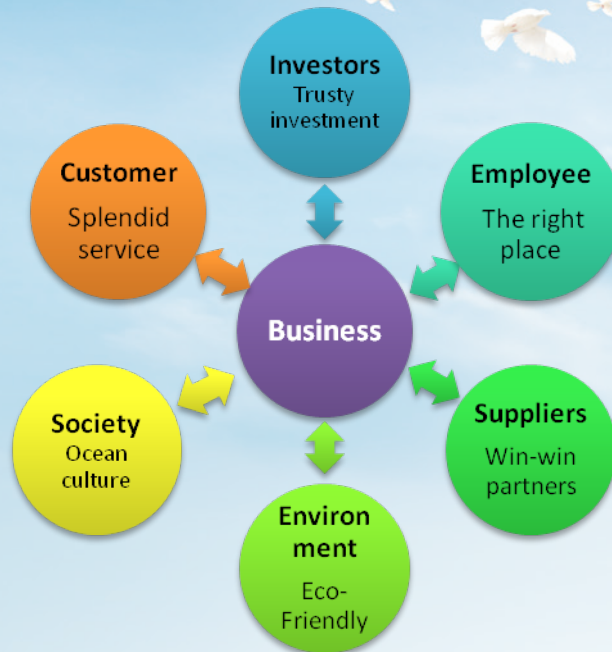
Yang Ming won the 11th Creative Enterprise Award

Yang Ming Cidu headquarters won Labor Safety and Excellent Health Award (MOL, Ministry of Labor) for three consecutive years. We have also participated in many activities such as MOL safety and health week in workplace, TOSHMS (Taiwan occupational safety and health management system) Promotion Association, safety promotion organizations in Keelung and Kaohsiung ports and sponsored charitable activities like teenagers exercise movement and employee mental stress release plan initiated by John Tung Foundation.



2.2 Stakeholders Engagement

Communication achieves success. Yang Ming communicates with our stakeholders through various ways regarding the issues of economy, society, and environment which they are concerned. With the proper communication, we can find out the stakeholder's expectation of us to seek the opportunity for future development and accomplish the goals of creating shared value with all stakeholders.



Stakeholders	Communication Channels	Issues Concerned
Shareholders and Investors	<ol style="list-style-type: none"> 1. Hold general meeting of shareholders in 2nd quarter of each year 2. Issue company annual report before general meeting of shareholders 3. Allow shareholders to raise inquiries via phone or e-mail 4. Open market observation post system 5. Communicate with the public via Company's website 	<p>Economic Issue</p> <ul style="list-style-type: none"> ✓ Corporate governance ✓ Law compliance ✓ Protection of confidential information ✓ Acquiring accurate financial information in time ✓ Stock price ✓ Operation situation ✓ Financial situation ✓ Investment plan

Customers	<ol style="list-style-type: none"> 1. Customer meeting/Visit 2. Survey of customer satisfaction 3. Contract 4. Improvement according to customer's survey 	<ul style="list-style-type: none"> ✓ Organizations and Manager change ✓ Remuneration for managers and dividends for shareholders
Employees	<ol style="list-style-type: none"> 1. Internal announcement 2. Periodical and non-periodical communication meeting 3. The dedicated e-mail box for Labor Safety, Health Service and Code of Conduct 4. Company Journal 5. Questionnaire on employee satisfaction with training course, canteen service and office environment 	<ul style="list-style-type: none"> ✓ Service plan <p>Social Issue</p> <ul style="list-style-type: none"> ✓ Salary and welfare ✓ Employee's loyalty ✓ Employee-employer relations ✓ Employee's health ✓ Security and sanitation in working place ✓ Communication with employees and career development
Suppliers	<ol style="list-style-type: none"> 1. Supplier evaluation (for price, quality, safety, environment, human right, etc) and certification system 2. Contract 3. Management of labor safety, health and sanitation 	<ul style="list-style-type: none"> ✓ Partnership with customers and suppliers ✓ Accident prevention and emergency reporting system
Community	<ol style="list-style-type: none"> 1. Yang Ming Cultural Foundation 2. Company website 3. Participation in disaster relief 4. Promotion of ocean culture and conservation 5. Sponsorship for Taiwan's Local art activities 	<ul style="list-style-type: none"> ✓ Community care and public benefit activities ✓ Job creation ✓ Anti-terrorism awareness <p>Environment Issue</p> <ul style="list-style-type: none"> ✓ Utility and paper

<p>Government and Competent Authority</p>	<p>1. Financial report complying with the law and regulation 2. Compliance with the rules of government organizations 3. Association</p>	<p>✓ management ✓ Carbon foot-print of product ✓ Pollution control ✓ Waste management</p>
<p>Non-profit Organization</p>	<p>1. Yang Ming Cultural Foundation 2. Volunteer activities</p>	<p>✓ Green purchase ✓ Green vessel</p>

2.3 Customer Service and Satisfaction

"Genuine customer care" is Yang Ming's core value. We strive to solve customers' problems and meet their demands, and to provide superb customer service. We also use different market survey methods to track customers' demand and feedback periodically.

A. We introduce new measures to enhance service quality.

To cope with the trend of mobile life, we launched "Yang Ming web site APP." Thanks to this APP service, customers can easily get useful information like cargo tracking function via smart phone anytime, anywhere.



Yang Ming Marine Transport Corp. started its Mobile E-service on the iOS and Android operating systems. Customers can easily get useful information such as the container movement and the vessel schedule via smart phone. This Mobile E-service Application provides "Cargo Tracking" function, using Bills of Lading no., booking no., container no., to check the latest container movement. The real time "Point-to-Point Search" function provides all the routes for

customers to arrange the proper schedule, the "Vessel Tracking" function provides the current status, the common voyage, lane and the arrival, berth, and departure date. Also, there is "Telex Release" function to show the status of the cargo releasing by telex. The "Global Agency" function provides GPS-based agency search, and the "Press Release" function offers review of the latest news.

For years, Yang Ming has provided customers with integrated and customized E-service. It will continue to develop value-added service for the benefit of our customers.

B. The transparent complaint access

We have established a transparent complaint access and SOP to handle customer complaints. All customer feedback is forwarded to the relevant divisions or departments for a proper response or improvement. The outcomes of the responses are monitored on a regular basis for the improvement of our services.

C. The customized questionnaire

In keeping with customers' real feelings with regard to our handling of their complaints, we send customized questionnaire for closed cases to find out their real impression.

D. Visit and interviews

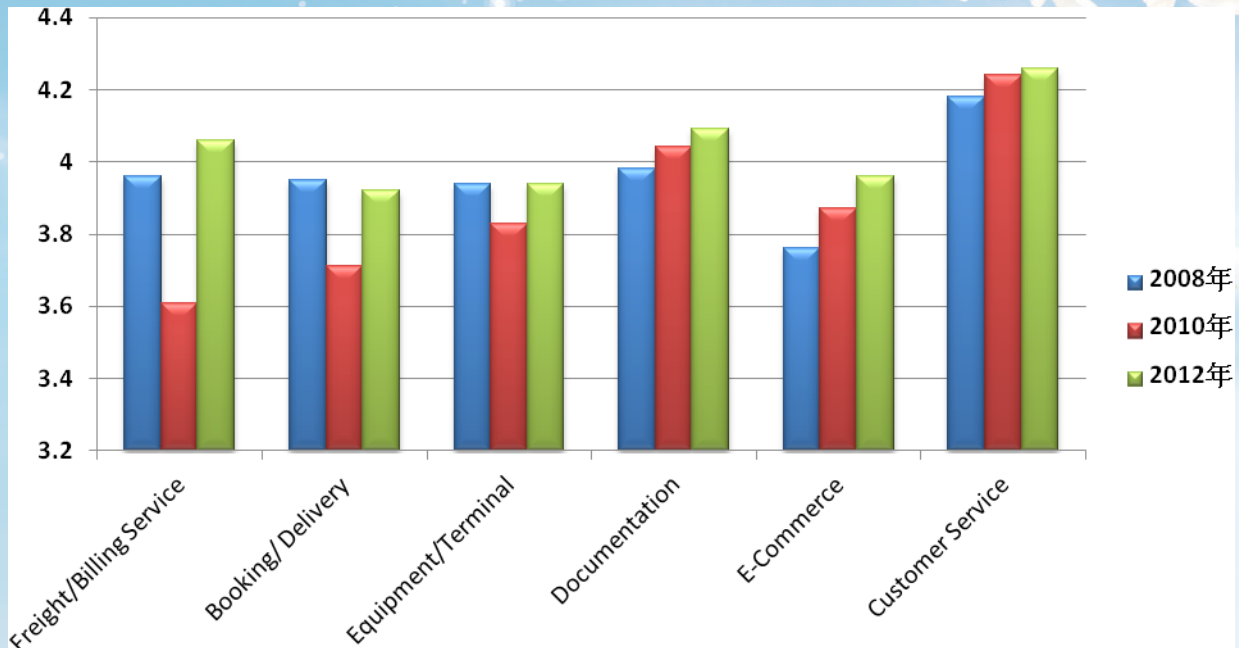
On the basis of the 2012 customer satisfaction survey report, we found some countries which scores were below the world's average. After cross comparisons, we chose a roster of customers for interviews using specially designed questionnaires. We visited them along with our local colleagues, and have referred the obtained information to related departments for in-depth study.

We use online survey to track and improve customer satisfaction. We plan and implement a variety of surveys every year to understand customers' needs and thinking, draft improvement plans and gear our business strategies to enhance customer satisfaction. We conduct global customer satisfaction surveys every two years, indicating how much importance we have attached to consumer opinion and satisfaction.

Our customer service team is set up to handle the customer complaint, and with the single transparent complaint access to ensure we make proper response to

the customers' feedback quickly and efficiently. Now our customers can feed back through "Contact Us" in the website. By the end of 2013, we had received 836 feedbacks and 55 complaints, and no violation of international regulations or fines.

2008-2012 Customer Satisfaction Survey Results



(From score 5 to 1, it represents the customer's satisfaction: Very satisfied, Satisfied, Partially satisfied, Dissatisfied, Very dissatisfied.)

As a common practice, Yang Ming pays great attention to the protection of customer privacy. Customers may register online as Yang Ming website members. After they have become website members, the materials they provide are immediately placed under strict control. If a customer chooses to print the Bills of Lading online instead of following the traditional procedure of obtaining it by paying over the counter, Yang Ming will sign an agreement with that customer to protect the customer's and the Company's privacy. At the same time, the Company will urge its concerned employees to keep its dealings with the customer in total secret. Besides, the risk management and legal affairs department of the Company will arrange internal training courses regarding the Personal Information Protection Act for our colleagues. Up to now, no violation of privacy that harms the interests of customers has ever been reported.

2.4 Supplier Management

There is no way to achieve sustainable development by the company alone. To succeed and to realize its social responsibility, the Company must rely on the support from the whole supply chain. The supplier management of Yang Ming includes the supply chain safety, the code of conduct, the environmental protection and the labor safety.

To provide better delivery service for our customers, Yang Ming has ramped up the security of our supply chain, including security measurement for vessels, terminals, depots; communications with trade partners; and execution of plans and actions regarding security issues. Moreover, Yang Ming was certified as a member of C-TPAT (Customs-Trade Partnership Against Terrorism) in 2003, and awarded by the Directorate General of Customs, Ministry of Finance, ROC (Taiwan), in 2012, as the nation's first shipping business to receive AEO (Authorized Economic Operator) certificate.

Yang Ming requires the suppliers to comply with the government regulations through contract with a supplier by including herein the legal obligations, code of conduct, acquisition of the business license, workplace hazards identification, accident prevention and emergency response, limitation of subcontractor, and environmental protection, safety and health management in order to clarify the responsibilities.

Safety and health management is practiced in accordance with the regulations such as the regulations for labor safety and health organization management, automatic inspection and procurement requirements from OHSAS18001 to ensure that the practices fully meet the requirements both in workplace and on ship.







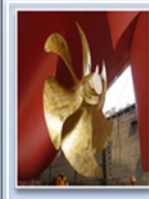


Chapter 3 Environmental Protection

3.1 Green Vessel

Safety is the priority concern of a shipping company, and, therefore, Green service has become the trend of marine development. Yang Ming has completed vessel ISPS (International Ship and Port Facility Security) certification and been working hard on operation safety to ensure service quality. We use state-of-art green & energy-saving equipment and materials for all of our newly built vessels to prevent ocean and air pollution, and we do not use ozone-depleting substances.

Fuel consumption is the major cost for Yang Ming. To reduce fuel consumption can not only cut our energy cost, but also reduce the carbon emission to make our environment clean.

Followings are the energy-saving equipment of our vessels:

						
2000 Air Guard type - Stern tube seal system	2006 Alternative Maritime Power	2008 New common- rail electronic fuel injection	2011 Shaft Generator	2012 Propeller Boss Cap Fins	2013 ES-Bow	2016 ES- Rudder
Environmentally Friendly and Advanced Design of YM Vessels						

A. Air guard type stern tube seal system

Air guard stern tube seal is used in place of Simplex seal of propeller shaft because it uses the air as a medium to keep the sea water from ingress into engine room along the stern tube. Air guard system was developed by several prestigious makers and introduced to very large container vessels in the beginning. In case of seal ring breakage, only air will be blown into sea water or sea water ingresses into engine room, hence it can prevent lube oil pollution. The possibility of pollution is limited.

B. Alternative Maritime Power (AMP)

Ship is fitted with AMP system through which shore power can be supplied to ship while the vessel berths at the ports of California, USA or the terminals equipped with AMP. Air pollution caused by running diesel generator engine can be avoided.

C. New common-rail electronic fuel injection system

In order to significantly reduce consumption of fuel oil, lubricating oil, emission of particles and greenhouse gases, our fleets have been equipped with Diesel engines of MAN B&W ME TYPE and WARTSILA RT-FLEX TYPE with new common-rail electronic fuel injection system for vessel's main propulsion, Alpha cylinder oil lubricator device and High efficiency fuel injection valve (Slide valve) in diesel engine.

D. Shaft Generator

We use Shaft Generator noted for energy-saving and efficiency. It can provide clean electricity while the vessel is sailing in the ocean. Moreover, it will greatly reduce oil consumption and exhaust emission.

E. Propeller Boss Cap Fins (PBCF)

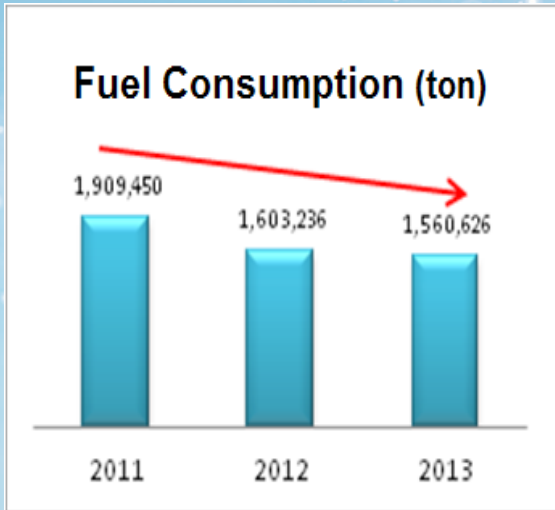
Propeller Boss Cap Fins (PBCF) have been applied to our container vessels like "YM MASCULINITY" and "YM UNICORN." PBCF can cut down the strong vortex generated by the propeller. It can relatively increase propeller's efficiency, decrease fuel consumption and thus reduce the vessel's CO₂, SO_x and NO_x emissions.

F. ES-Bow

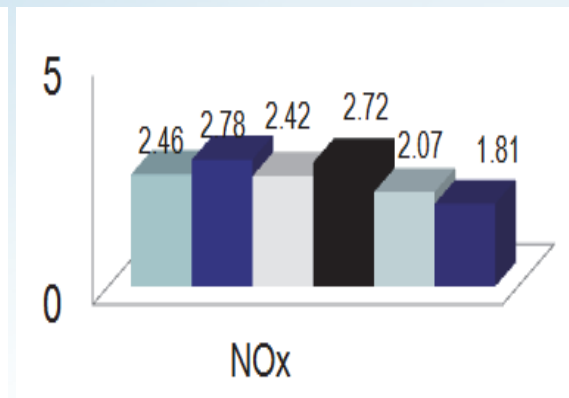
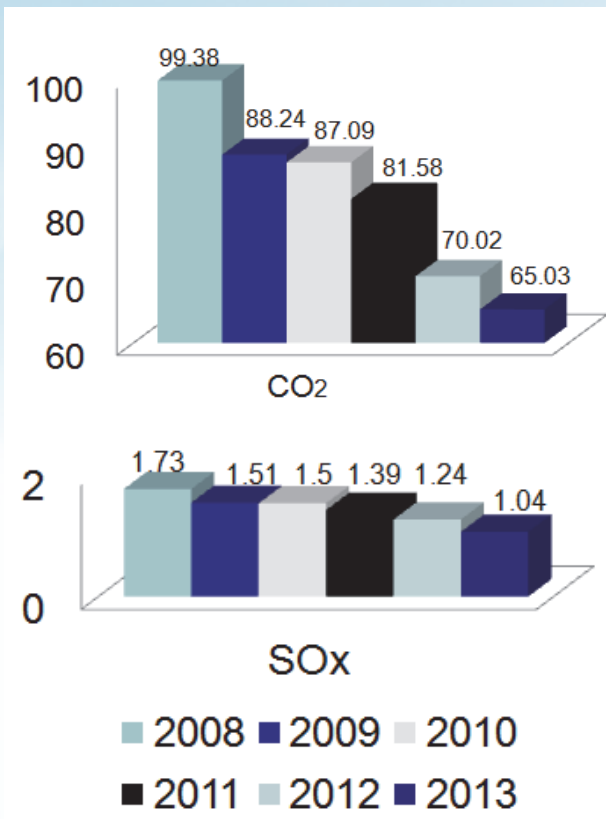
ES-Bow can reduce wave resistance caused by vessel navigating, and save fuel oil.

G. ES-Rudder

Yang Ming E+ type vessel have ES-Rudder which can reduce hub vortex caused by propeller rotation, increase propulsion efficiency & save fuel oil, and thus reduce the CO₂, SOx and NOx emissions.



Reducing the fuel consumption is the best way to achieve energy conservation and carbon reduction. Green Vessels are designed to minimize the fuel consumption.



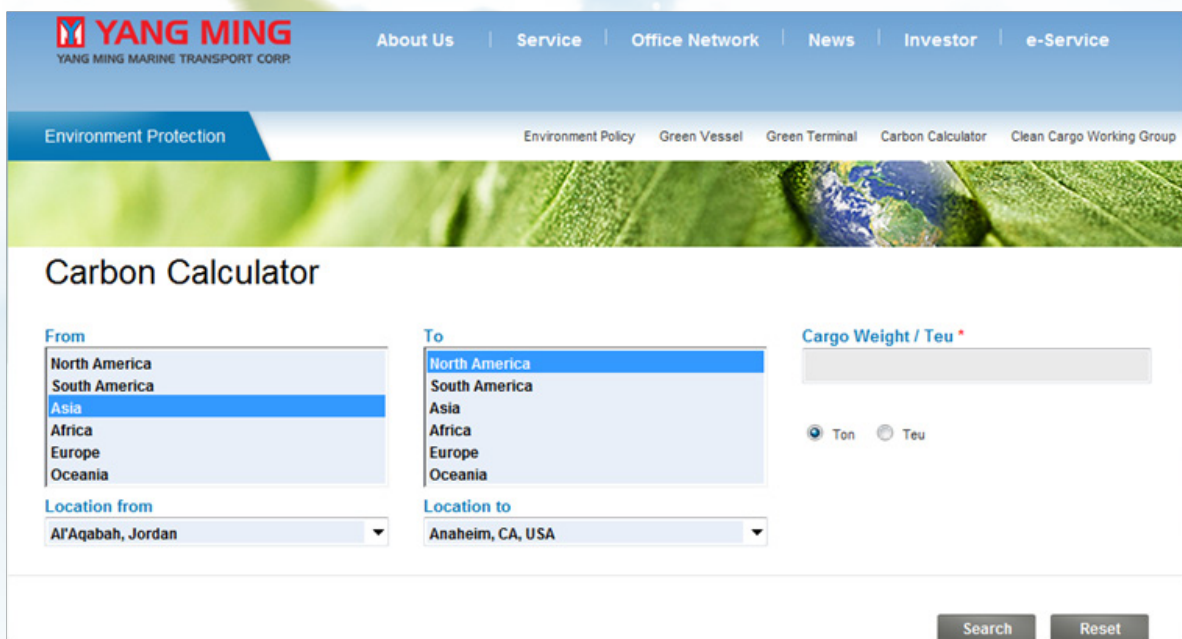
CO₂/SO_x/NO_x emission: calculated by annual fuel consumption (g/TEU*Km)

- The left column illustrates there has been a decrease in the emission of CO₂/SO_x/NO_x for the past years.
- The decrease in CO₂ emission was approximately 35% from 2008-2013.

3.2 Carbon Calculator

To meet customers' request, new function "Carbon Calculator" to get CO₂ emission by the route is available on the website. Its calculation is based on the cargo weight or the volume of the container. By viewing its high click-through rate, the awareness of this new and useful information has been raised since this function was put online in November 2013.

http://www.yangming.com/english/ASP/about_us/Environment_Preservation/carbon_calculator.asp



The screenshot shows the Yang Ming website's Carbon Calculator interface. At the top, the Yang Ming logo and navigation menu are visible. Below the logo, there are links for "About Us", "Service", "Office Network", "News", "Investor", and "e-Service". A secondary navigation bar includes "Environment Protection", "Environment Policy", "Green Vessel", "Green Terminal", "Carbon Calculator", and "Clean Cargo Working Group". The main content area features a "Carbon Calculator" section with two dropdown menus for "From" and "To" locations. The "From" menu is set to "Asia" and "Location from" is "Al'Aqabah, Jordan". The "To" menu is set to "North America" and "Location to" is "Anaheim, CA, USA". To the right, there is a "Cargo Weight / Teu*" input field and radio buttons for "Ton" and "Teu". "Search" and "Reset" buttons are located at the bottom right of the form.

3.3 Green Service

Take domestic road transportation for example. Energy consumption of heavy transport vehicles accounts for 30% of the cost of road transport. In order to reduce fuel consumption, Yang Ming's affiliated company, Jing Ming, educated the truck driver to throttle down – the speed limitation is 85 KM on highway, no warm up at idle speed, and to use energy saving products like eco-tires, wind guide plate together with well management of truck fleet and introduction of energy-saving technology. It is estimated this can save about 189 kiloliters in fuel, reduce CO₂ emission up to 510 tons, equal to the amount reduced by the plants of 1.3 Daan Forest Parks (the largest park in Taipei City), and cut down the fuel cost by NTD6.23 million (NTD33 per liter).

3.4 The power output system of the Photovoltaic Panel

Yang Ming's affiliated company, YES Logistics Corp., has used solar energy panel to produce electricity in Kaohsiung Logistics Center I and II.

Estimated total Capacity and CO₂ reduction

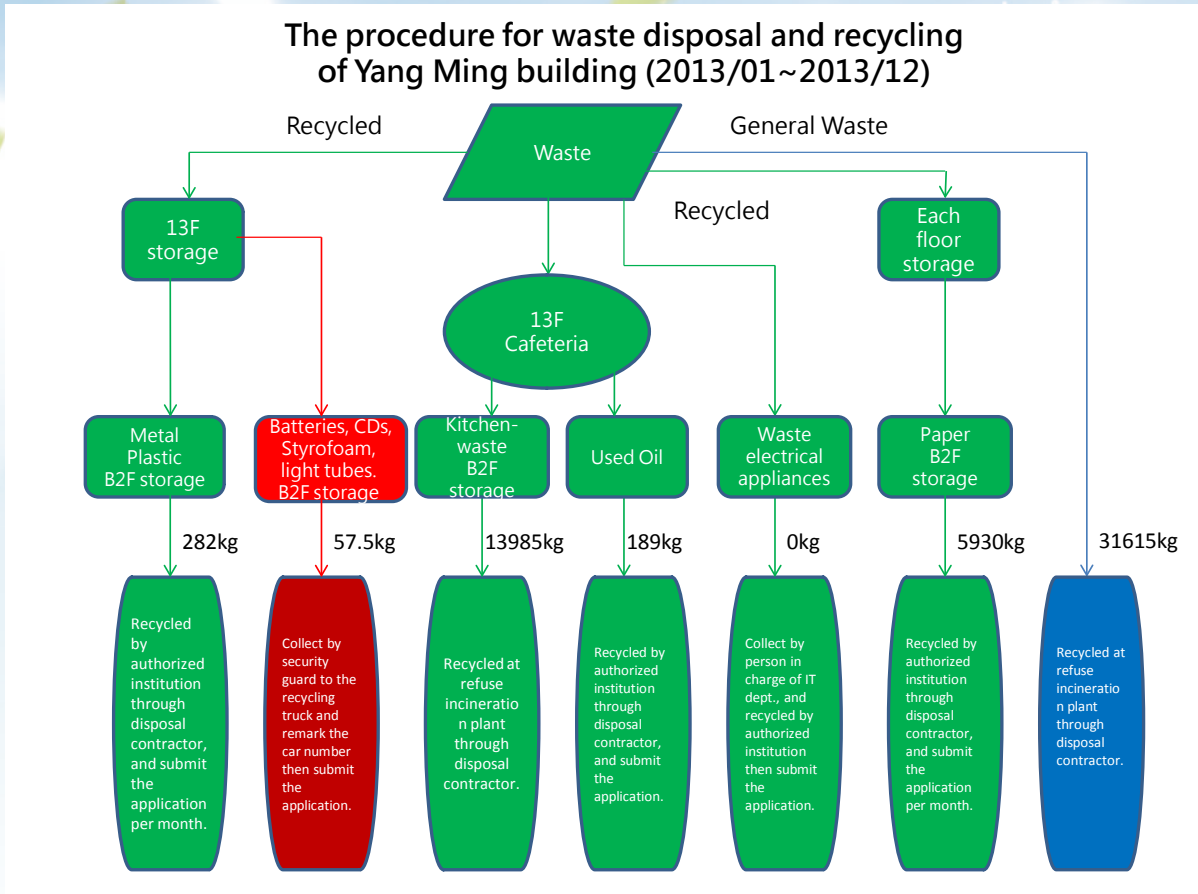
	Kaohsiung Logistics Center I	Kaohsiung Logistics Center II
Installed capacity(KWp)	451.6	411.7
Estimated total Capacity of Solar Panel in 20 Years(KWh)	9,364,720	8,537,324
Estimated CO ₂ reduction(Kg)*	4,982,031	4,541,856

*Calculated by the discharge coefficient of 2012



3.5 Office Energy Saving Details

The waste water recycling of Yang Ming office building: Collect the waste water like RO water from the filter facilities to the water tower for general water use. The total water consumption of office building is 15,668 tons, and the amount of water recycled is approximately 599 tons, about 3.82% of the total water resource consumption.



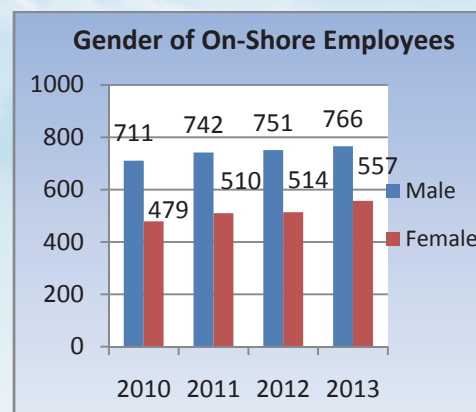
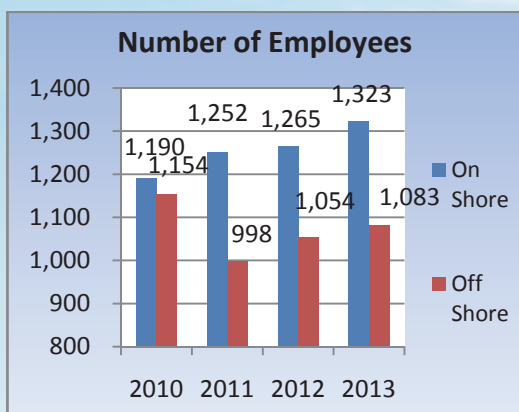
Chapter 4 Concern About Employment

4.1 Employment

Talented employees are the company's most valuable assets. In order to retain high-quality staff, Yang Ming emphasizes people-friendly measures, provides a complete education system and a global challenging working environment for employees to develop their potential, offers good salaries, improves the welfare system for the benefit of its staff, and does not employ child labor and forced labor.

A. Employee Structure

At the end of December 2013, there were 2,406 employees, of whom 55% were working on shore and 45% on ships.

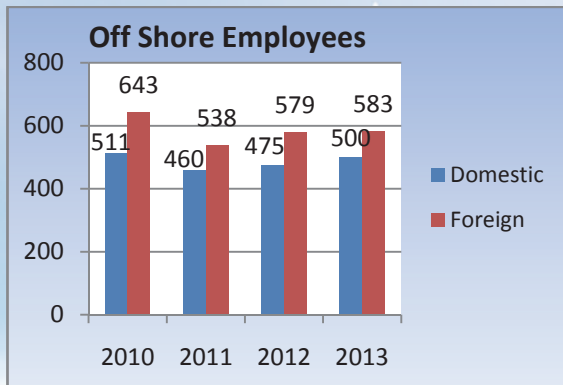


- On-shore Workforce

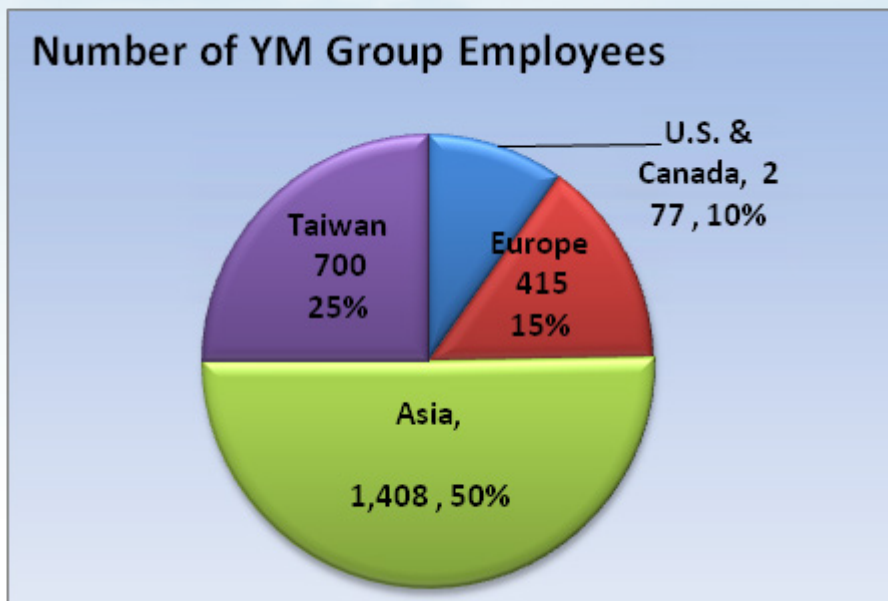
The employees of sales and sales-related departments, terminals and abroad accounted for 66% of on-shore workforce. The number employed by the logistics and fleet management departments accounted for 19%, and those working in supporting and management departments accounted for 15%.

- Off-shore Workforce

The number of crew members employed in 2013 was 1,083, of whom 500 were domestic crew members and 583 were foreigners.



In 2013, Yang Ming Group had 2,800 employees. Of the total 1,408, or 50%, were working in Asia (not including Taiwan), 700, or 25% were working in Taiwan (not including Yang Ming). Young-Carrier Company Ltd. had the largest number of employees. The second largest employer was Yang Ming Line (Hong Kong) Ltd. and the third was Yang Ming (America) Corp. Even though the headquarters of Yang Ming is located in Taiwan, except for those who were posted abroad at management positions, most employees were hired locally.

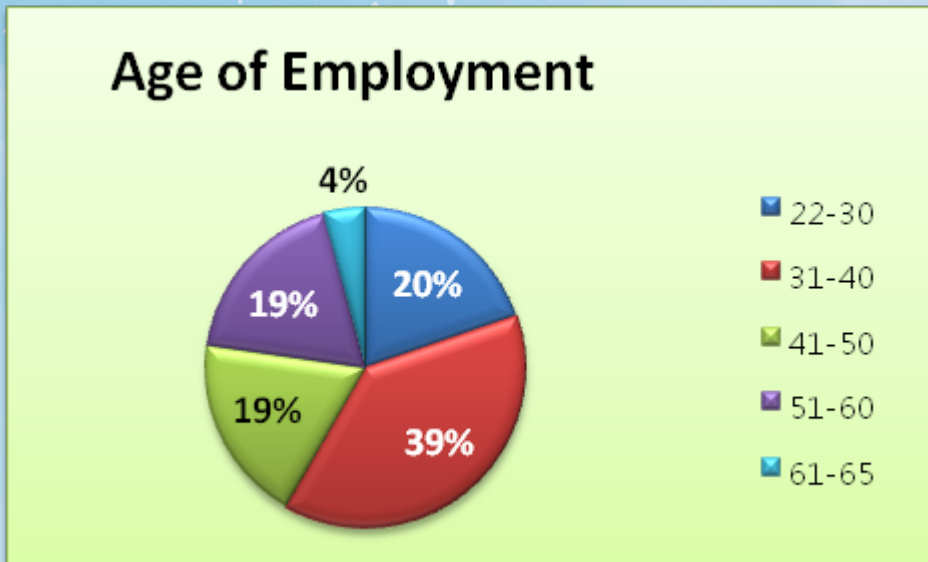


B. Employees Recruiting

In recent two years, Yang Ming has continually held recruiting activities. Forty-eight people were recruited in 2012 and 74 in 2013. In addition, we also posted our recruitment information to each maritime schools or training organizations. Moreover, we have cooperated with these schools or organizations by offering the chance of internship and this, in return, has given us greater possibility for recruiting talented crew members.

C. Prohibition of Child Labor Employment

The Labor Standards Act bans employers to hire anyone under age 15 for labor work, and Yang Ming strictly adheres to the law in this respect. The youngest on-shore employees are 22 years old, and according to recruiting regulation, all applicants for crew member positions need to be older than 18.

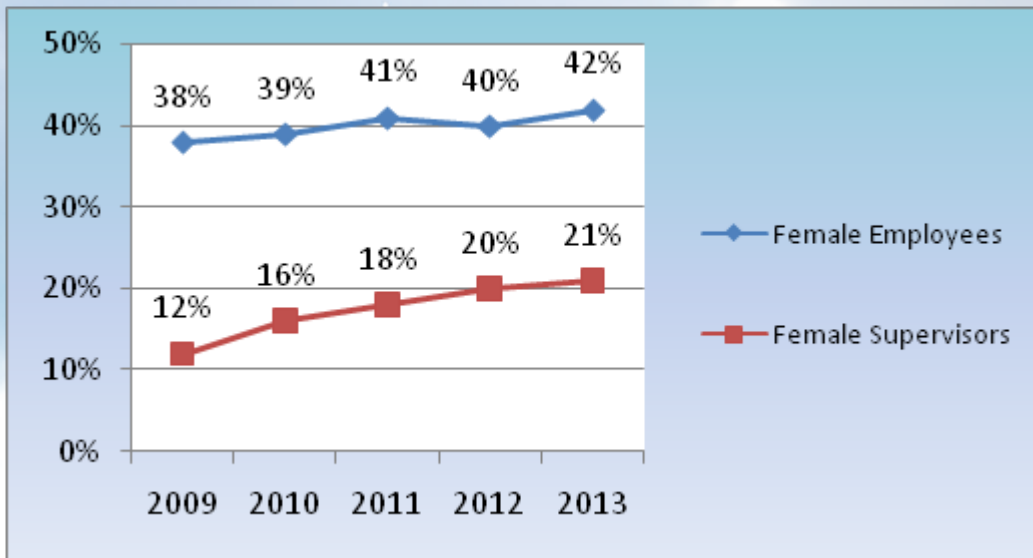


D. Protect the working right of disabled and indigenous people

Yang Ming has hired 17 disabled persons now, which account for more than 1% of its on-shore employees. This has not only met the requirements of the People with Disabilities Rights Protection Act but also provided job opportunities for disabled people. Hiring indigenous people also fulfilled the requirement of governmental regulations.

E. Act of Gender Equality in Employment and Sexual Harassment Prevention Act

Female employees numbered 557, which accounted for 42% of total on-shore workforce. In this respect, Yang Ming adheres to the Act of Gender Equality in Employment. Although traditionally male employees outnumber female employees, the percentage of female employees in Yang Ming has increased steadily, and it is still growing in these three years. Twenty-five employees applied for parent leave for a total of 4,331 days in 2013.



As for off-shore workforce, Yang Ming is the marine transport company that hires the most female off-shore employees in Taiwan. Now, there are 34 female off-shore employees (officers), who account for 13% of total off-shore officers. In 2013, female off-shore supervisors in Yang Ming increased gradually. There was 1 master, 3 chief officers, 14 second officers, 10 third officers and 6 qualified chief officers. If female off-shore employees are unable to serve on ships (such as being pregnant or giving birth), they will be transferred to onshore work.

Sexual Harassment in any form is forbidden and will not be tolerated in workplace. In this regard everyone is equal. We provide discrimination-free working environment. Any harassing language and behavior toward other staff will be investigated and disciplined in accordance with the procedure prescribed in the procedure for sexual harassment prevention, appeal and discipline. Appropriate discipline will be enforced according to the severity of the harassment. In a severest case, the employee will be discharged. In 2013, we didn't have any sexual harassment case.



F. Friendly Workplace, High Retention Rate of Employees

Yang Ming puts much attention on the work-life balance of employees and emphasizes harmonious workplace ambiance. The turnover rate of on-shore workers has remained at less than 5% since the year of 2002. This stable and low turnover rate has allowed it to maintain normal metabolism of human resource each year, which brings energy to the company.

	2009	2010	2011	2012	2013
Ratio of Employee Quitting	1.35%	1.69%	1.24%	1.20%	1.31%
Average Age of Employment	41.35	40.13	39.04	39.31	39.88

Remark: The above quitting ratio does not include the retired employees

G. Performance Management and Development

The performance of on-shore worker is managed via PMS (Performance Management System). PMS is a mechanism which invites all of employees to join a standardized system designed to help the employees and supervisors at all levels by keeping them fully informed of the degrees of their achievements and contributions. Each employee is requested to set up their own goal and plan in each period.

Through a process of evaluation, it can provide workers a chance to revise goal setting, goal assessment and goal tracking. The design of PMS has integrated Yang Ming's mission and core value, the attitude and competence of management, and ability dimension appraisal, which consolidates the development of employees' working attitude. Employee Online Feedback and performance interview strengthens two-way communication and counseling assists employees in career development planning.

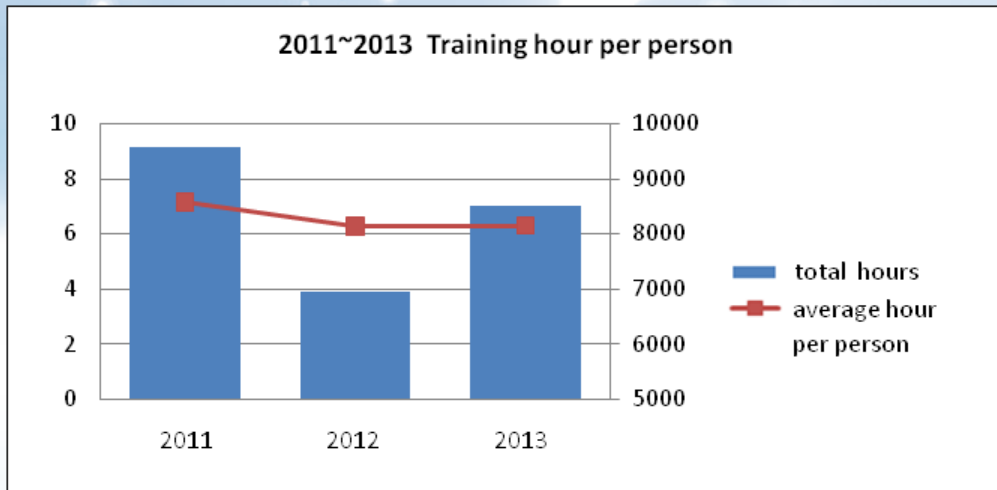
The performance of off-shore worker is evaluated by the form of crew assessment which is submitted by the chief officer and second engineer to chief engineer and master for approving. Every year, the promotion of the crews will be processed according to the annual performance evaluation.

4.2 Employee Development

A. Training Plan and Development

In 2013, training time for on-shore employees reached 8,491 hours in total, or

6.28 hours per person on average. There were 25 training courses for seafarers of 486 persons. Total training hours reached 6,961, or 14.32 hours per person on average.



B. On-Shore Employees Training

a. Orientation for New Comers

New-hired employees of Yang Ming have to take orientation training to establish their recognition about Yang Ming's management concept, mission and vision. Through the orientation training, new-hired employees can also obtain the basic knowledge of shipping industry as well as the culture and ethics in Yang Ming.



Orientation for New Comers



Visiting Container Yard

b. Competency Training & Internal Trainers Training

By teaching a series of advanced courses of shipping management by internal tutors, we have not only built up our training database of shipping core knowledge, and cultivated Yang Ming's internal trainers as well.

c. Management Talent Training

In addition to some prescribed training courses such as HR system and basic managing skills designed for all middle-level managers, by applying various evaluation tools through "Assessment Center" system, we can identify each individual's strengths and weaknesses. We further recommend external training courses in accordance with each middle-level manager's circumstances to strengthen managing skills and achieve the purpose of talent training.

Except for job rotation development, by holding "Yang Ming Lecture" from time to time, we invite outstanding people and successful entrepreneurs to share their managing concepts as well as remarkable achievements with Yang Ming's top management. This activity has created more opportunities for our top managements to exchange managing thoughts and to learn from diverse industries.



HR Training for managers

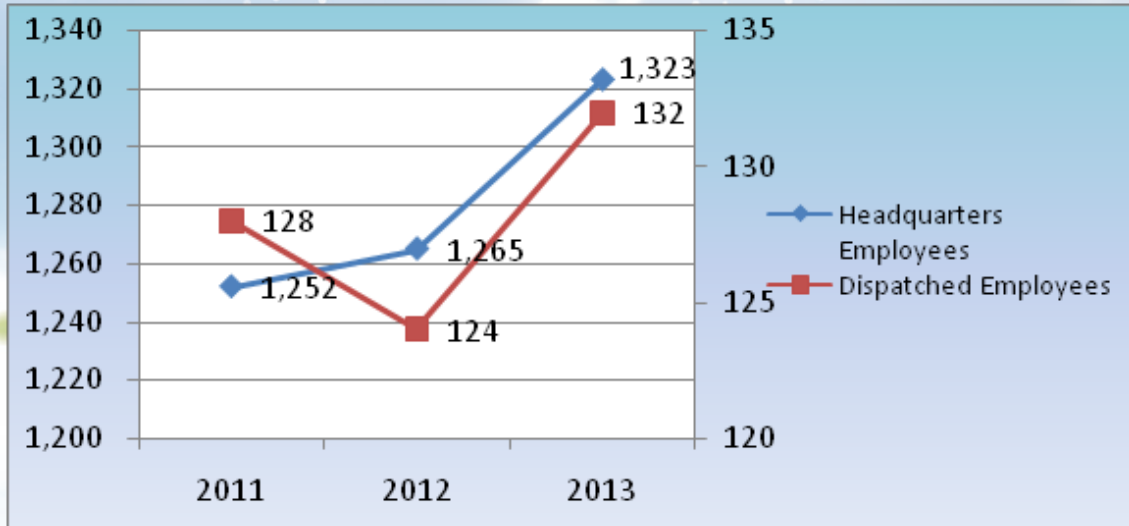


"Yang Ming Lecture" for top management

d. International Talented Employees

Via overseas job rotation, expatriates can not only understand agents' business affairs, but also realize the cross-culture differences from overseas working experiences; furthermore, by managing multinational employees, expatriates can broaden their views of international managements. In year 2011-2013, expatriates accounted for around 10% of on-shore workforce. Yang Ming provides specific assistances for expatriates, such as physical examination arrangement, working visa application, intern program between HQ departments, attractive compensation and benefit. All these institutionalized

approaches are intended to ensure that nothing would distract the employees from their work.



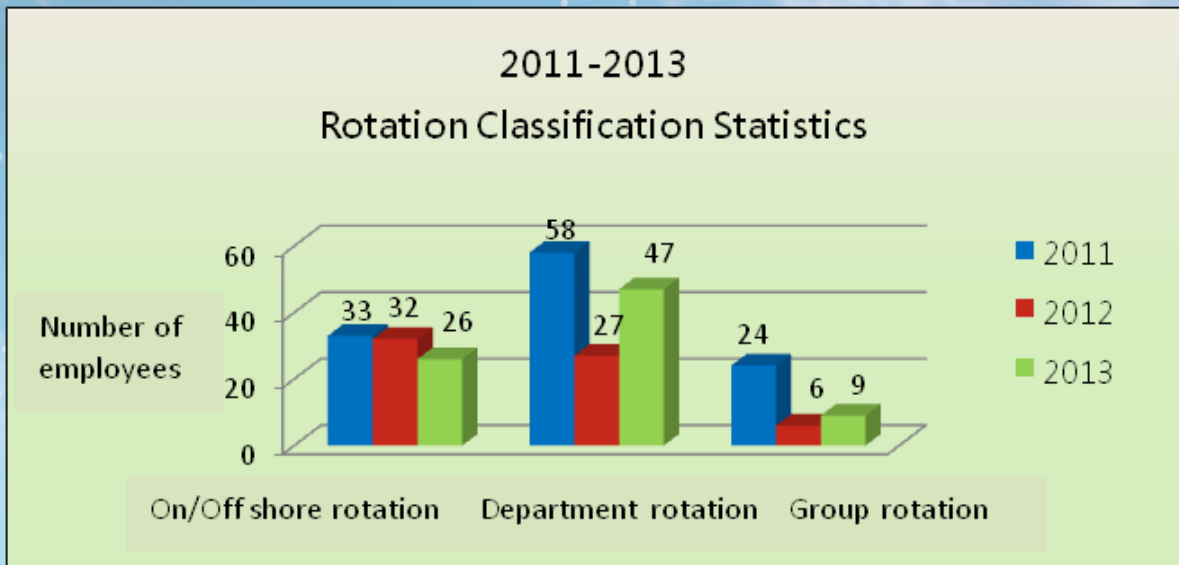
Through the "International Interchange Program," we invite colleagues of subsidiaries to take intern courses in Yang Ming Group headquarters. We expect colleagues of subsidiaries to realize Yang Ming Group's business execution and management culture by participating in this program, and then implement group's policy as well as developing local business after they are back in subsidiaries.

e. After-Work School Education

We provide multiple ways of having after-work school education and subsidy program to encourage colleagues to improve professional knowledge and self-development capabilities.

f. Professional Competency Training

In order to improve employees' professional capabilities, different kinds of technical and professional training are provided by different departments. We have further strengthened the program of job rotation. In addition to job rotation within department, employees can apply for the vacant position subject to job vacancies announcement. The categories and numbers of job rotation in last three years are as follows:



g. Common Competency Training

We provide many training courses regarding common competency as well as relevant trainings of legal requirement for employees. We also emphasize the importance of implementing "Ethical Corporate Management" and create a sustainable environment for better enterprise development, and we have held related courses since year 2012 to reiterate the importance of ethical management in our corporate culture.

h. Quality Management

To enhance the awareness and the concepts of quality management, we provide relevant courses to improve employees' innovative thoughts and skills.

C. Multiple Development and Learning Approaches

- a. We subsidize professional training, language training, after-work school education and the 2nd language study.
- b. We set up courses on e-learning platform to enlarge learners and scope.
- c. We set up online reading group. We build up an independent learning environment via top management's books recommendation.
- d. Via survey and questionnaire on training needs, we can catch on the training circumstances of our overseas subsidiaries. In keeping with Yang Ming's character as a transnational enterprise, we assist employees with resource sharing and mutual support to strengthen worldwide employees' learning effect.

D. Quality of Training

We apply Taiwan Training Quality System standard to our company's training execution. To ensure effective learning, we conduct all learners' after-course survey, which includes course content, teaching methods, material preparation, learning effect, course processing improvement, and may conduct pre-course questionnaire, after-course examination, report or on-line discussion on e-learning platform depending on the form of training.

F. Off-Shore Employees Training

By holding a series of training courses, we have not only enhanced the knowledge and skills of our crews, but also upgraded their abilities to fulfill onboard duties. All training courses continuously provided ashore and onboard can ensure our crews work efficiently and further improve the performance of Yang Ming Fleet.

4.3 Rewards and Benefits

A. Competitive Reward Plan

In order to stimulate staff to realize their potential and maintain high quality at work, Yang Ming not only offers reasonable compensations and adopts a competitive bonus policy in compliance with the law and collective agreement to meet onshore and offshore employees' requests, but also has a complete welfare system in place to care for our staff. Moreover, Yang Ming establishes Employee Stock Ownership Trust (ESOT) to encourage staff's participation and reinforce their sense of belonging. And the same salaries and bonuses apply to every gender, religion, race and political party.

B. Vacation Benefit

Vacation benefit is granted to employees in accordance with the "Labor Standards Law." And Yang Ming provides five days for paid sick leave and personal leave additionally to meet the needs of employees.

C. Retirement

Yang Ming in keeping with the "Labor Standards Law" and "Labor Pension Act" has set up employee retirement pension. The Company sets aside a monthly pension to the designated account to protect employees' pension charges and payments as an encouragement for an employee's long-term services and job involvement.

4.4 Employment Relationship

A. Open Communication Channels

As a transnational shipping company, Yang Ming believes an unobstructed flow of prompt and correct information to our staff is necessary. We also regard assisting our staff all over the globe in solving problems on their jobs as our important responsibility. In order to foster unobstructed two-way communication, we conduct opinion surveys and employee satisfaction surveys regularly to listen and respond to employees' opinions for enhancing management efficiency.

B. Employee Reward

Yang Ming sustains a definite, fair and transparent reward and penalty policy. Every outstanding staff member will gain appropriate promotion and bonus under the promotion and performance evaluation system. Staff perform excellently and make exceptional contribution to company are recommended as model marine staff, national excellent labor representatives and model seafarers every year.



C. Freedom of Association

The Yang Ming Marine Union has existed for more than 20 years. Employees can join or quit at will. In order to strike a balance between work and life and enhance coworkers' relationship, we encourage our coworkers to form different kinds of leagues with adequate subsidy. Currently we have over 30 leagues, including sports leagues for strengthening bodies, such as ping-pong, badminton, golf, basketball, swimming and bowling leagues. There are also literary and art leagues for cultivating talents and minds, such as flower arrangement and photography. We have leagues for energy-consuming activities, such as mountain climbing and board game as well as leagues for generating energy like aerobics and yoga. Our

branch offices also form such leagues. We encouraged all Yang Ming employees can have a healthy leisure life.



Basketball League



Badminton League

4.5 Safety and Health

A. Health Care

Ways to take care of employees' health are:

a. To raise employees' self-consciousness of health

We offer high-quality health examinations periodically for all employees with higher frequency than regulated by law, and keep tracking the results to maintain the good physiology of our employees for their better healthy working time.

We also believe "Prevention is better than cure" and sponsor projects operated by professionals of the relevant fields, such as nutrition and diet planning, smoke-quitting drive, stress relief lectures, regular exercise, healthy exercise, prophylactic inoculation, injury benefit, appropriate therapy, health knowledge website, workplace improvement, prohibition of alcohol at work and set up AED (Automated External Defibrillator) in all work places for first aid.

b. Health lectures and activities

We invite experts to give health lectures on subjects such as "vegetarian dish with physical and mental health," "vision care," "stress and emotional management," "take care of your three-thousand troubled threads (referring to hair care)," "enjoy slim body and nutrition," and "kidney care". We carry out the health activities such as healthy weight loss, physical fitness test, stretch

gymnastics, hiking and exercise walking, smoke-quitting. Also, we provide a variety of clubs and set gymnasium on the 15th floor of the headaquaters for employees to exercise after work.

c. Health management for crews

We envision to reach the target of health management by analyzing and evaluating data according to the nature of crews and occupational health requirement. Based on the data of personnel composition, age, nationality, health and injuries, and regulations of the International Covention, we intergrate the medicine and urgent ship-to-shore medical advice appropriately so as to reach the goal of timely and proper treatment.

d. Health care consulting

We establish health management organization and hire physicians and nurses in accordance with the risk level and headcount of workplace. We carry out health examinations, health consulting, health management, risk assessment and promotion. Any health concerns would therefore be answered immediately and correctly which will bring good outcomes to their physical and mental health. For E-Health knowledge, we establish the internal "health and safety lecture E website" which contains all kinds of health information to share with all employees.

e. Expand the function of health services center

We expand the functions of infirmary from basic medical service to varied kinds of health service and will include psychological counseling in the future. The current health service center provides services such as health examination, health lectures, health promotion activities, health counseling as well as consulting of fleet medical resource management.

B. Enterprise Safety & Risk Control

Considering routine and abnormal activities, Yang Ming controls the entrance of all persons, including employees, suppliers and visitors.

Once there are significant changes in high risk operation, environment or procedre, we will make mandatory appraisal in advance to decide the priorities of risk management. Afterwards, we will deal with the risks through elimination,

substitution, engineering control, emblems, warnings, administrative control, provision of personal protection gears, emergency measures and so on.

C. Safety and Health Management

a. Safety and health organization

We set up the Labor Safety and Health Committee in accordance with the regulations, chaired by the Executive Officer of Global Management Group, who also holds the post of OHSAS18001 management representative and Yang Ming Group general supervisor of the Labor Safety and Health. The labor representatives join the Labor Safety and Health council member meeting every three months. Occupational Safety and Health Management organization is set up in Cidu head office building with required full-time labor safety and health staff.

b. Safety and health management plan

The essential duties of Occupational Safety and Health (Occupational Health and Safety) are implementing safety and health management programs and complying with health and safety management regulations. The action plans are performed in accordance with the health and safety management plan and are quarterly reviewed. All operations are well executed and the records are kept. We also carry out regulatory evaluation, risk assessment, emergency procedures, health and safety auto-inspection, contractor management and procurement management. We have an independent audit department and carry out the internal and external (conducted by DNV) audit plans to check the compliance and effectiveness of the operation of management system.

c. Training

We carry out safety and health trainings for employees, managerial-level members, safety and health management, special operation personnel and contractors and also provide training courses including fire-fighting and the evacuation for the crews of contractors to inform them the hazardous elements through the safety coordinating meetings. All the training hours meet the regulatory requirement.



d. Proposal system

We set up health and safety proposal system and the form of near-miss reporting. Reward will be given according to the level of effectiveness of the proposal.

e. Environmental inspection and improvement

We regularly inspect the quality of air, water and lighting to ensure employees a comfortable and healthy working environment. The drawing up and the execution of environment inspecting program are jointly monitored and fixed by the labor representatives and health and safety management staff.

D. Occupational health

We establish health management organization and set up an infirmary with physician and nurses to deal with health examination, health consulting, health management and health promotion projects. We also set up breastfeeding rooms in all workplaces. All employees are entitled to parental leave. And for those who suffer from serious illness, we offer four-month paid sick leaves superior to regulatory requirements and flexible working hours as well.

E. Emergency Response

a. Emergency plan

We draw up emergency plan to cope with high risks such as natural disaster (fire, typhoons, and earthquakes) and special-device disaster (fire, explosion, leakage of chemicals) which could result in life and property loss in workplace. Each department also draws up its own emergency plan according to identified high risks. The main parts of the plan are emergency response organization, responsibilities and staffing, emergency report process, evacuation procedure,

disaster response procedure, disaster areas vigilance, recovery process, consideration of risk and responding ability during non-working days and night shift. The emergency plan is reviewed annually to ensure appropriateness, and is modified when decree, organizations and process have changed or accident happened or problems are found in the contingency drills.

b. Trainings and drills

We build emergency response process for fire, typhoon, flood, business continuity and catastrophe recovery, dangerous goods, wharf and container yards, etc. The emergency training courses and drills include training condition commentary, strain skills, fire-fighting in workplace.

F. Enterprise Epidemic Prevention Program

To ensure the business continuity during the epidemic outbreak, we come up with epidemic prevention procedure for head office, branches, fleet and infected areas. Once the global outbreaks take place, the response team will be immediately set up to make sure the division of work and responsibilities, and to carry out actions including information gathering and advocacy, staff and visitor management, enforcement of environmental and office hygiene, implementation of the reporting procedures and risk diversification strategies. In addition, we will require the port agents and fleet to comply with the requirements of headquarters by employing outbreak response plan, including limitation for those coming from the infected area to go ashore and implementation of the epidemic control standard process aimed at minimizing the negative impact on terminal operation and navigation.

G. Occupational Accident Statistics and Analysis

In 2013, the disabling frequency rate (FR, the average disabling cases/per million hours) of Yang Ming (including native crews) was 1.41 and the disabling severity rate (SR, the average loss working days/per million hours) was 70.37, which is below the average rate of the transportation and warehousing sector in 2013. It also shows the signs of decline when compared to the disabling frequency rate 1.88 and the disabling severity rate 188 in 2012.

Chapter 5 Social Responsibility

5.1 Global Transportation for Social Charity

Yang Ming is dedicated to global transportation for social charity. To show our concern about human care and our determination to make contribution to society, we deliver our care to all around the world.

- A. 2012-2013 Yang Ming provides Buddhist Compassion Relief TCBC Foundation with five 40-foot containers of free transportation to deliver relief supplies to refugees of Syrian civil war.
- B. 2013 Yang Ming offers four 40-foot containers and four 20-foot containers for Union Beach, NJ to hold relief goods.
- C. 2013.3 - 2013.10 Yang Ming provides the exhibition of Swiss Museum of Transport (Luzern) with six 20-foot containers and three 40-foot containers.
- D. 2013.5 - 2013.12 Yang Ming provides Buddha's Light International Association R.O.C with four 20-foot containers and free transportation of six 20-foot containers, three 40-foot containers and one 40-foot open top container.
- E. 2013.11 - 2013.12 Yang Ming offers "Rally Nippon 2013 in Taiwan" free transportation of twenty-nine 40-foot containers.



5.2 Yang Ming Cultural Foundation

Years ago, in order to promote oceanic culture and conservation education, Yang Ming set up the "Yang Ming Cultural Foundation" and established two permanent exhibition facilities: the YM Oceanic Culture & Art Museum in Keelung and the YM

Kaohsiung Museum of Marine Exploration – both are intended to enhance further awareness and consciousness of oceanic culture and marine ecosystems. Every year, Yang Ming held special exhibitions, activities, events and festivals to lead people to engage in sea-related activities such as international painting competition, winning painting exhibition, creative ocean treasure contest, ocean and ship related exhibition, ocean culture moveable museum project, and creative Keelung fairy tale festival for children. We believe these activities will rally public awareness of marine culture. Yang Ming also sponsored the fine art organization by providing our professional marine transportation to fulfill the ideal "let Taiwan go out and pull in the world".

In the year 2013, Yang Ming Cultural Foundation (YMCF) invited the public to discover the beauty of the Rainy City – Keelung. On Dec. 7th, YMCF held "2013 Keelung DaDa Festival" at Keelung Maritime Plaza and YM Oceanic Culture & Art Museum. The celebrations of the "2013 Keelung DaDa Festival" included 3 activities, "Dancing Under a Thousand Umbrellas," "Let's Do Recycling" and "DaDa Playground." In "Dancing Under a Thousand Umbrellas," YMCF provided a thousand umbrellas and called the public holding the umbrellas assembling at Keelung Maritime Plaza. The public at Keelung Maritime Plaza danced together, shouting "Top of Taiwan! The Rain of Keelung! Colorful umbrellas make the most beautiful scene!" "Let's Do Recycling" was an activity of recycling collected umbrellas, cameras, and mobile phones in November. YMCF provided the tickets of both "DaDa Playground" and "YM Oceanic Culture & Art Museum" as gifts for persons who went in for "Let's Do Recycling." In the 30-day recycling activity, over a thousand goods were collected. The goods classified as useless were recycled by the Bureau of Environmental Protection of Keelung City Government, and the usable goods were donated to disadvantaged minorities. As to "DaDa Playground," there were foods, interesting games, and various things which made "DaDa" sounds. YMCF also invited the well-known crosstalk master "Wang Chen-Chuan" and his crosstalk troupe to stage a great performance which had the audience recall their happy memories of the childhood.



Pictures of the activity of "Dancing Under a Thousand Umbrellas."



The activity of "Let's Do Recycling" had collected 1073 umbrellas, 60 cameras, and 172 mobile phones.



Pictures of the "DaDa Playground" activity

Appendix: Global Reporting Initiative (GRI) Sustainability Reporting Guidelines G3.1

● Completely disclosure ◎ Partly disclosure ○ Non-disclosure or Non-applicable

	GRI Indicator	Status	Related Section	Page	Notation
1	Strategy and Analysis				
1.1	Statement from the most senior decision-maker of the organization	●	From the Board Chairman and Chief Executive Officer	2	
1.2	Description of key impacts, risks, and opportunities	●	From the Board Chairman and Chief Executive 1.2 Market Overview	2 7	
2	Organizational Profile				
2.1	Name of the organization	●	1.1 Company Overview	5	
2.2	Primary brands, products, and/or services	●	1.1 Company Overview	5	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	●	1.3 Corporate Governance 1.5 Affiliated Company Management	8 12	
2.4	Location of organization's headquarters	●	1.1 Company Overview	5	

2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	●	1.1 Company Overview	5	
2.6	Nature of ownership and legal form	●	1.1 Company Overview	5	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	●	1.1 Company Overview	5	
2.8	Scale of the reporting organization	●	1.1 Company Overview	5	
2.9	Significant changes during the reporting period regarding size, structure, or ownership	●	1.2 Market Overview	7	
2.10	Awards received in the reporting period.	●	2.1 Awards	15	
3	Report Parameters				

3.1	Reporting period (e.g., fiscal/ calendar year) for information provided	●	Editorial Principle	1	
3.2	Date of most recent previous report (if any)	●	Editorial Principle	1	
3.3	Reporting cycle (annual, biennial, etc.)	●	Editorial Principle	1	
3.4	Contact point for questions regarding the report or its contents.	●	Editorial Principle	1	
3.5	Process for defining report content	●	2.2 Stakeholders Engagement	16	
3.6	Boundary of the report	●	Editorial Principle	1	
3.7	State any specific limitations on the scope or boundary of the report	●	Editorial Principle	1	

3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	●	1.1 Company Overview	5	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	○			

3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	●	Editorial Principle	1	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	●	Editorial Principle	1	
3.12	Table identifying the location of the Standard Disclosures in the report	●	Global Reporting Initiative Sustainability Reporting Guidelines G3.1	48	
3.13	Policy and current practice with regard to seeking external assurance for the report	●	Editorial Principle	1	Not verified by Third Party

4	Governance, Commitments, and Engagement				
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	●	1.3 Corporate Governance	8	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	●	1.3 Corporate Governance	8	
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	●	1.3 Corporate Governance	8	

4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	●	1.3 Corporate Governance 2.2 Stakeholders Engagement	8 16	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	●	1.3 Corporate Governance	8	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	●	1.3 Corporate Governance 1.4 Risk Management and Legal Compliance	8 11	
4.7	Process for determining the composition,	●	1.3 Corporate Governance	8	

4.8	qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	●	1.4 Risk Management and Legal Compliance	11	
4.9	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	●	1.3 Corporate Governance 1.4 Risk Management and Legal Compliance	8 11	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	●	1.3 Corporate Governance	8	

4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	●	1.3 Corporate Governance	8	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	●	1.3 Corporate Governance 2.2 Stakeholders Engagement	8 16	
4.13	Memberships of associations (such as industry associations) and/or national/international advocacy organizations in which the organization * has positions in governance bodies; * Participation in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic	●	1.6 Association Membership	12	

4.14	List of stakeholder groups engaged by the organization	●	2.2 Stakeholder Engagement	16	
4.15	Basis for identification and selection of stakeholders with whom to engage	●	2.2 Stakeholder Engagement	16	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	●	2.2 Stakeholder Engagement	16	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	●	2.2 Stakeholder Engagement	16	

Economic Performance Indicators					
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	●	4.3 Rewards and Benefits 5. Social Responsibility	37 44	
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	●	3. Environment Protection	22	
EC3	Coverage of the organization's defined benefit plan obligations	●	4.3 Rewards & Benefits	37	
EC4	Significant financial assistance received from government	○			No financial assistance from government

EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	●	4.3 Rewards & Benefits	37	
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	○			
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	●	4.1 Employment	28	
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	●	2.1 Awards 5. Social Responsibility	15 44	

EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	○			No evaluation for indirect economic impact
Environment Performance Indicators					
EN1	Materials used by weight or volume	○			As shipping company, no material used
EN2	Percentage of materials used that are recycled input materials	○			Irrelevant to the shipping company
EN3	Direct energy consumption by primary energy source	●	3.1 Green Vessel 3.2 Carbon Calculator	22 25	
EN4	Indirect energy consumption by primary source	●	3.3 Green Service 3.5 Office Energy Saving Details	25 27	
EN5	Energy saved due to conservation and efficiency improvements	●	3. Environmental Protection	22	

EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives	●	3.1 Green Vessel 3.4 Power output system of the Photovoltaic Panel	22 26	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	●	3.3 Green Service 3.4 Power output system of the Photovoltaic Panel 3.5 Office Energy Saving Details	25 26 27	
EN8	Total water withdrawal by source	●	3.5 Office Energy Saving Details	27	Irrelevant to shipping company
EN9	Water sources significantly affected by withdrawal of water	○			No obvious affection
EN10	Percentage and total volume of water recycled and reused	●	3.5 Office Energy Saving Details	27	

EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<input type="radio"/>			Irrelevant to shipping company
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	<input type="radio"/>			No obvious affection
EN13	Habitats protected or restored	<input type="radio"/>			No obvious affection
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	<input type="radio"/>			No obvious affection
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	<input type="radio"/>			No obvious affection

EN16	Total direct and indirect greenhouse gas emissions by weight	●	3.1 Green Vessel	22	
EN17	Other relevant indirect greenhouse gas emissions by weight	○			
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	●	3.1 Green Vessel 3.2 Carbon Calculator t	22 25	
EN19	Emissions of ozone-depleting substances by weight.	●	3.1 Green Vessel	22	
EN20	NOx, SOx, and other significant air emissions by type and weight	●	3.1 Green Vessel	22	
EN21	Total water discharge by quality and destination	●	3.5 Office Energy Saving Details	27	
EN22	Total weight of waste by type and disposal method	●	3.5 Office Energy Saving Details	27	
EN23	Total number and volume of significant spills	○			NIL

EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	○			Follow the terms of Basel Convention Annex I, II, III, and VIII, we don't deliver the waste deemed hazardous
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	○			Irrelevant to shipping company
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	●	3.1 Green Vessel 3.2 Carbon Calculator	22 25	

EN27	Percentage of products sold and their packaging materials that are reclaimed by category	○			No product package
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	○			No violation of environmental laws and regulations, or fines
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	○			No obvious environment affection
EN30	Total environmental protection expenditures and investments by type	●	3.1 Green Vessel	22	

Labor Practices & Decent Work Performance Indicators					
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	●	4.1 Employment	28	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	●	4.1 Employment	28	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	●	4.3 Rewards & Benefits	37	
LA4	Percentage of employees covered by collective bargaining agreements	●	4.4 Employment Relationship	38	

LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	●	4.1 Employment	28	Conformity to the related inform procedure
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	●	4.5 Safety and Health	39	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	●	4.5 Safety and Health	39	

LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	●	4.5 Safety and Health	39	
LA9	Health and safety topics covered in formal agreements with trade unions	●	4.5 Safety and Health	39	
LA10	Average hours of training per year per employee, by gender, and by employee category	●	4.2 Employees Development	32	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	●	4.2 Employees Development	32	

LA12	Percentage of employees receiving regular performance and career development reviews, by gender	●	4.1 Employment 4.2 Employee Development	28 32	
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	●	1.3 Corporate Governance 4.1 Employment	8 28	
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	●	4.3 Rewards & Benefits	37	

LA15	Return to work and retention rates after parental leave, by gender	●	4.1 Employment	28	
Human Rights Performance Indicators					
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	●	2.4 Supplier Management	21	To request our suppliers to obey law regulations through the contract (including labor regulation)
HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken	●	2.4 Supplier Management	21	

HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	○			
HR4	Total number of incidents of discrimination and actions taken	●	4.1 Employment	28	
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	●	4.4 Employment Relationship	38	

HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	●	4.1 Employment	28	
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	●	4.1 Employment	28	
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations	○			All the security guard are required to have the etiquette, traffic control, environmental safety, CPR, AED, fire control and workplace safety training courses

HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	●	4.1 Employment	28	No violation
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	●	4.1 Employment	28	No violation
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	●	4.1 Employment	28	No violation
Social Performance Indicators					
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	●	2.1 Awards 5. Social Responsibility	15 44	

SO2	Percentage and total number of business units analyzed for risks related to corruption	●	1.4 Risk Management and Legal Compliance	11	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	●	1.4 Risk Management and Legal Compliance	11	
SO4	Actions taken in response to incidents of corruption	●	1.4 Risk Management and Legal Compliance	11	
SO5	Public policy positions and participation in public policy development and lobbying.	●	1.6 Association Membership	12	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	●	5. Social Responsibility	44	No political contributions
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	●	1.4 Risk Management and Legal Compliance	11	

SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	●	1.4 Risk Management and Legal Compliance	11	
SO9	Operations with significant potential or actual negative impacts on local communities.	○			Most operation located in port area
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	○			Most operation located in port area
Product Responsibility Performance Indicators					
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	●	3.1 Green Vessel 3.2 Carbon Calculator 3.3 Green Service	22 25 25	

PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	●	2.3 Customer Service and Satisfaction	18	
PR3	Type of product and service information required by procedure, and percentage of significant products and services subject to such information requirements	●	3.2 Carbon Calculator	25	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	●	2.3 Customer Service and Satisfaction	18	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	●	2.3 Customer Service and Satisfaction	18	

PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	○	2.3 Customer Service and Satisfaction	18	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	●	2.3 Customer Service and Satisfaction	18	
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	●	2.3 Customer Service and Satisfaction	18	
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	●	2.3 Customer Service and Satisfaction	18	