

# 2015

## Corporate Social Responsibility Report



## Editorial Principle

- **Reporting Period**

Yang Ming Marine Transport Corporation (hereinafter referred to as Yang Ming) has published the Corporate Social Responsibility Report annually on the company website since 2012. This report states our efforts on social responsibility of Year 2014 (2014/01/01 - 2014/12/31). We also provide the datum of the past few years for reference. The date of most recent previous report is 2014/11/17 which covers the period from 2013/01/01 to 2013/12/31.

- **Reporting Scope**

This report is about the performance of sustainable development, including economic, environmental and social topics of Yang Ming and the affiliated companies. Moreover, the report contains our response to all stakeholders regarding issues of corporate governance, operation management, social participation, employment, and environmental protection. In this report, the financial information used and prepared is certificated by CPA.

The content structure of this report was made by consulting the Global Reporting Initiative G4 in the appendix of the report for your reference. Both English and Chinese version will be posted on Yang Ming website.

[http://www.yangming.tw/csr/01csr\\_005.html](http://www.yangming.tw/csr/01csr_005.html)

- **This report is not verified by a third party.**

- **Contact Information**

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## From the Chairman and Chief Executive Officer

Dear readers:

In 2014, Yang Ming continued the current efforts to develop strategic plans and overwhelm the difficulties and challenges. Here I would like to deeply appreciate the hard work and outstanding contribution of all Yang Ming colleagues, the great cooperation of our supply chain partners, the positive affirmation and support of customers, investors and stakeholders.



For 2015, by receiving the container vessels which carry in excess of 10,000 TEUs each, we have made "Grow greatly, Profit steadily" our main developing strategy. According to Alphaliner's information, the coming large container vessels are expected to increase to 60 thousand TEUs, and as a consequence we can become one of the world's Top 10 carriers. However, the growth of the fleet is not our ultimate goal. The relevant business integration, the operation of vessels, terminals, containers, and the internationalization and innovation of human resource are our responsibility.

Except the profit goal, as a global citizen Yang Ming has corporate responsibility to society and the world. For information transparency, we received A+ ranking award in 11th "Information Transparency and Disclosure Ranking System" from TWSE and OTC. For IT security management, we re-certificated ISO27001 in 2014. For environmental protection, we have gathered statistics of carbon emission since 2008, and keep using state-of-art green & energy-saving equipment and materials to reduce fuel consumption and further cut down CO<sub>2</sub> emission to make our environment clean. Compared with 2008, our 2014 CO<sub>2</sub> emission decreased approximately 35%. We endeavor to keep unit energy consumption equal to or less than before until the adoption of new and economical technology or environmental friendly equipment is available. We also fulfill the corporate social responsibility by promoting oceanic

# 2015 Corporate Social Responsibility Report

culture. In this end, we hold various creative activities. Besides the "Keelung Fairy Tale Festival" held every April, over 20 exhibitions of "Oceanic Culture of Mobile Museum" were staged in Keelung, Kaohsiung, Taipei city and Hualien county in 2014.

Nowadays the growth of economic development in mainland China has slowed down, the QE gradually tapers off in the U.S., European market is being stuck in limbo and the world economy remains highly uncertain. In such circumstances, Yang Ming receives new vessels; hence our fleet can be optimized so as to improve our operating efficiency and performance. With the effort of our colleagues, it is expected we can attain the profit goal and satisfy shareholders' and community's supports and expectations.



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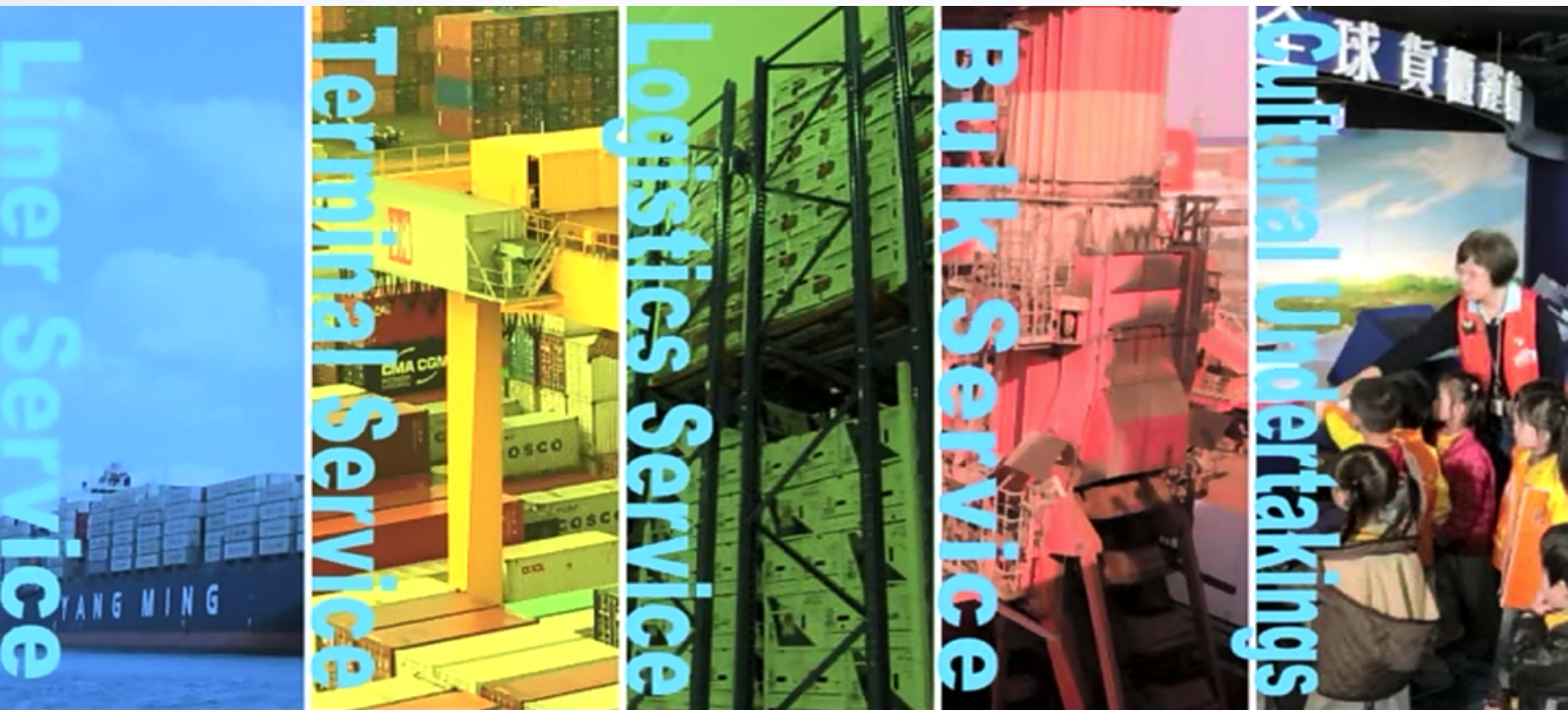
Chairman & CEO



# Content

<b>Chapter 1 Yang Ming Overview</b>	<b>5</b>
1.1 Company Profile	6
1.2 Market Today	6
1.3 Company Strategy	8
1.4 Corporate Governance	8
1.5 Ownership Structure	10
1.6 Financial Performance	11
1.7 Risk Management	11
1.8 Association Membership	14
<b>Chapter 2 Concern About Stakeholders</b>	<b>17</b>
2.1 Awards	18
2.2 Customer Service and Satisfaction	18
2.3 Information Security Management	20
2.4 Supplier Management	20
2.5 Sustainability Issues	21
<b>Chapter 3 Environmental Protection</b>	<b>24</b>
3.1 Concern the Environment, Treasure the Earth	25
3.2 Environmental Management System	25
3.3 Energy Conservation and Carbon Reduction Committee (ECCRC)	25
3.4 Green Vessel	27
<b>Chapter 4 Concern About Employment</b>	<b>32</b>
4.1 Employment	33
4.2 Employee Development	37
4.3 Compensation & Benefits	41
4.4 Employment Relationship	42
4.5 Safety and Health	43
<b>Chapter 5 Social Responsibility</b>	<b>46</b>
5.1 Global Transportation for Social Charity	47
5.2 Yang Ming Cultural Foundation	47
<b>Appendix : Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines</b>	<b>50</b>

# Yang Ming Overview



## Chapter 1 Yang Ming Overview

### 1.1 Company Profile

Yang Ming Marine Transport Corporation (Yang Ming) was established on December 28, 1972. Our headquarters is located in Keelung City, Taiwan. At the end of December 2014, Yang Ming operated a fleet of 95 container vessels totaling 5.44 million DWT/443 thousand TEUs. The paid-in capital amounts to USD 953 million. Our business ranges from ocean freight transportation, 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.

We focus on container shipping business with a worldwide service network. In line with the motto of providing "Punctual, Speedy, Reliable and Economical" services to our customers, Yang Ming accomplishes many breakthroughs through 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.

### 1.2 Market Today

According to the latest report from IMF, the global GDP growth rate in 2014 is around 3.3%, similar to that in 2013. Major economies advance at different paces. Eurozone still suffers from the "low-inflation", whilst the United States may benefit from the stimulus brought by the dropping cost of energy. In mainland China the growth speed is evidently running slow. And the situation is still uncertain in Japan even with the backup of massive economic policies. As for the bunker price, it remained high during the first three quarters but plunged below USD 400 per ton (Rotterdam IFO) in the final quarter of the year.

In 2014, we are still facing strong headwind in liner business due to the sustained imbalance between supply and demand. It is estimated the growth rate of cargo moves in 2014 is 5.1% and the effective capacity is 4.7%, according to Drewry Container Forecaster. However, the actual supply-demand equilibrium is still out of reach since the Global Supply-Demand Index provided by Drewry reveals the figure

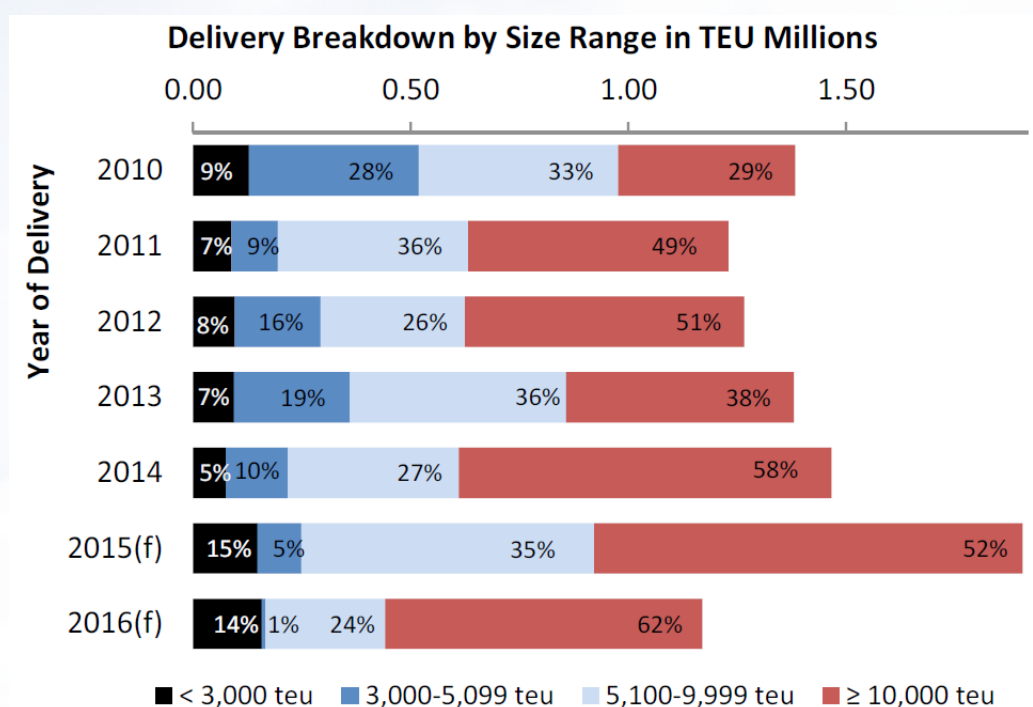
# 2015 Corporate Social Responsibility Report

is 95.7, well under the balanced 100. It has been proved that restoring the freight rate is almost unattainable under such condition, making carriers recourse to every measure aimed for cost reduction, ranging from ordering mega-sized ships during the downturn of building price to implementing slow-steaming strategy to improve cost structure. About 58% of the delivered ships in 2014 can carry more than 10,000 TEUs. And the slow-steaming measure helps to ingest 1.3 million TEUs, reported by Alphaliner.

## Box trade supply/demand growth rate forecasting by Drewry

	2012	2013	2014	2015(f)
<b>Demand</b>	3.2%	3.6%	5.1%	5.4%
<b>Supply</b>	4.3%	3.0%	4.7%	7.0%
<b>Gap</b>	-1.1%	0.6%	0.4%	-1.6%
<b>S/D Index</b>	94.8	95.3	95.7	94.2

Source: Drewry Container Forecaster 2014 Q4



Source: Alphaliner Monthly Monitor January 2015





### 1.3 Company Strategy

Facing the critical market, Yang Ming will welcome a major boost in its competitiveness with the delivery of the fifteen 14,000 TEU containerships in 2015 and 2016. Besides the upgrade of our fleet, there are several supporting policies and cost-cutting projects carried out to fully optimize the operation. The primary approaches are:

- Devising various business strategies in combination with our deployment of global feeder network and transshipment hubs to maximize the utilization of megaships.
- The scale of CKYHE alliance has been expanded as Evergreen joined the operation on Asia-Europe long-haul services. Yang Ming is determined to forge optimized cooperation plans with our partners by rationalizing the routing and expanding the coverage of our service.
- While the full recovery of major economies remain uncertain, Yang Ming will keep tracking on the development of emerging markets. Combined with our innovation of sales plans, we have been promoting business within several regional markets, expanding our market share for lifting revenue.
- Continuing our in-house cost management projects such as bunker saving schemes (slow-steaming, ES bow modification, etc.), renewal of service contracts for lower port charge and inland transshipment expense, together with promoting the turnaround rate of containers for better efficiency.

Sailing through the volatile climate, Yang Ming holds its core value of "Teamwork, Innovation, Honesty and Pragmatism" as guideline to strengthen its performance. Along with upgrading eco-ships and expanding service network, we have always been devoted to taking on the challenges and response to public's trust and support without reservation.

### 1.4 Corporate Governance

The Board is the top management of Yang Ming. The company adopts candidates' nomination system according to the Article of Incorporation of Yang Ming Marine Transport Corp. The Board is composed of 11 directors, including 3 independent directors and one labor director.

# 2015 Corporate Social Responsibility Report

With directors' industry experience and management expertise, to improve oversight function, strengthen the management mechanism and safeguard the interests of investors, and to review business effectiveness, discuss important strategies such as economics, environmental protection, and corporate social responsibility in order to establish the good governance of the Board are the major duties of the Board. The Board meeting shall be held seasonally. Six meetings were held in 2014 and the average attendance of the directors was 96.67%. The important resolutions would immediately be posted on M.O.P.S. (Market Observation Post System) of Taiwan Stock Exchange for public checking.

Yang Ming has set up independent directors since 2013. To enhance the independence and professional function of the Board, protect shareholder's interests and ensure the quality of financial information, the company has set up the Audit Committee since the 17th Board of Directors, which, organized by all independent directors, is responsible for implementing the term of Supervisors of Company Act, Securities and 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 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 handed down by the Board.

The company has set the Regulations Governing Procedure for Board of Directors Meetings of Yang Ming; the main agenda items, operational procedures, required content of meeting minutes, public announcements, and other compliance requirements for board meetings shall be handled in accordance with the regulation.

In order to guide directors and managerial officers to act in line with ethical standards, the company has set "Code of Conduct for Board Directors and Managers" of Yang Ming for determining and keeping the ethical standard to be followed.



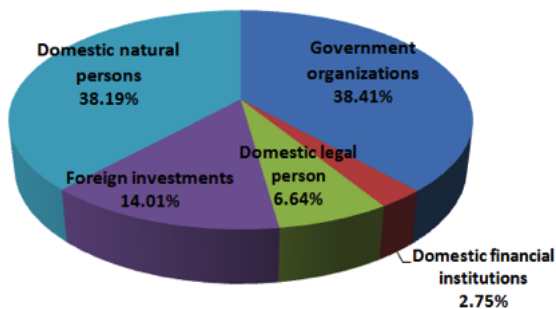
## Organization Chart of Yang Ming Marine Transport Corp.



## 1.5 Ownership Structure

The major shareholders of Yang Ming are domestic/foreign legal persons and natural persons. According to statistics of December 31, 2014, the shareholding ratios of government organizations, domestic natural persons, and foreign investments were 38.41%, 38.19% and 14.01% respectively.

**Yang Ming Shareholder Structure Graph**



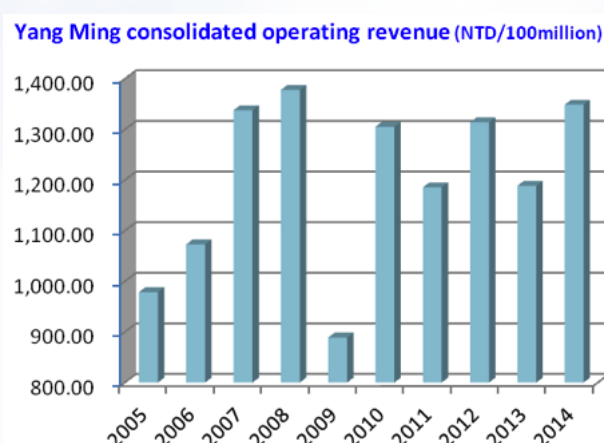
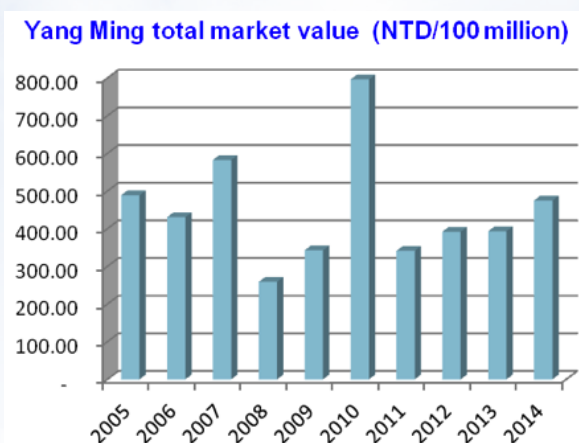
Major Shareholders	Percentage(%)
Ministry of Transportation and Communications	35.51%
Public Service Pension Fund Management Board	2.86%
China Chem Group	2.33%
GDR-YANG MING	1.89%
Mega International Commercial Bank Co., Ltd. as Trustee Account	1.36%
FU, DI-CHEN	1.27%

Cathay Life Insurance Co., Ltd.	1.08%
iShares MSCI Emerging Markets ETF	0.90%
Dimensional Emerging Markets Value Fund	0.87%
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	0.86%

(Major Shareholders - 2014/12/31)

## 1.6 Financial Performance

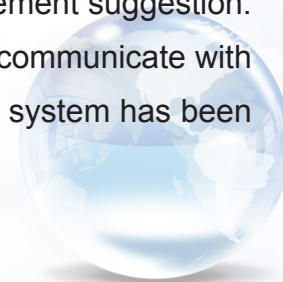
Yang Ming's total market value in 2014 was about NTD48.13 billion, and its consolidated operating revenue of 2014 was about NTD134.78 billion.



## 1.7 Risk Management

### 1.7.1 Risk Management

Yang Ming's risk management policy is to prevent and control risks efficiently for regular operation aimed at sustainable business development. The risk management structure includes each departments and Audit department. The Audit department sets up the annual audit plan according to the risk assessment results of the past year and reports the audit activities to board of directors to make any improvement suggestion. Then the independent directors review the internal audit report and communicate with management, auditors and CPA to make sure the risk management system has been implemented effectively.



### 1.7.2 Information Disclosure

To show our respect of the investors, Yang Ming sets up the webpage of "Investor Relations" in accordance with regulations to keep improving transparency and information disclosure.

Yang Ming established the "Procedures for Handling Important Information" to prevent the information leakage and insider trading, and make sure the consistency of the information to the general public as well. In 2014, no related issue occurred.

The prevention of insider trading has been included in annual audit plan by the Audit department to ensure the operating effectiveness of the systems. The material information of company is published pursuant to "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities". In 2014, 41 cases of material information were already disclosed.

Yang Ming offers education and training to directors, managers and employees at least once a year. "Investor Relations" has been set on website. It provides not only financial reports, annual reports and dividends information but also various information such as meetings of shareholders and the Board and important policy information.

#### ***Yang Ming Again Wins A+ in the 11<sup>th</sup> "Information Transparency and Disclosure Ranking System" Award***



Under the guidance of senior management and with the assistance from relevant departments, Yang Ming in the 11<sup>th</sup> "Information Transparency and Disclosure Ranking System" was rated A+. Executive Officer of Finance Group Mr. Vincent Lin on behalf of Yang Ming accepted the award from Taiwan Stock Exchange Corporation on July 28, 2014. Yang Ming received A+ ranking for two years, making it the best of listed shipping companies in Taiwan.

The Securities and Futures Institute, entrusted by the Taiwan Stock Exchange Corporation and the Gre Tai Securities Market, have used the "Information Disclosure and Transparency Rankings System" to evaluate the level of transparency for all listed companies in Taiwan since 2003. The ranking is based on the information released by the company in a full fiscal year. The evaluation criteria are categorized as follows: Compliance with the mandatory disclosures, Timeliness of reporting, Disclosure of annual reports and disclosure on the corporate website.

Yang Ming received a straight A rankings from the 1<sup>st</sup> to 9<sup>th</sup> "Information Transparency and Disclosure Ranking System" and received A+ ranking since the 10<sup>th</sup> "Information Transparency and Disclosure Ranking System".

### 1.7.3 Internal control system

Yang Ming establishes an internal control system, including internal audit implementation rules, in accordance with "Regulations Governing Establishment

# 2015 Corporate Social Responsibility Report

of Internal Control Systems by Public Companies" set up by Financial Supervisory Commission.

We classified our operational activities by 9 operating cycles according to the business and the characteristics of the industry: Research and development (R&D) cycle, Business cycle, Operation cycle, Fixed asset cycle, Purchase cycle, Labor and wage cycle, Investment cycle, Finance cycle, Information cycle and 17 control activities to strengthen corporate governance and risk control system and to promote sound operations of the company.

The Audit department is placed under the Board to assist the board of directors and managers in inspecting and measuring the effectiveness and efficiency of operational activities of each department to ensure the sustained effectiveness of the internal control system and make timely recommendations for improvements.



## 1.7.4 Legal Compliance

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 the "Code of Conduct for Board Directors and Managers", the "Code of Conduct" and the "Code of Ethical Management" as guidelines for the directors, managers, and all employees of 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 Yang Ming Group. We also provide the whistle-blowing mechanism via e-mail

(conduct@yangming.com) for reporting concerns about unethical or unlawful behaviors, and the report will be kept strictly confidential and handled circumspectly.

For all employees' 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 employees using external resources and internal online education system. By the end of 2014, 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. There is no internal contravention to Yang Ming's "Code of Ethical Management" and "Code of Conduct" either. As for the RT transporting issue in pier #120, Kaohsiung free trade zone, it is now under appealing.

## **1.8 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 offering 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.

# 2015 Corporate Social Responsibility Report

Association	Holds a position on the governance body	Participates in projects or committees	Membership
National Association of Chinese Ship Owners	√		√
Chinese Ship Owner's Association of Taipei	√	√	√
Association of Shipping Services ROC	√		√
Taipei Shipping Agencies Association	√		√
Chinese Maritime Research Institute	√		√
Chinese National Association of Industry and Commerce, Taiwan			√
Chinese International Economic Cooperation Association			√
Sino-Arabian Cultural & Economic Association			√
The Arbitration Association of the Republic of China			√
China Maritime Institute	√		√
Chinese Institute of Transportation			√
Chinese Management Association			√
International Ocean Freight Forwarders & Logistics Association Taiwan			√
Taiwan Society Naval Architects and Marine Engineers			√
Commerce Development Research Institute	√		√
Turnaround Management Association Taiwan			√
Taiwan Russia Association			√
CR Classification Society	√	√	√
Chinese Professional Management Association			√
The Association of Marine Affairs Established			√
Institute for Chinese Economics Industry	√		√
Cross-Strait CEO Summit			√
Intra-Asia Discussion Agreement (IADA)		√	√
Informal Rate Agreement (IRA)			√



Informal South Asia Agreement (ISAA)		V
Informal Red Sea Agreement (IRSA)		V
Transpacific Stabilization Agreement (TSA)	V	V
Clean Cargo Working Group(CCWG)		V
World Shipping Council (WSC)		V
International Council of Containership Operators, the Box Club		V



# Concern about Stakeholders



## Chapter 2 Concern About Stakeholders

### 2.1 Awards

- 2013 "Carrier of the Year" award from Target Corporation
- 2014 "Work-Life Balance" award from the Ministry of Labor
- A+ in the 11<sup>th</sup> "Information Transparency and Disclosure Ranking System" award from Taiwan Stock Exchange Corporation
- 2014 Quest for Quality award from Logistics Management
- Win "Green Purchase" from Bureau of Environmental Protection, Keelung City
- Asian Freight and Supply Chain Awards of 2014 -The Best Carrier for the Asia-Europe range of regular container routes voted by Cargonews Asia

### 2.2 Customer Service and Satisfaction

Yang Ming implements "Customer Satisfaction Survey" project to understand customers' needs and expectation periodically. By analyzing the customers' satisfaction toward Yang Ming, we can more clearly understand what aspects of our service appeal to different types of customers and adapt our services to meet their requirements in order to provide better customer service.

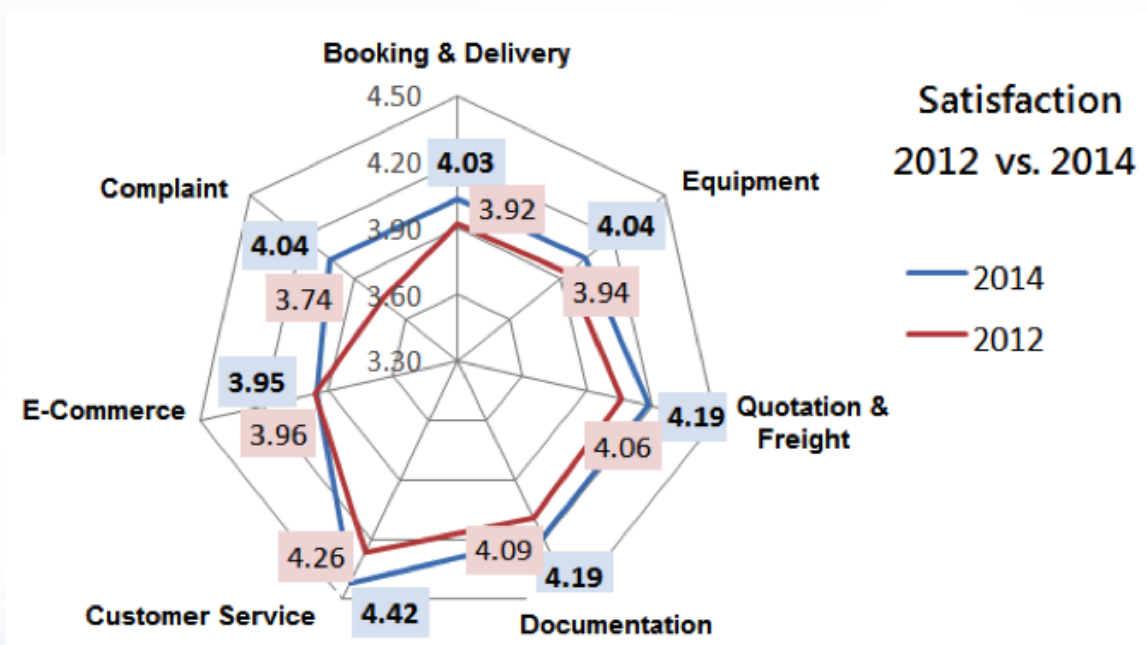
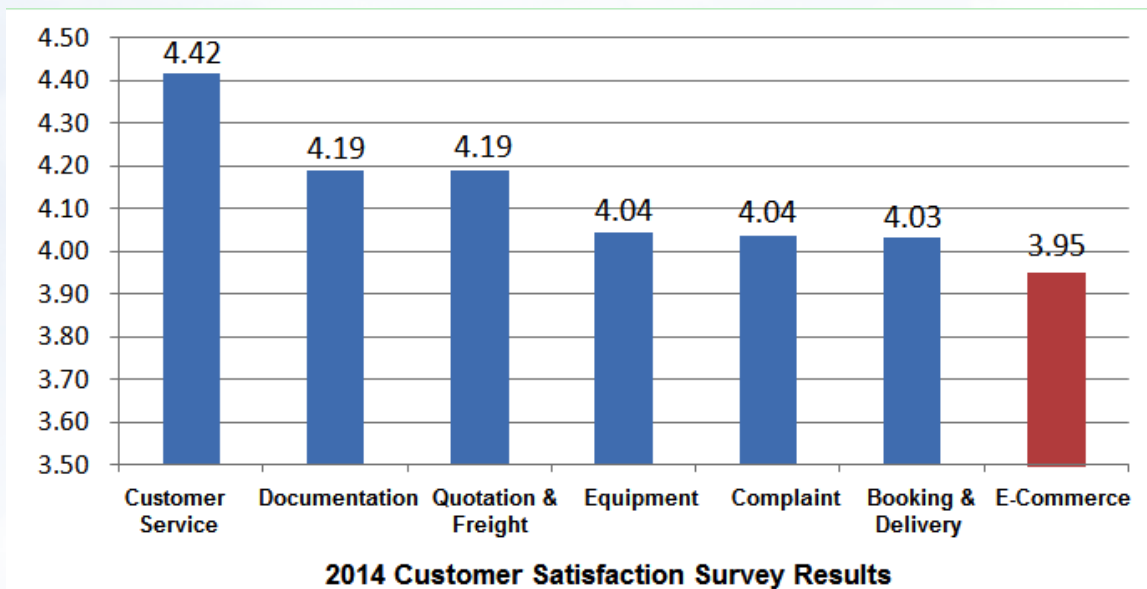
- Since 2002, Yang Ming has collected the satisfaction survey of global customers, listened to the voices of customers, been dedicated to providing excellent service.
- The survey project is pursued through Internet questionnaires, and with reference to the survey results, Yang Ming develops improvement plan or business strategy to optimize the service quality.
- Customers' response is the important factor for Yang Ming to improve our procedures. We analyze the opinions and comments gathered from the questionnaire survey and report the results to the management, and refer them to the relevant departments to ensure the customers' feedback are well understood and properly handled.

Yang Ming designates a professional consulting company to develop the satisfaction survey toward global customers every two years. By measuring the satisfaction of 7 aspect services, we can understand the key factors of the aspect services, and

# 2015 Corporate Social Responsibility Report

then set up the improvement plan or business strategy in accordance with the survey results to optimize our service quality.

In 2014, we issued 2,982 questionnaires, received 822 responses, with a return rate of 27.57%. In overall performance, comparing 2014 to 2012, 2014's rating outperformed 2012's. The average score for overall service of 2014 was 4.12, and the average score directly rated by the customers was 4.22. In terms of segment, "Customer Service" was given the top score of 4.42, and the lowest score, 3.95, fell on "E-commerce". Yang Ming will continue improving the related issues resulted from vessel schedule.



## 2.3 Information Security Management

Yang Ming emphasizes information security. We have been accredited with ISO27001 since 2008, and our ISO27001:2013 certification was renewed in 2014. There is an elaborate regulation governing the execution of programs, data access, the use and maintenance of software and equipment, and system recovery to smooth our global service. Besides, we add Information cycle to the internal control system in response to our customers' concern about information security.



The Audit department checks our information security periodically according to the internal audit implementation rules, and reports the audit result for further improvements, and then keeps tracing to see if the correction or improvement has been made.

In addition to internal training and Information Security notice, there is an "Information Security Column" edited by I.T. Department and published in Yang Ming's monthly "Yang Ming You & Me". Through training and relevant announcement, we can raise our employees' awareness and keep them on high alert regarding Information Security.

## 2.4 Supplier Management

To ensure the supplier not only meets Yang Ming's operation requirement on quality, price and credit but also supports the Company's social responsibility on environmental protection and safety and health, Yang Ming strictly controls and supervises the procurement's quality, price, service and delivery schedule. We require the suppliers comply with the Code of Ethical Management of Yang Ming, and the transaction should be done in public and with transparency.

The main procurements (i.e., vessel, container, chassis, building, etc.) are handled by headquarters, and main business units only handle the procurement of general items or assist headquarters in procurement.

A brief description of Suppliers management standard:

- Avoid direct/indirect give or take of any unreasonable benefit.
- Hold safety and health educational training periodically.
- Comply with safety and health working procedure.
- Inform safety and health regulations in advance.
- Set up qualified contractor list, and take annual evaluation as reference for renewal of contract.

To provide better service for our customers, Yang Ming has ramped up the security of our supply chain. Yang Ming's Keelung, Taichung, Kaohsiung Branches and the affiliates YES logistic and Kao Ming container terminal received AEO (Authorized Economic Operator) certificate.



## 2.5 Sustainability Issues

### 2.5.1 Identifying Stakeholder

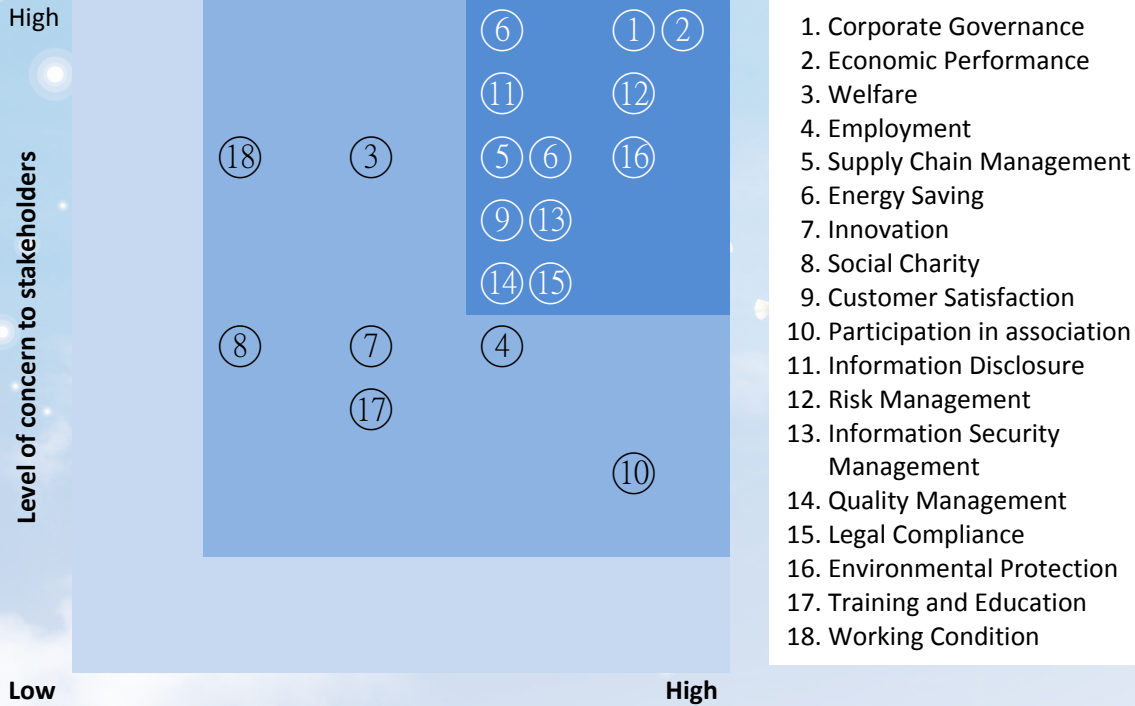
The first step to realize social responsibility is to identify the stakeholders, and set up communication channels to understand their concerns and expectations. Yang Ming has classified the sustainability subjects into categories such as Economic, Environmental, and Social, based on each subject's responsibility, influence, proximity, dependence, representation, and policy & strategic intent to determine our stakeholders which include Government, Customers, Investors, Employees, Community and Suppliers.

### 2.5.2 Identifying Material Aspect

Yang Ming listed the sustainability subject and its communication channel with the above-mentioned stakeholders, and identified the material aspect of Yang Ming by "current or potential impacts on the company" and "level of concern to stakeholders" through discussion meetings, and then figured out the action plan by analyzing the internal and external impact on the company. To promote Yang Ming's corporate social responsibility and respond to stakeholders, we intend to set up the webpage as one channel to communicate with our stakeholders.



### Materiality Matrix



1. Corporate Governance
2. Economic Performance
3. Welfare
4. Employment
5. Supply Chain Management
6. Energy Saving
7. Innovation
8. Social Charity
9. Customer Satisfaction
10. Participation in association
11. Information Disclosure
12. Risk Management
13. Information Security Management
14. Quality Management
15. Legal Compliance
16. Environmental Protection
17. Training and Education
18. Working Condition

### Current/potential impact on the company

Using a scale of 1 (very unimportant) to 5 (very important) as the level of importance, we determine the priority of our response.

### Identifying Stakeholders

Stakeholders	Sustainability subject	Our Response
<b>Government</b>	(1) Corporate Governance (10) Participation in association (11) Information Disclosure (12) Risk Management (13) Information Security Management (15) Legal Compliance	1.Internal control system 2.Prevent insider trading 3.IT security examination 4.Association participation 5.Procedures for Handling Important Information
<b>Customers</b>	(7) Innovation (9) Customer Satisfaction (14) Quality Management (16) Environmental Protection (6) Energy Saving	1.E-commerce 2.Customer satisfaction project 3.Energy conservation 4.Customer complaint service 5.ISO 9001/ISO 14001 validation
<b>Investors</b>	(1) Corporate Governance (2) Economic Performance (11) Information Disclosure	1."Investor Relations" webpage 2.Hold meeting of shareholders every year 3.Internal audit

# 2015 Corporate Social Responsibility Report

	(12) Risk Management (15) Legal Compliance	4. Provide financial reports, annual reports and dividends information on website
<b>Employees</b>	(3) Welfare (4) Employment (17) Training and Education (18) Working Condition	1. Employee training 2. Carry out health activities to do health promotion 3. Hold hiking activity to increase harmony in relationship between employees and their family 4. Legal compliance and gender equality
<b>Community</b>	(6) Energy Saving (8) Social Charity	1. Promotion of ocean culture activities 2. Green activities
<b>Suppliers</b>	(5) Supply Chain Management	1. Set up qualified contractor list 2. Avoid give or take of any unethical benefit 3. Evaluate the supplier performance periodically as the reference of renewing contract





# Environmental Protection



## Chapter 3 Environmental Protection

### 3.1 Concern the Environment, Treasure the Earth

In view of the serious effect of global warming, gradual depletion of oil sources and prospective carbon tax, the energy saving program is under legislative process in maritime shipping industry. Therefore, how to strike a balance between meeting the profit target and achieving the energy saving goal successfully has become Yang Ming's opportunity, challenge and the basic environmental responsibility.

Nowadays the regulation governing greenhouse gas has become strict in many countries. The regulation not only requires the company to disclose the relevant green house gas information but also restricts the emission. Meanwhile, the levy of carbon tax or energy tax in some countries tends to raise the company's cost. Yang Ming will keep paying close attention to environmental laws and regulations in order to comply as early as possible.



### 3.2 Environmental Management System

Yang Ming implements the company's Environmental Management System through promoting the energy-saving measures taken in line with the management and business strategies, monitoring and measuring the daily operation, auditing, and tracking the corrective and preventive actions against nonconformity to ensure that the environmental policy and goal is achieved.

Yang Ming headquarters, Keelung/Taichung/Kaohsiung Branches, and fleet have been accredited with ISO 14001 "Environmental Management System" since 2004.

### 3.3 Energy Conservation and Carbon Reduction Committee (ECCRC)

Yang Ming joined Clean Cargo Working Group (CCWG) in June 2006. CCWG membership is open to maritime container carriers, freight forwarders, and shipping

customers, dedicated to improving the environmental performance of marine container transport. To manage and implement energy consumption, we established the Energy Conservation and Carbon Reduction Committee (ECCRC). Also, we posted EPR (Environmental Performance Report, which has been incorporated into the Social Responsibility Report since 2015) annually on our website to disclose the effort of our fleet and improve the performance of environmental protection.

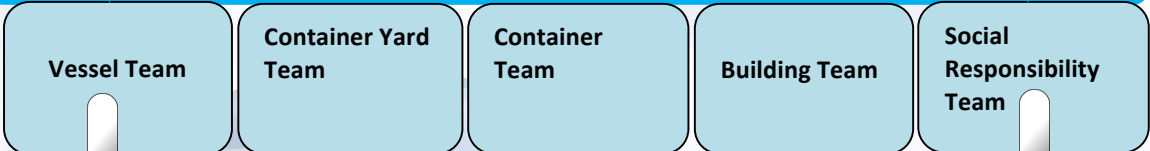
**CCWG Membership 2014 – 40 Members**



Carriers					
					
					
					
					

Shippers			Freight Forwarders		
					
					
					

**Energy Conservation and Carbon Reduction Committee**



- Work of Committee**
1. Collect information for new technology
  2. Monitor the relevant laws and regulations
  3. Check current available items for the company
  4. Evaluate each item's benefit
  5. Propose if any energy-saving measures can be made
  6. Help each department conduct energy conservation
  7. Review the performance
  8. Establish a standard operation procedure
  9. Promote measures of energy efficiency and conservation

## 3.4 Green Vessel

CO<sub>2</sub> emission from marine shipping industry is estimated to be about 8.4 billion tons every year, which is equivalent to approximately 3% of the world's total CO<sub>2</sub> emission. With increase in international trade, marine shipping's carbon emission still grows. Coupled with rising fuel prices in recent years, Yang Ming must take advantage of new technologies to reach the goal of carbon reduction.

To reduce carbon dioxide emission, the International Maritime Organization (IMO) has developed a variety of standards, including the EEDI (Energy Efficiency Design Index) and SEEMP (Ship Energy Efficiency Management Plan). Two standards are mandatory requirements and entered into force in January 2013. New ships of 400 gross tonnages and above must reduce carbon emission by 10%; and another 10% decrease will be requested from 2020 to 2024; after 2024, the reduction target is 30%. New and existing ships have to establish a SEEMP, which should clearly list the control measures taken for improving energy efficiency.

The IMO has developed various standards and steps to gradually reduce emission of nitrogen oxide (NO<sub>x</sub>) from marine diesel engine.

Tier	Built year	NO <sub>x</sub> limits (g/kWh)			Ship types of Yang Ming
		N<130	130 ≤ N<2000	2000 ≤ N	
Tier I	2000	17	45*n <sup>-0.2</sup>	9.8	M-type、E2-type、I-type、H-type
Tier II	2011	14.4	44*n <sup>-0.23</sup>	7.7	U3-type、E3-type
Tier III	2016	3.4	9*n <sup>-0.2</sup>	1.96	N/A

\* N & n: engine's revolution (RPM)

The IMO also established a progressively reduction standard of sulphur content of marine fuel to reduce of the emission of sulfur oxides.

The IMO sulphur limit and timeline	
Outside an ECA	Inside an ECA
4.50% m/m prior to 1 January 2012	1.50% m/m prior to 1 July 2010
3.50% m/m on and after 1 January 2012	1.00% m/m on and after 1 July 2010
0.50% m/m on and after 1 January 2020*	0.10% m/m on and after 1 January 2015

\* Depending on the outcome of a review, to be concluded by 2018, as to the availability of the required fuel oil, this date could be deferred to 1 January 2025.

### 3.4.1 Performance of Yang Ming's fleet

#### Analysis of CO<sub>2</sub> emissions

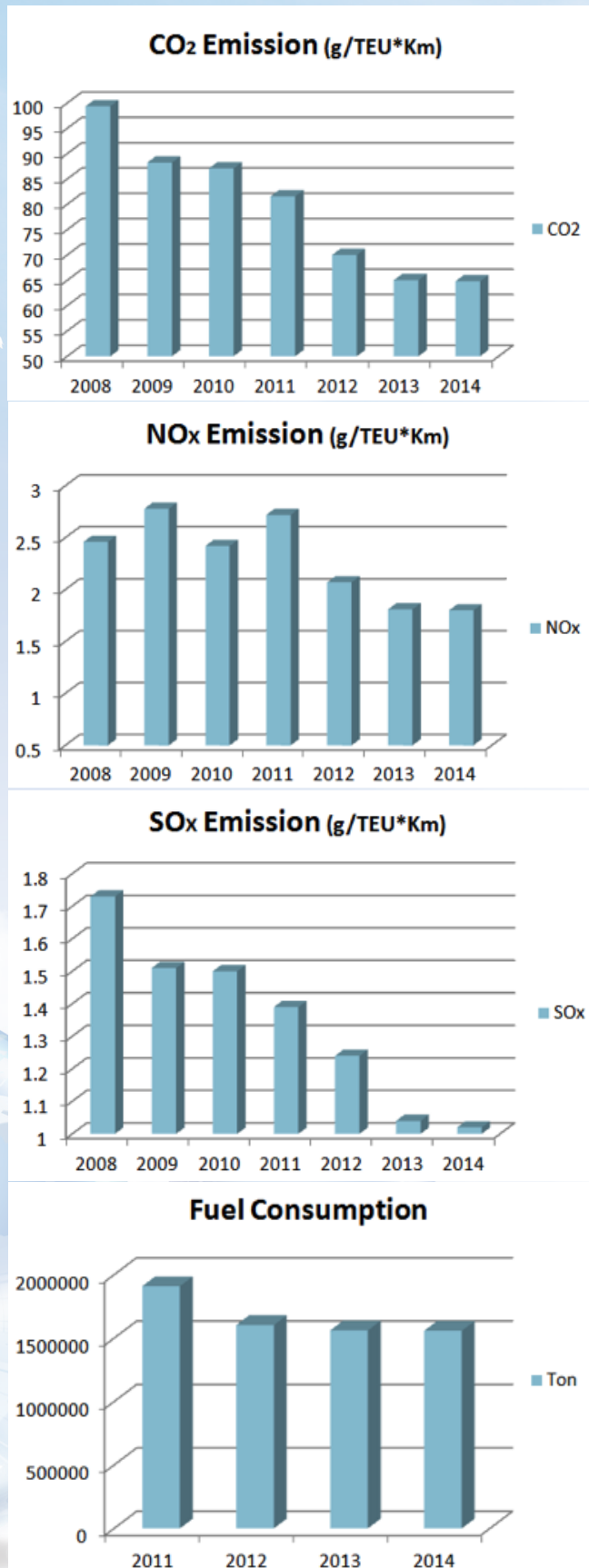
Carbon dioxide emission is the quantity of CO<sub>2</sub> emitted when shipping a 20 foot container a kilometer (grams per TEU-kilometer, g/TEU\*Km), calculated on the basis of annual fuel consumption. Annual fuel consumption covers all types of fuel consumed on board, including diesel and heavy fuel oil consumed by main and auxiliary diesel engines. IMO defines CO<sub>2</sub> emissions factor as 3,110 grams produced by combustion of one kilogram of fuel.

#### Analysis of NO<sub>x</sub> emission

NO<sub>x</sub> is produced from combustion of fuel by the engines. Each engine has its own NO<sub>x</sub> emission rate (g/kWh), which can be used for calculating the quantity of NO<sub>x</sub> emission (g/TEU\*Km).

#### Analysis of SO<sub>x</sub> emission

SO<sub>x</sub> emission of fleet is the quantity of SO<sub>x</sub> emitted when shipping a 20 foot container a kilometer (grams per TEU-kilometer, g/TEU\*Km), calculated on the basis of annual fuel consumption. Annual fuel consumption covers all types of fuel consumed on board, including diesel and heavy fuel oil consumed by main and auxiliary diesel engines.




## CO<sub>2</sub> emission

CO<sub>2</sub> emissions was 99.38 (g/TEU\*Km) in 2008, compared to the figure of 64.8 (g/TEU\*Km) in 2014. The CO<sub>2</sub> emission was reduced by 35% in our company.



In addition to continuously using tin-free or silicon-based paints on hull, Alpha cylinder lubrication systems, and high-performance main & generator engines for our newly built vessels in recent years, Yang Ming has retrofitted the ES Bow with speed optimization to achieve fuel efficiency. We would like to illustrate details by "YM Uniformity" as below:

8,626 TEU Full Container Vessel "YM Uniformity"	
	<p>Ship's maximum speed can be up to 26 knots. The latest technology of turbocharger cut out device is adopted, which can significantly reduce fuel consumption.</p>
	<p>Specifications and benefits:</p> <ol style="list-style-type: none"> <li>1. The MAN B&amp;W ME engine series offers optimal, economic engine performance with an electronically controlled fuel injection system.</li> <li>2. All engines satisfy IMO NOx Tier II emission standards. The vacuum sewage system is adopted to comply with IMO's pollution prevention regulations.</li> <li>3. The operating speed is optimized to reduce the ship's fuel consumption.</li> </ol>

### 3.4.2 Other Performance of Yang Ming

Item		Actions
Office	Education to employee	<ul style="list-style-type: none"> <li>• Continued effort to bring up energy-saving concept to global employees</li> <li>• Promotion of environmental protection, energy-saving and recycle activities</li> <li>• Film release: Beyond Beauty - TAIWAN FROM ABOVE</li> </ul>

	Paper saving	<ul style="list-style-type: none"> <li>• Going paperless: Using E-mail to send information, using e-document system and presenting meeting agendas by projector</li> <li>• Encouraging two-sided printing and reusing the copy paper</li> <li>• Placing recycling boxes to collect used paper</li> <li>• The amount of paper used in headquarters and subsidiaries (excluding the increase caused by the increase of business volume) shall not exceed the amount of the previous year.</li> </ul>
	Electricity saving	<ul style="list-style-type: none"> <li>• Controlling the temperature setting and fan coil unit of air-conditioning and turning up the temperature setting in the office</li> <li>• Reducing the unnecessary lighting in the office and using energy-saving light bulbs</li> <li>• Turning off office light in non-working hours</li> <li>• Setting printer, copy and fax machines on power-saving modes</li> <li>• Promoting the activity like setting PC on power saving mode and turning the computer off at the end of each work day</li> <li>• Switching machines off (PC, copy machine, printer, etc) and unplugging appliances and electronic devices when not in use.</li> <li>• The amount of electricity used in headquarters and subsidiaries (excluding the amount increased due to the increase of business volume) shall not exceed the amount of the previous year.</li> </ul>
	Water saving	<ul style="list-style-type: none"> <li>• Installing water-saving taps and two-stage toilet flush systems, adjusting the water flow, and adopting RO water recycles</li> <li>• Urging employee to save water</li> <li>• The amount of water used in headquarters and subsidiaries (excluding the amount increased due to the increase of business volume) shall not exceed the amount of the previous year.</li> <li>• Installing a sewage processing system in terminals for disposing waste water and sludge oil, and carrying out inspection periodically</li> </ul>
	Refrigerant	<ul style="list-style-type: none"> <li>• Banning the use of CFCs and Halon as provided for in the "Montreal Protocol"</li> <li>• Using R404A &amp; R134a refrigerants</li> </ul>
	Green purchase	<ul style="list-style-type: none"> <li>• Encouraging Green Purchase, and winning "Green Purchase" from Bureau of Environmental Protection, Keelung City in 2014.</li> </ul>
Vessel	Seafarers' training	<ul style="list-style-type: none"> <li>• Instilling the concept of energy-saving, carbon reduction and environmental protection in education and training and technological exchanges during crew's training. Providing fleet with the latest environmental regulations and energy-saving technology information</li> <li>• Carrying out seafarers' training courses every six months to enhance crew's awareness and skills of carbon reduction. Ensuring that all seafarers are familiar with the operations of environmental protection and waste reduction, and encouraging garbage classification and recycling</li> </ul>
	Sludge oil	<ul style="list-style-type: none"> <li>• Delivering all sludge oil to certified institutions ashore and keeping complete record of the deliveries</li> </ul>

# 2015 Corporate Social Responsibility Report

	Exhaust gas	<ul style="list-style-type: none"> <li>• Purchasing fuel with sulfur content meeting the MARPOL Annex VI regulations to reduce the emission of sulfur dioxide</li> <li>• Ensuring that newly built vessels have suitable designs to meet the regulations of CO<sub>2</sub> and NO<sub>x</sub> emissions</li> </ul>
	Sewage	<ul style="list-style-type: none"> <li>• Handling sewage with sewage treatment device, which shall be kept in functional condition at all times</li> </ul>
	Garbage	<ul style="list-style-type: none"> <li>• Signing contract with qualified institutions at port to recycle ship's garbage according to the service route's requirements. Reducing the risk of ocean pollution by minimizing and classifying garbage. Throwing garbage into the sea is prohibited.</li> </ul> <p>All ship garbage shall be handled as per following steps:          Incineration - Records shall be maintained for all incinerations.          On-shore handling - The ashes and garbage shall be delivered to a certified institution ashore and complete records shall be kept.</p>

The crew and office staff must strictly abide by the company's environmental policies. In 2014, there was no violation of environmental laws and regulations by Yang Ming. There was no environmental pollution incident in Yang Ming's fleet, and therefore no loss or fine was incurred.





# Concern About Empolymment



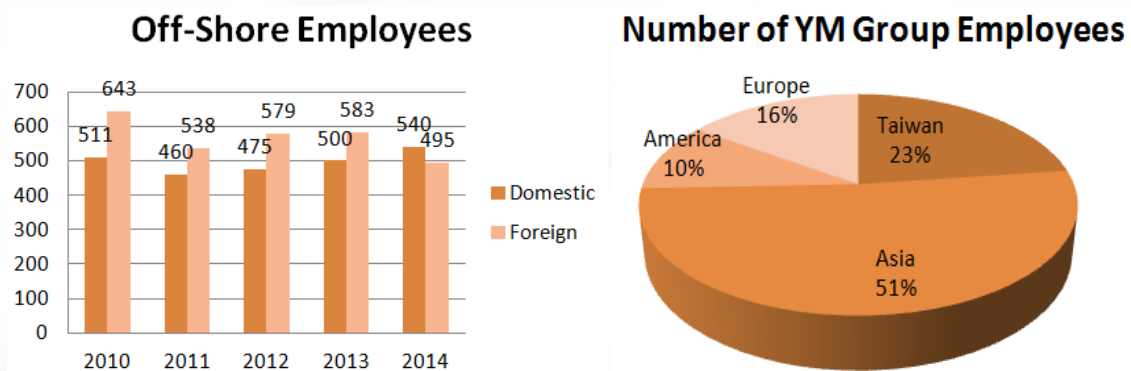
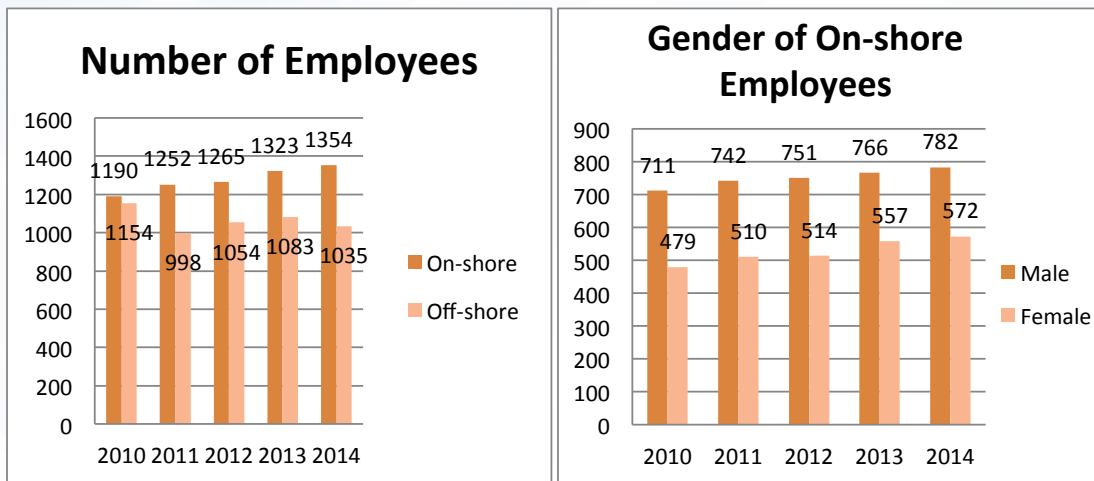
## Chapter 4 Concern About Employment

### 4.1 Employment

Employees are the most valuable assets in the company. In order to retain high-quality team member, Yang Ming emphasizes people-oriented approach and provides a complete education system and a global challenging working environment for employees to develop their potentials. Moreover, Yang Ming provides generous salaries and a complete welfare system to take care of employees.

#### 4.1.1 Employee Structure

At the end of December 2014, there were 5,425 employees in Yang Ming Group, including 2,389 employed by Yang Ming Marine Transport Corp. The percentages of on-shore and off-shore employees were 57% and 43% respectively. Employees of the sales and sales-related department, terminals and abroad accounted for 57% of the on-shore workforce. The number working in logistics and fleet management departments accounted for 23%, and those working in supporting and management



departments constituted 20%.

As for the off-shore workforce, the number of crew members in 2014 was 1,035, of whom 540 were employed domestically and 495 were hired from abroad.

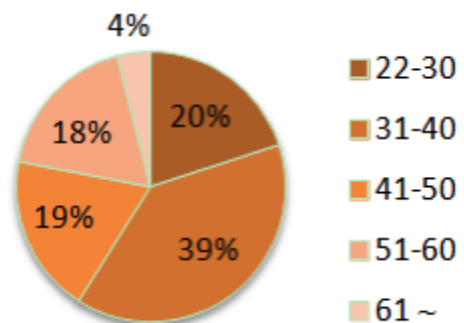
Yang Ming's subsidiaries have 2,820 on-shore employees. 1,451 or 51% of them are working in Asia, 647 or 23% of them in Taiwan.

Even though the headquarters of Yang Ming is located in Taiwan, except for a few management positions, most employees are locally hired. Yang Ming not only hires local employees but also provides management positions for local talents. This can immerse Yang Ming in expansion of local market and communicate well with local employees. The regional center of America is located in New Jersey, and that of Europe is located in Hamburg, Germany. Both of them hire managers locally. Their local managers account for 88% and 67% respectively. Yang Ming Line (Hong Kong) Ltd. is charged with both Hong Kong and South of mainland China markets. Local managers are 58% and 74% respectively.

#### 4.1.2 Employees Recruiting

In the recent three years, Yang Ming has continually held recruiting activities. 48 people were recruited in 2012 and 74 people were recruited in 2013. In 2014, Yang Ming hired 109 employees, and 87 of them were aged from 22 to 26.

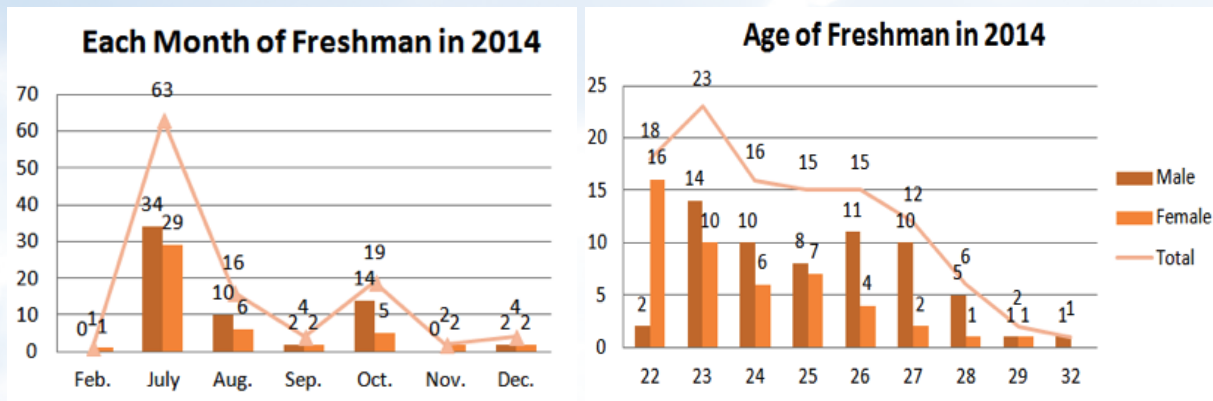
#### Age of Employment



Meanwhile, we also post our recruiting information to each maritime school or training organization. Moreover, we cooperate with these schools or organizations to enhance the chance of internship, a way to increase the possibility of getting talented people.

#### 4.1.3 Prohibition of Child Labor Employment

The Labor Standards Act bans employers to hire anyone aged under 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 crewmember positions need to be older than 18.

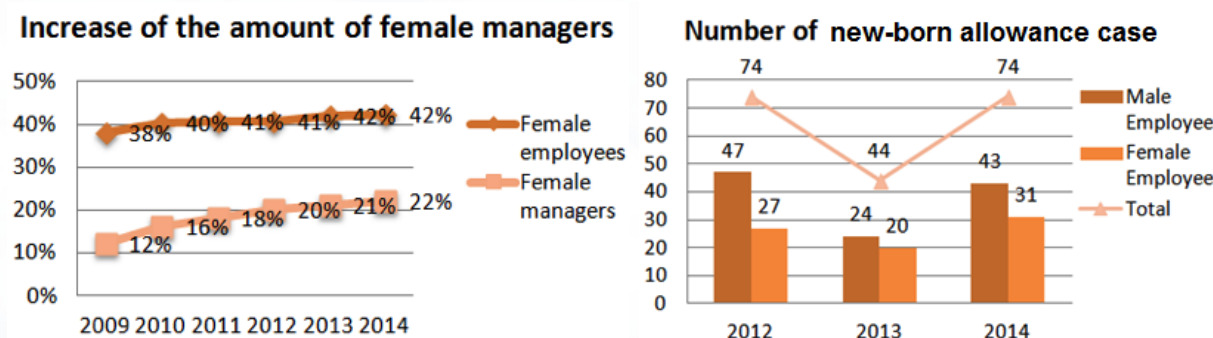


#### 4.1.4 Protection of disabled people's and indigenous people's working right

Yang Ming has hired 16 disabled people for on-shore jobs, having already exceeded mandatory 1% of the on-shore employees as provided for in the People with Disabilities Rights Protection Act. It increases their working opportunities and self-support abilities. Hiring indigenous people also fulfills the request of governmental regulations.

#### 4.1.5 Gender Equality

Our female employees numbered 572, accounting 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 percentages of both female employees and managers in Yang Ming have increased steadily, and were still growing in these three years. In 2014, 22 employees, 2 males and 20 females, applied for parent leave and 74 employees (43 males and 31 females) applied for new-born allowance. In the three years, 192 employees have applied for new-born allowance. We had 17 parental leave employees (1 male employee and 16 female employees), who have already come back to their posts after the parental leave.



Regarding off-shore female workforce, now we have 1 master, 6 chief officers, 5 second officers, 17 third officers, 7 qualified chief officers and 4 interns. If female off-shore employees are unable to serve on ships (such as being pregnant or giving birth), they will be transferred to on-shore work.

Sexual harassment in any form is forbidden and will not be tolerated in our workplace. In this regard everyone is equal. We provide a 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 regulations 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 laid off. In 2014, we didn't have any sexual harassment case.

#### 4.1.6 Friendly Workplace, High Retention Rate of Employees

Yang Ming pays much attention to 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 Yang Ming to maintain normal rejuvenation of human resource each year, which brings energy to the company.

	2009	2010	2011	2012	2013	2014
Employee Turnover Rate	1.35%	1.69%	1.24%	1.20%	1.31%	3.68%
Average Age of Employment	41.35	40.13	39.04	39.31	39.88	39.25

Note : Exclude retired staff

#### 4.1.7 Performance Management and Development

The performance of on-shore worker is managed via PMS (Performance Management System), a standardized system. All employees and supervisors are requested to periodically evaluate their performance and make development plans.

Through annual target setup, periodic evaluation and progress tracking, it can help employees grasp the consequence and achievement degree. With respect to working attitude and capability appraisal, it strengthens working attitude and capability build-up. The supervisors would have performance interview with employees to counsel

and intensify mutual communication. Via periodic evaluation, we invite employees to speak out their career development ideas before executing our career development plans and relative training programs. At last we give reward to outstanding employees according to their work performance and appraisal result to improve their accountability and capability

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 approval. According to annual performance evaluation results, outstanding crew members are promoted.

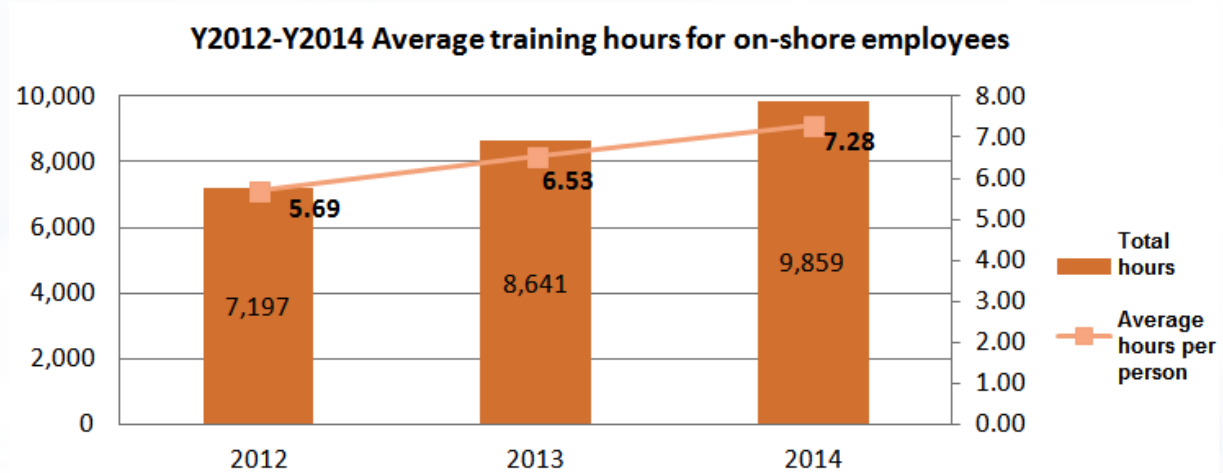
## 4.2 Employee Development



### 4.2.1 Training Plan and Development

To coordinate with requirements of group development, our human resource education policy includes internationally talented employees, all-purpose managers, employees with multiple abilities and skills as well as group learning.

In 2014, training hours for on-shore employees reached 9,859 hours in total and averaged at 7.28 hours per person. There were 73 training courses for seafarers of 803 person-times. Total training hours reached 82,341 hours and averaged at 102.54 hours per person.



### 4.2.2 On-Shore Employees Training

#### Orientation for New Comers

New-hired employees of Yang Ming have to take orientation training aimed at familiarizing them with Yang Ming's management concept, mission and vision.



Through the orientation training, newly hired employees can also obtain the basic knowledge of shipping industry as well as culture and ethics of Yang Ming.

Orientation for New Comers



Visiting Container Yard



### Competency Training & Internal Trainers Training

By giving a series of advanced courses on shipping management via internal tutors, we are not only accumulating our training database of shipping core knowledge, but also cultivating Yang Ming's internal trainers.

### 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 their managing skills and achieve the purpose of talent training.

To develop the work capabilities of our staff, we hold "Yang Ming Lecture" from time to time by inviting 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. There were two "Yang Ming Lecture" activities in 2014.

# 2015 Corporate Social Responsibility Report

HR Training for middle-level managers



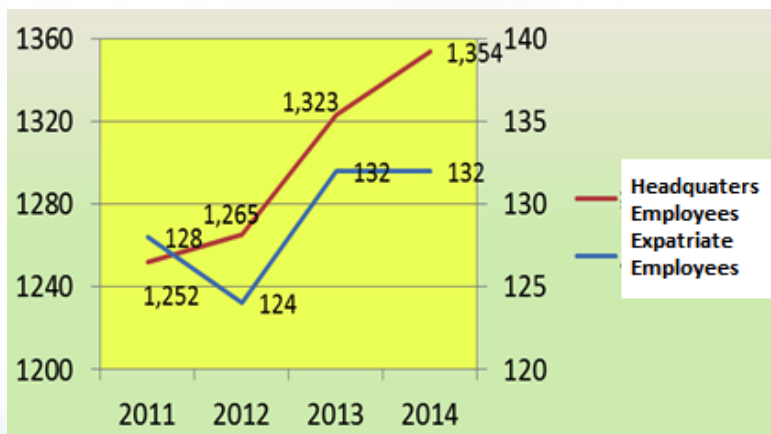
"Yang Ming Lecture" for top management



## International Talented Employees

Via overseas job rotation, expatriates can not only understand agents' business operations but also realize the cross-culture differences from overseas working experiences. Furthermore, by managing multinational employees, expatriates can broaden their visions of international managements. In years 2011-2014, 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 "International Interchange Program", we invite colleagues of subsidiaries to have intern courses in Yang Ming headquarters. We expect colleagues of subsidiaries to realize Yang Ming Group's business execution and management culture by this program, and then implement group's policy as well as developing local business after they are back in subsidiaries. Ten persons joined this program in 2014.



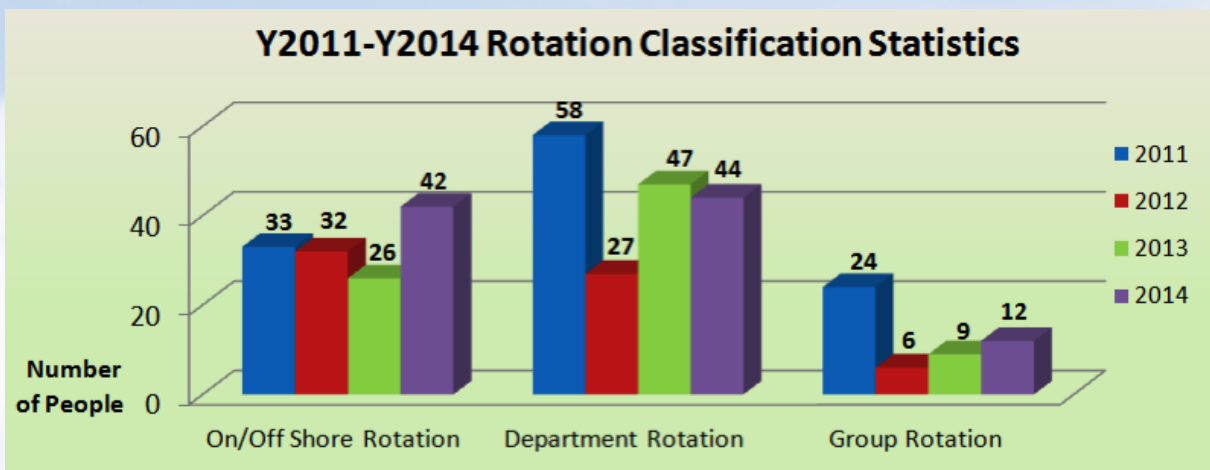


### After-Work School Education

We provide multiple after-work school education and subsidy to encourage colleagues to improve professional knowledge and self-development capabilities. Fifteen persons applied under this program in 2014.

### Professional Competency Training

In order to improve employees' professional capabilities, different kinds of technical and professional training are provided through departmental training. We further strengthen the importance of job rotation. In addition to job rotation within department, employees can apply for the vacant position subject to job vacancy announcement. The categories and numbers of job rotation in last four years are as follows:



### 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 "Ethical Corporate Management". To further implement ethical corporate management and create an environment for sustainable enterprise development, we held related courses from year 2012 to reiterate the importance of ethical corporate management as our corporate culture.

### Total Quality Management

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

### Multiple Development and Learning Approaches

- We subsidize professional training, language training, after-work school education and the 2<sup>nd</sup> foreign language study.

- We set up courses on e-learning platform to enlarge learning group and scope.
- We set up an online reading party. We build up an up-to-down independent learning environment via top management's books recommendation.
- 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 subsidiaries with resource sharing and mutual support to strengthen global-wide employees' learning effect.

## Quality of Training

We apply Taiwan Training Quality System (TTQS) standard to our company's training programs. To ensure effective learning, we design questionnaire and conduct all learners' after-course survey, which include course content, teaching methods, material preparation, learning effect, course arrangement improvement, pre-course questionnaire, after-course questionnaire, examination, report and on-line discussion on e-learning platform.

## Off-Shore Employees Training

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

## 4.3 Compensation & Benefits

Yang Ming believes that employees are the most valuable assets in the company. In order to stimulate employees to develop their potentials and demonstrate high quality of work, Yang Ming not only offers comprehensive compensations and adopts a competitive bonus policy in compliance with the law and collective agreement to meet crew members' requests, but also has a complete welfare system in place to care for our employees. We provide various bonus structure in accordance with different job description to attract talent and combine corporate target with personal performance closely through rewards. Moreover, Yang Ming establishes Employee Stock Ownership Trust (ESOT) with a fixed allowance to encourage employee participation

and reinforce coherence. Compensation, benefit, welfare and bonus do not vary due to gender, religion, race and political party differences.

Welfare	Description
Leave	2 days off a week, and annual paid leave in line with the provisions of Labor Standards Law, in addition to 5 days with paid leave for sick and personal affairs
Pension	Based on "Labor Standards Law" and "Labor Pension Act", Yang Ming 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 employees' long-term job involvement.
Insurance	Labor, national health and business trip safety insurance.
Health Care & Promotion	Integrated health examination, health seminars and distribution of health education to employees of recent epidemics.
Learning and Development	Provide training courses through multiple approaches to employees at each level.
Benefits	Multiple subsidies such as birthday, wedding, retirement, child birth, relief payments to hospitalized employees, and scholarships and education grants to employees' children.
Leagues Activity	Currently there are over 30 leagues, such as ping-pong, badminton, golf, tennis, basketball, swimming, bowling, flower arrangement, photography, mountain climbing, aerobic dancing, yoga, and board games.

Compensation Ratio	Index
The highest compensation : Median compensation	5.69 : 1
The range of the highest compensation raise : The range of median compensation raise	No adjustment in Year 2014

## 4.4 Employment Relationship

### 4.4.1 Open Communication Channels

As a transnational shipping company, Yang Ming believes an unobstructed flow of prompt and correct information to our employees is necessary. We also regard assisting our employees 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.

## 4.4.2 Employee Reward

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

## 4.4.3 Freedom of Association

The Union of Yang Ming 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 co-workers' relationship, we encourage our co-workers to form different kinds of leagues with adequate subsidy. Currently we have over 30 leagues.

### *Yang Ming Wins 2014 Work-Life Balance Award*

Yang Ming entered the competition for "2014 Work-Life Balance Award" conducted by the Ministry of Labor. After passing written screening and onsite inspection, the company won the award in the end.

The award was aimed to honor an organization that has continuously improved the work-life balance in Taiwan's workplaces. Yang Ming has actively made its workplace friendly by providing a breastfeeding room, a priority parking lot and other privileges, including childbirth subsidies, for pregnant employees to make them secure and comfortable. The company also places premium on family values. In this respect, it has designated a Family Day, subsidized single staff for increased mutual communi-

cations, offered scholarships to staff's children, provided hospitalization allowances, and given gold ornaments to employees on their marriage anniversaries.

To mitigate seafarers' loneliness, the company subsidizes their communications with family and offers onboard medical consultations. When a ship is home, the company has a system in place for onboard reunion with family. For staff assigned to overseas posts, the company provides their spouses with air tickets for reunion and their children with scholarship. All these are Yang Ming's exemplary efforts of life-work balance.

Yang Ming staff is happy with and much honored by the award, which rep-



resents Yang Ming's success in promoting and practicing family values. There were 41 winners of the award throughout Taiwan, but Yang Ming was the only one in the marine field.

## 4.5 Safety and Health

### 4.5.1 Safety and Health Committee

Yang Ming sets up the 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. Three labor representatives (more than regulation requirement) join the Labor Safety and Health council meeting every three months. Occupational Safety and Health Management organizations are

established in headquarters and all other work places with required full-time labor safety and health administrator.

As Yang Ming operates container yards and marine transportation, there are high risks in working aboard ships including handling containers on deck, and running the machines and equipment under high temperature in the engine room, as well as working in container yard. All work processes must strictly comply with the maritime and local safety rules and health regulations.

In 2014, the disabling frequency rate (FR, the average disabling cases/per million hours) of Yang Ming (including native crew) was 1.67 and the disabling severity rate (SR, the average loss working days/per million hours) was 40.79, which stayed ahead of figures of storage and transportation businesses in Taiwan (FR2.15, SR105) in 2014.

#### **4.5.2 Safety and Health Management of Supplier**

Yang Ming requires the suppliers to comply with the government regulations on environmental protection, safety and health. All concerns, including the legal obligations, acquisition of the business license, workplace hazards identification, accident prevention, emergency response, limitation of subcontractor, and the company's environmental and safety and health regulations are written in the contracts in order to clearly define the responsibilities. The contractors accept regular inspections and audits, daily, monthly or quarterly based on audit plan and accept irregular inspection under certain circumstances such as preconstruction and before working on board. Coordinating meetings are held in preconstruction stages to inform workers of safety and health regulations and the contractor evaluations are also carried out regularly.

#### **4.5.3 Health Management and Promotion**

Yang Ming offers regular high-quality health examinations for all employees with higher frequency than stipulated in the regulations. We set up AED (Automated External Defibrillator) in all work places for first aid. We hire physicians and nurses to give health consultations, make health managements, conduct health risk assessments and do health promotions. We regularly invite experts to give health lectures on subjects such as: "body purification and healthy and sustainable lifestyle",

# 2015 Corporate Social Responsibility Report

"vision care", "know more about calorie", "tobacco hazard prevention", "3 High (hypertension, high blood cholesterol, high blood sugar) prevention", and "stress and emotional management". We also carry out health activities such as healthy weight loss, physical fitness test, stretch gymnastics, hiking, and smoke-quitting. Besides, we share health knowledge and ways of health self-management via email and internal website for all staff.



# Social Responsibility



## Chapter 5 Social Responsibility

As Taiwan is surrounded by sea, marine transport has always been a lifeline of Taiwan's economy. Yang Ming, since founded in 1972, has served as a transport media between Taiwan and the world, and witnessed the take-off and growth of Taiwan's economy all the way. With continuously expanding our business and the growth of Taiwan's economy, we start to think how we can make use of our own resources to create greater value for the society.

### 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 contributions to society, we deliver our care to all around the world.

- 2014.01 Yang Ming offers "Interchange Association Japan" free transportation of a 20-foot container.
- 2014.10-12 Yang Ming provides Buddha's Light International Association R.O.C with free transportation of two 40-foot containers and one 40-foot open top container from Kaohsiung to Port Kelang/Los Angeles.

### 5.2 Yang Ming Cultural Foundation

Yang Ming combines the maritime profession and the concept of the humanistic spirit to promote marine cultural undertakings. In order to promote oceanic culture by helping the public to understand oceanic culture and also to fulfill the corporate social responsibility, Yang Ming holds various creative exhibitions and activities.

In the beginning, Yang Ming renovated a heritage building erected on May 4th, 1915, located by the Keelung railway station, into a vintage yet modern landmark to serve as the site of "YM Oceanic Culture & Art Museum", which was opened on December 28th, 2004. On May 13th, 2005, "Yang Ming Cultural Foundation" was established for the purpose of further promoting oceanic culture education through culture, art, education, exhibitions, and events.

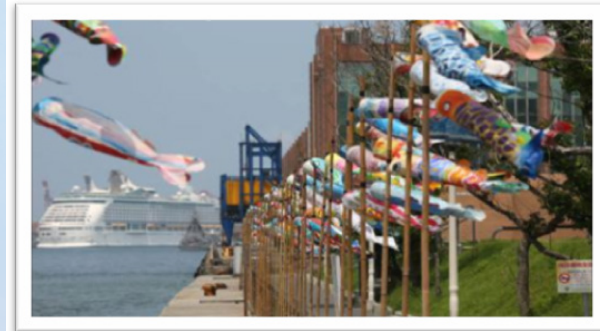
Furthermore, Yang Ming cooperated with Marine Bureau of Kaohsiung City Government to found "YM Museum of Marine Exploration" at Cijin fishing port, which





was opened on December 28th, 2007. Yang Ming hopes to provide the public with a deeper understanding of the oceanic culture, and make the public to "get close to the ocean, enjoy the ocean, protect the ocean, develop the ocean and make use of the ocean".

Every April, Yang Ming Cultural Foundation and Keelung City Government hold the "Keelung fairy tale festival" jointly. The fluttering salmon flags hanging on posts around Keelung harbor symbolize the call for oceanic protection and imply "Children's Day is coming". All the salmon flags were painted by pupils from the 44 elementary schools of Keelung City. We wish these creative flags would promote marine art education and also remind people of environmental protection.



"Marine environment creative show" is an important part of "Keelung fairy tale festival". It is a drama competition, and it encourages students, teachers and parents to exert their imagination and creativities. The "Marine environment creative show" attracted 11 schools from Taipei City, New Taipei City and Keelung City to join and show their creativities on marine environmental protection.

Besides holding "Keelung fairy tale festival" in April every year, Yang Ming keeps carrying out "Oceanic Culture of Mobile Museum", which exhibits, among others, the "Winning Entries of Yang Ming 4th International Adolescents Painting Competition", "Giants Hold Up the Light – Special Exhibition of Lighthouses in Taiwan" and "Winning Entries from Harbor Impression and Fishing Village Culture Photograph Competition". This activity has brought education on oceanic culture to schools and communities. In 2014, there were over 20 exhibitions held in Keelung, Kaohsiung, Taipei and Hualien.

## Yang Ming 4<sup>th</sup> International Adolescents Painting Competition Winning Entries



### ***Gold Medal Painting Works NO.3***

#### ***Theme: Night Fishing***

**Name:** Rao Zhe Hong

**Country:** Singapore

**Age:** 9

#### **Comments:**

The artist used perspective to give the viewer a vivid and interesting peek into the life of fishermen on a ship. The rendering of the content, composition and color are all lively; this is a good work.

Yang Ming promotes oceanic culture in the spirit of "Re-discover oceanic culture, Re-create oceanic art" through the power of Yang Ming Cultural Foundation. We know that it needs continuously putting in long time and massive resources to succeed. We do hope "YM Oceanic Culture & Art Museum" and "YM Museum of Marine Exploration" will become a public place and opportunity to show oceanic humanism and oceanic art style and partake the concepts of freedom, mind-opening, adventure and beauty of oceanic art in our lives.



## Appendix – Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines

Disclosure ● Non-disclosure ○

General Standard Disclosures				
Indicator	Description	Status	Related Section	Notation
<b>Strategy and Analysis</b>				
G4-1	Provide a statement from the most senior decision-maker of the organization.	●	From the Chairman and Chief Executive Officer	
G4-2	Provide a description of key impacts, risks, and opportunities.	●	1.2 Market Today 1.3 Company Strategy	
<b>Organizational Profile</b>				
G4-3	Report the name of the organization.	●	1.1 Company Profile	
G4-4	Report the primary brands, products, and services.	●	1.1 Company Profile	
G4-5	Report the location of the organization's headquarters.	●	1.1 Company Profile	
G4-6	Report the number of countries where the organization operates, and names of countries.	●	1.1 Company Profile	
G4-7	Report the nature of ownership and legal form.	●	1.5 Ownership Structure	
G4-8	Report the markets served.	●	1.1 Company Profile	
G4-9	Report the scale of the organization.	●	1.1 Company Profile	

G4-10	Report the total number of employees.	●	4.1.1 Employee Structure	
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	●	4.1.1 Employee Structure	
G4-12	Describe the organization's supply chain.	●	1.1 Company Profile	
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	●		Pier #70, Kaohsiung is now operated by Hon Ming Terminal & Stevedoring Co., Ltd.
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	●	4.4.1 Open Communication Channels	
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	●	1.8 Association Membership	
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations	●	1.8 Association Membership	
<b>Identified Material Aspect and Boundaries</b>				
G4-17	Report all entities included in the organization's consolidated financial statements or equivalent documents.	●	1.6 Financial Performance	
G4-18	Explain the process for defining the report content and the Aspect Boundaries.	●	2.5 Sustainability Issues	

G4-19	List all the material Aspect identified in the process for defining report content.	●	2.5 Sustainability Issues	
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	●	2.5 Sustainability Issues	
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	●	2.5 Sustainability Issues	
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	●	2.5 Sustainability Issues	
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	●	2.5 Sustainability Issues	
<b>Stakeholder Engagement</b>				
G4-24	Provide a list of stakeholder groups engaged by the organization.	●	2.5 Sustainability Issues	
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	●	2.5 Sustainability Issues	
G4-26	Report the organization's approach to stakeholder engagement.	●	2.5 Sustainability Issues	
G4-27	Report key topics and concerns that have been raised through stakeholder engagement.	●	2.5 Sustainability Issues	
<b>Report Profile</b>				
G4-28	Reporting period.	●	Editorial Principle	

G4-29	Date of most recent previous report (if any).	●	Editorial Principle	
G4-30	Reporting cycle.	●	Editorial Principle	
G4-31	Provide the contact point for questions regarding the report or its contents.	●	Editorial Principle	
G4-32	Report the "in accordance" option the organization has chosen.	●	Editorial Principle	
G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report.	●	Editorial Principle	
<b>Governance</b>				
G4-34	Report the governance structure of the organization.	●	1.4 Corporate Governance	
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	●	1.4 Corporate Governance	
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	●	1.4 Corporate Governance	
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics.	●	1.4 Corporate Governance	

G4-38	Report the composition of the highest governance body and its committees.	●	1.4 Corporate Governance	
G4-39	Report whether the Chair of the highest governance body is also an executive officer.	●	1.4 Corporate Governance	
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	●	1.4 Corporate Governance	
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed.	●	1.7.4 Legal Compliance	
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	●	1.7 Risk Management	
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	●	1.7 Risk Management	
G4-44	Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics.	●	1.7 Risk Management	

G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities.	●	1.7 Risk Management	
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	●	1.7 Risk Management	
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	●	1.7 Risk Management	
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspect are covered.	●	From the Chairman and Chief Executive Officer	
G4-49	Report the process for communicating critical concerns to the highest governance body.	●	1.4 Corporate Governance	
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	●	1.4 Corporate Governance	
G4-51	Report the remuneration policies for the highest governance body and senior executives.	●	1.4 Corporate Governance	
G4-52	Report the process for determining remuneration.	●	1.4 Corporate Governance	



G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	●	1.4 Corporate Governance	
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	●	4.3 Compensation & Benefits	
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	●	4.3 Compensation & Benefits	
<b>Ethics and Integrity</b>				
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	●	1.7.4 Legal Compliance	
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as help lines or advice lines.	●	1.7.4 Legal Compliance	

G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistle blowing mechanisms or hotlines.	●	1.7.4 Legal Compliance	
<b>Specific Standard Disclosures</b>				
Indicators	Description	Status	Related Section	Notation
<b>Category: Economic</b>				
<b>Aspect: Economic Performance</b>				
G4-EC1	Report the direct economic value generated and distributed.	○		
G4-EC2	Report risks and opportunities posed by climate change.	●	3.1 Concern the Environment, Treasure the Earth	
G4-EC3	Coverage of the organization's defined benefit plan obligations.	●	4.3 Compensation & Benefits	
G4-EC4	Report the total monetary value of financial assistance received by the organization from governments.	○		The company didn't receive financial assistance from governments.
<b>Aspect: Market Presence</b>				

G4-EC5	Report the ratio of the entry level wage by gender at significant locations of operation to the minimum wage.	●		The minimum wage of the company is more than the wages stipulated by the basic work criteria of the Labor Standard Law.
G4-EC6	Report the percentage of senior management at significant locations of operation that are hired from the local community.	●	4.1.1 Employee Structure	
<b>Aspect: Indirect Economic Impacts</b>				
G4-EC7	Report the extent of development of significant infrastructure investments and services supported.	●	3.4 Green Vessel	
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	●	1.2 Market Today	
<b>Aspect: Procurement Practices</b>				
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	●	2.4 Supplier Management	
<b>Category: Environmental</b>				
<b>Aspect: Materials</b>				
G4-EN1	Materials used by weight or volume.	●	3.4 Green Vessel	
G4-EN2	Percentage of materials used that are recycled input materials.	○		Not applicable

Aspect: Energy				
G4-EN3	Energy consumption within the organization.	●	3.4 Green Vessel	
G4-EN4	Energy consumption outside of the organization.	○		Not applicable
G4-EN5	Energy intensity.	●	3.4 Green Vessel	
G4-EN6	Reductions of energy consumption.	●	3.4 Green Vessel	
G4-EN7	Reductions in the energy requirements of products and services.	●	3.4 Green Vessel	
Aspect: Water				
G4-EN8	Total water withdrawal by source.	○		Not applicable
G4-EN9	Water sources significantly affected by withdrawal of water.	○		Not applicable
G4-EN10	Water recycled and reused.	●	3.4.2 Other Performance of Yang Ming	
Aspect: Biodiversity				
G4-EN11	Operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	○		Not applicable
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	○		Not applicable
G4-EN13	Habitats protected or restored.	○		Not applicable

G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	○		Not applicable
<b>Aspect: Emissions</b>				
G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1).	●	3.4 Green Vessel	
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2).	○		Not applicable
G4-EN17	Other indirect greenhouse gas (GHG) emissions (scope 3).	○		Not applicable
G4-EN18	Greenhouse gas (GHG) emissions intensity.	●	3.4 Green Vessel	
G4-EN19	Reduction of greenhouse gas (GHG) emissions.	●	3.4 Green Vessel	
G4-EN20	Emissions of ozone-depleting substances (ODS).	●	3.4 Green Vessel	
G4-EN21	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions.	●	3.4 Green Vessel	
<b>Aspect: Effluents and Waste</b>				
G4-EN22	Total water discharged by quality and destination.	○		Not applicable
G4-EN23	Total weight of waste by type and disposal method.	○		
G4-EN24	Total number and volume of significant spills.	●	3.4.2 Other Performance of Yang Ming	

G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention <sup>2</sup> Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	○		
G4-EN26	Identity, size protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.	○		
<b>Aspect: Products and Services</b>				
G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	●	Chapter 3 Environmental Protection	
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category.	○		Not applicable
<b>Aspect: Compliance</b>				
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	●	3.4.2 Other Performance of Yang Ming	
<b>Aspect: Transport</b>				
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	●	3.4 Green Vessel	
<b>Aspect: Overall</b>				

G4-EN31	Total environmental protection expenditures and investments by type.	●	3.4 Green Vessel	
<b>Aspect: Supplier Environmental Assessment</b>				
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	○		
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	○		
<b>Aspect: Environmental Grievance Mechanisms</b>				
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	●	2.5.2 Identifying Material Aspect	
<b>Category: Social</b>				
<b>Sub-Categories: Labor Practices and Decent Work</b>				
<b>Aspect: Employment</b>				
G4-LA1	Total number and rate of new employee hires and employee turnover by age group, gender and region.	●	4.1 Employment	
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	●	4.3 Compensation & Benefits	
G4-LA3	Return to work and retention rates after parental leave, by gender.	●	4.1.5 Gender Equality	

<b>Aspect: Labor/Management Relations</b>				
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	●	4.4 Employment Relationship	
<b>Aspect: Occupational Health and Safety</b>				
G4-LA5	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	
G4-LA6	Type of injury, and rates of injury, occupational diseases, lost day, and absenteeism and total number of work-related fatalities, by region and by gender.	●	4.5 Safety and Health	
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	●	4.5 Safety and Health	
G4-LA8	Health and safety topics covered in formal agreements with trade unions.	●	4.3 Compensation & Benefits	
<b>Aspect: Training and Education</b>				
G4-LA9	Average hours of training per year per employee by gender, and by employee category.	●	4.2 Employee Development	
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	●	4.2 Employee Development	



G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	●	4.2 Employee Development	
<b>Aspect: Diversity and Equal Opportunity</b>				
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	●	4.1 Employment	
<b>Aspect: Equal Remuneration for Women and Men</b>				
G4-LA13	Ratio of the basic salary and remuneration of women to men by employee category, by significant locations of operation.	●	4.1.1 Employee Structure 4.3 Compensation & Benefits	
<b>Aspect: Supplier Assessment for Labor Practices</b>				
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria.	●	4.5 Safety and Health	
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	●	4.5 Safety and Health	
<b>Aspect: Labor Practices Grievance Mechanisms</b>				
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	●	4.4 Employment Relationship	
<b>Sub-Categories: Human Rights</b>				
<b>Aspect: Investment</b>				



G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	○		
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	○		
<b>Aspect: Non-discrimination</b>				
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	●	4.1 Employment	
<b>Aspect: Freedom of Association and Collective Bargaining</b>				
G4-HR4	Operations and suppliers identified in which employee rights to exercise freedom of association or collective bargaining may be violated or at significant risk and measures taken to support these rights.	●	4.3 Compensation & Benefits	
<b>Aspect: Child Labor</b>				
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor and measures taken to contribute to the effective abolition of child labor.	●	4.1.3 Prohibition of Child Labor Employment	
<b>Aspect: Forced or Compulsory Labor</b>				

G4-HR6	Operations and 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.	●	4.5 Safety and Health	
<b>Aspect: Security Practices</b>				
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.	○		
<b>Aspect: Indigenous Rights</b>				
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.	●	4.1.4 Protection of disabled people's and indigenous people's working right	
<b>Aspect: Assessment</b>				
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	○		
<b>Aspect: Supplier Human Rights Assessment</b>				
G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	○		
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	○		
<b>Aspect: Human Rights Grievance Mechanisms</b>				

G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	○		
<b>Sub-Categories: Society</b>				
<b>Aspect: Local Communities</b>				
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	●	Chapter 5 Social Responsibility	
G4-SO2	Operations with significant actual and potential negative impacts on local communities.	●	Chapter 5 Social Responsibility	
<b>Aspect: Anti-corruption</b>				
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	●	1.7.4 Legal Compliance	
G4-SO4	Communications and training on anti-corruption policies and procedures.	●	1.7.4 Legal Compliance	
G4-SO5	Confirmed incidents of corruption and actions taken.	●	1.7.4 Legal Compliance	
<b>Aspect: Public Policy</b>				
G4-SO6	Total value of political contributions by country and recipient/beneficiary.	○		The company didn't give or take political contributions.
<b>Aspect: Anti-competitive Behavior</b>				

G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes.	●	1.7.4 Legal Compliance	
<b>Aspect: Compliance</b>				
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	●	1.7.4 Legal Compliance	
<b>Aspect: Supplier Assessment for Impacts on Society</b>				
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	●	2.4 Supplier Management	
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	●	2.4 Supplier Management	
<b>Aspect: Grievance Mechanisms for Impacts on Society</b>				
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	●	2.2 Customer Service and Satisfaction	
<b>Sub-Categories: Product Responsibility</b>				
<b>Aspect: Customer Health and Safety</b>				
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	●	4.5 Safety and Health	

G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	●	4.5 Safety and Health	
<b>Aspect: Product and Service Labeling</b>				
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	●	1.7.4 Legal Compliance	
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	●	1.7.4 Legal Compliance	
G4-PR5	Results of surveys measuring of customer satisfaction.	●	2.2 Customer Service and Satisfaction	
<b>Aspect: Marketing Communications</b>				
G4-PR6	Sale of banned or disputed products.	●	1.7.4 Legal Compliance	
G4-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.	●	1.7.4 Legal Compliance	
<b>Aspect: Customer Privacy</b>				

G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	●	1.7.4 Legal Compliance	
<b>Aspect: Compliance</b>				
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	●	1.7.4 Legal Compliance	

