

A Message from the Chairman

The unprecedented outbreak of the COVID-19 pandemic in 2020 has not only posed great threats and caused substantial losses to humans but also led to profound changes in global economic activities. In response to the pandemic, countries around the world have adopted measures, such as quarantine and lockdown, which has resulted in a plunge in the global economy. The international sea shipping industry, which carries nearly 90% of the global trade volume, was inevitably affected by the unprecedented impact. Travel restrictions imposed by the pandemic have made it difficult for onboard crew to change shifts. There was also a shortage of manpower at terminals and ports, leading to low operating efficiency and difficulties in logistics and transportation. This caused an imbalance between the supply and demand of containers and disrupted the supply chain. Although we were faced with the unknown development of the pandemic and an economic prospect full of uncertainties at the beginning of the outbreak, we quickly launched the relevant response mechanisms through our daily crisis management operations, and strove hard to complete the delivery of daily necessities and anti-pandemic supplies around the world successfully, thereby contributing our share to the global pandemic prevention work.

Meanwhile, every crisis is a turning point. This pandemic has made us deeply realize that the spread of the virus and the pandemic do not distinguish between national borders and industries. Faced with an increasingly unpredictable operating environment, our expectations of ourselves is to strengthen cooperation with stakeholders in the industry to catch up with the sustainable development trend of global industries while upgrading our environmental, social, and corporate governance (ESG) levels, to promote and strengthen key initiatives for sustainable operations, including responsible procurement, supply chain management, information digitization, and cybersecurity, and implementing them in daily management operations, thereby avoiding or reducing the risks arising from changes in the operating environment effectively. We believe that a safer and more effective sustainable sea shipping supply chain should be anticipated with the efforts and collaboration of the global industries.

At present, climate emergency has replaced climate change and global warming as the new focus of global sustainable development. We have only one earth. The extreme climate events caused by carbon emissions not only have not only impacted the ecology that is extremely sensitive to changes in the environment but also resulted in species extinction on a large scale and food crises. As food and water resources are more critical to human survival, the global sea shipping industry has taken energy transition and the protection of forest and ocean as their top priorities in the key steps of global carbon reduction efforts.

In response to the International Maritime Organization's (IMO's) target of reducing greenhouse gas emissions by 50% by 2050 and the UN Global Compact's initiative for the mitigation of climate change and the cause of global sustainable oceans in the ocean supervision, we will continue to pay attention to the experiments and development of various biofuels on the market, and study the possibility of replacing high-carbon fossil fuels with renewable green energy in the future to further reduce carbon emissions and alleviate the impact thereof on the environment. In addition, in line with the resolution passed by the IMO in 2017, as it requires shipowners and sea shipping companies to incorporate cyber risks into the ship safety management system from 2021, we participated in the Digital Container Shipping Alliance (DCSA) in 2019 to work with the global shipping industry to be committed to the digitization and standardization of sea shipping while strengthening the online information security related to sea shipping, to ensure the safety of personnel operations, the safety of ship navigation, and the safety of cargo transportation.

A black swan crisis is always there. The best solution to deal with unknowable risks is have complete risk management. From the announcement of the risk management policy by the Board of Directors to the specific and detailed risk management tasks by various departments, we have implemented every task as in the Company's CSR Report in a firm and pragmatic manner step by step. Looking into the future, the global economy will embark on a journey of imbalanced and uncertain recovery full of hardship. The global sea shipping industry will also face a highly uncertain business environment. We believe that we will be able to cope with various challenges and develop new opportunities through brainstorming and teamwork in line with Evergreen Marine's original intention of "creating profits, caring for employees, and giving back to society".

Chairman

