

## Ethical Corporate Management and Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and adopted measures				
(1) Does the company formulate ethical management policies approved by the Board of Directors, and specify such policies and practices in both the company’s guidelines and external documents, as well as the commitment of the Board of Directors and top management to actively implement the policies?	✓		The Company’s Ethical Corporate Management Best-Practice Principles ( <a href="http://stock.evergreen.com.tw/download/gv1/rule/2603/zh-TW/2603_13.pdf">http://stock.evergreen.com.tw/download/gv1/rule/2603/zh-TW/2603_13.pdf</a> ) was established and resolved by the Board of Directors on Dec. 22, 2014. The Company’s ethical management policies and practices, as well as the commitment of the Board of Directors and top management to actively implement the policies are specified in the Principles. In addition, the principles are publicly disclosed in the “Ethical Management Zone” ( <a href="http://www.evergreen-marine.com/tw/tbi1/jsp/TBI1_IntegrityManagement.jsp">http://www.evergreen-marine.com/tw/tbi1/jsp/TBI1_IntegrityManagement.jsp</a> ) of the Company’s website and on the internal bulletin board.	None
(2) Does the company establish a risk assessment mechanism for unethical behavior, regularly analyze and evaluate the business activities with high risk of unethical behavior within the business scope, and based on which to formulate preventive measures and shall at least cover the preventive measures on unethical behavior stipulated in paragraph 2, Article 7 of “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has established risk assessment mechanism and standardized relevant preventive measures in accordance with “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” paragraph 2 of Article 7 stipulated by Taiwan Stock Exchange, and the business activities with high risk of unethical behavior; all departments of the Company are required to implement. In addition, Legal Division (Competition Compliance Team included) is responsible for promoting the Company’s regulatory compliance	None

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(3) Does the company specify the relevant procedures, conduct guidelines, punishment for violation, and rules of appellate in the formulated preventive measures against unethical behavior , as well as implement and regularly review and revise the aforementioned measure?	✓		<p>policies, providing the education and training on fair trade law and continuously promoting the risk control of unethical behavior and other preventive measures, to ensure the Company’s business activities have proper procedures and basis to follow.</p> <p>The Company’s Procedures for Ethical Management and Conduct Guideline (<a href="http://stock.evergreen.com.tw/download/gv1/rule/2603/zh-TW/2603_16.pdf">http://stock.evergreen.com.tw/download/gv1/rule/2603/zh-TW/2603_16.pdf</a>) was established and resolved by the Board of Directors on Mar. 26, 2015. This guideline states the preventive measures against unethical behavior, offering and accepting bribes and improper benefits, or attending meeting or business activities involving any potential conflict of interest. The aforementioned guideline also covers the punishment for violation and rules of appellate. of punishment. The responsible department of the Company is responsible for promoting and supervising the implementation of the ethical corporate management policies and preventive measures.</p>	None
<p>2. The implementation of ethical corporate management policy</p> <p>(1) Does the company evaluate business suppliers’ ethical records and include ethics-related clauses in business contracts?</p>	✓		<p>The Company has standardized the requirements for the ethical record assessment and the signing of the ethical behavior clause in the “Ethical Corporate Management Best-Practice Principles”. The Company shall avoid engaging in commercial activities with suppliers involving in unethical</p>	None

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(2) Does the company establish an exclusively dedicated unit supervised by the Board to be in charge of ethical corporate management promotion and regularly (at least once a year) report to the Board regarding the ethical management policies, preventive measures against unethical behavior and implementation status?	✓		<p>behavior or against the Company’s CSR policies. When entering into a contract, the content of the contract shall include terms requiring compliance with CSR policies and ethical principles of both parties; the Company may terminate or revoke the term of the contract at any time if the supplier violates the policy and principles, and has a significant impact on the environment and society of the supply source community.</p> <p>The Company designated the Human Resources Department (HRD) to be in charge of establishing ethical corporate management policies and the preventive measures against unethical behavior, and supervising their implementation. In addition, HRD assists the Board of Directors and management in verifying and assessing the effectiveness of the preventive measures taken for the purpose of implementing ethical management, and regularly reports to the Board in December each year, on its implementation including the policies, training on ethical management related issue and the handling of complaint mailbox.</p> <p>The contents of the report made on the Board of Directors’ meeting held on Dec. 24, 2019 are summarized as follows:</p> <ol style="list-style-type: none"> <li>1. Policies on Ethical Management In order to prevent any unethical behavior of employees, the Company’s top management emphasized the followings to all</li> </ol>	None

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			<p>employees in the open space meetings held in April, June, October and November, 2019, and asked supervisors at all levels to keep reminding and supervising subordinates:</p> <p>(1) Comply with the “Ethical Corporate Management Best-Practice Principles”, engage in commercial activities in a fair and transparent manner, follow a fair price competition and negotiation mechanism and keep all suppliers’ records.</p> <p>(2) No disclosure of internal information handled by oneself and materials to others, and engage in business activities in accordance with the competition laws and the related regulations.</p> <p>2. Training on Ethical Management related issue:</p> <p>(1) Organized ethical management and morality orientation courses in 2019 and 76 new employees completed the training.</p> <p>(2) Introduced anti-bribery and anti-corruption online course on E-learning in May, all supervisors were required to complete the course and passed the test and a total of 349 supervisors completed the course.</p> <p>(3) Published on the Company’s e-bulletin board, required all employees to comply with the ethical management policies, and strictly prohibited any employees</p>	

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(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		<p>to use the information which is not available in the market for profit.</p> <p>3. Complaint mailbox No case against code of conduct was received via the complaint mailbox in 2019.</p> <p>To prevent conflicts of interests and provide appropriate communication channels, the Company established the “Ethical Corporate Management Best-Practice Principles”, “Procedures for Ethical Management and Conduct Guidelines” in 2014 and 2015 respectively. The Company uses the corporate internal control system, audit system and all kinds of internal management regulations to implement the above policies.</p>	None
(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management? Does the internal audit unit develop an audit plan based on the assessment results on risk against unethical behavior and examine the implementation status of the preventive measures based on the aforementioned audit plan, or have it checked by CPAs?	✓		<p>The Company has established effective accounting system, internal control system and internal audit implementation rules. The internal audit unit conducts an internal audit annually, examines the implementation status of the internal control system, continuously reviews the Company’s operating procedures, and develop an audit plan based on the assessment results on risk against unethical behavior in order to examine the implementation status of the preventive measures against unethical behavior.</p>	None
(5) Does the company regularly hold internal and external education and trainings on ethical management?	✓		<p>The Company delivers the concept of ethical management policies through various channels, such as information disclosure within the employees,</p>	None

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			monthly departmental meetings, interview with top management and talks on ethical issues. The Company regularly organizes training on ethical management and morality orientation courses for new employees; in 2019, 4 sessions of which were held, with 76 participants. In addition, the online course “Introduction to Corporate Governance” has been included into learning certificates of managers at all levels since 2018 with accumulated of 400 managers completed the course and passed the online test.	
<p>3. Operation of the company’s integrity system</p> <p>(1) Does the company establish both reward/punishment system and integrity hotline, as well as a convenient integrity channel? Can the accused be reached by an appropriate person for follow-up?</p>	✓		The Company encourages both the internal and external personnel to report the acts of unethical and misconduct. In addition to the integrity system stipulated in the “Ethical Corporate Management Best-Practice Principles”, the Company has established the “Employee Complaint Regulations”. After the whistleblower reports or appeals to the supervisors at all levels and Human Resources Department, the case will then be filed and investigated or reported to the independent director, a relevant reward/punishment system is also stipulated in the management rules of the Company. In addition, an independent whistle-blowing mailbox (comment@evergreen-marine.com) is set up and has been disclosed on the “Stakeholder Zone” in the Company’s website and on the internal e-bulletin	None

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(2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?	✓		<p>board, in a way to establish a convenient integrity channel. This mailbox is under the responsibility of the supervisor of Human Resources Department.</p> <p>It is specified in the “Ethical Corporate Management Best-Practice Principles” and “Employee Complaint Regulations” that the whistleblower may raise the case verbally or in writing. The Company then should make records, gather the related units and investigate, and give a response to the whistleblower within 10 working days. If necessary, it may be extended for 10 days, and the extension shall be limited to 2 times. It is also stipulated in the “Ethical Corporate Management Best-Practice Principles” that the contents of the report shall be properly handled in a confidential manner and whistleblowers shall be protected from any inappropriate treatment due to the complaint.</p>	None
(3) Does the company provide proper whistleblower protection?	✓		<p>The cases will be handled by designated Human Resources Managers. The procedures and methods for investigation and handling of cases and the provisions for the protection of whistleblower are also set forth in the relevant regulations, in order to protect whistleblowers from any inappropriate treatment due to the complaint.</p>	None

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4. Strengthening information disclosure (1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	✓		The “Ethical Corporate Management Best-Practice Principles” and the results of our implementation have been posted on the “Ethical Management Zone” in the Company’s website and MOPS (URL: <a href="https://www.evergreen-marine.com/tw/tbi1/jsp/TBI1_IntegrityManagement.jsp">https://www.evergreen-marine.com/tw/tbi1/jsp/TBI1_IntegrityManagement.jsp</a> ).	None

5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: None

6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies): : None