



# EVERGREEN MARINE CORP. (TAIWAN) LTD.

## SUPPLIER CODE OF CONDUCT

Evergreen Marine Corporation (hereafter referred to as “EMC”) is a global leader in container transport. We have defined this Supplier Code of Conduct as a set of common values and standards applicable to the global supply chain that we expect our suppliers to adhere to.

The EMC’s Supplier Code of Conduct (hereinafter referred to as the “Supplier Code of Conduct”) is the primary standard for all suppliers. It also sets the minimum standard that each supplier is expected to follow in their business dealings with EMC. EMC encourages its suppliers to exceed the basic requirements and improve their standard of service in all fields. Supplier adherence to this Supplier Code of Conduct will be taken into account by EMC when making purchasing decisions.

EMC’s relationship with the supplier is based on the mutual rights and obligations set out in the contract as well as the framework defined by the EMC Code of Ethical Management. The Supplier Code of Conduct represents the expectations of EMC on ethical business management and its promise to adhere to the following principles. The same is expected by EMC of all its suppliers.

This “Supplier Code of Conduct” is based on the relevant internationally accepted standards including the “Universal Declaration of Human Rights” and “International Labour Organization Declaration on Fundamental Principles and Rights at Work.” The five components are: Labor Standards, Health and Safety Standards, Environmental Standards, Ethical Guidelines, and Management System Standards.

### **Labor Standards:**

Suppliers must uphold the human rights of workers, as well as treat them with dignity and fairness. This includes all workers, temporary workers, student-workers, contract employees and other types of



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workers.

**1. Freedom of occupation**

There is to be no use of coercion and involuntary prison labor, and trafficked persons. All work should be performed on a voluntary basis and workers may leave employment at will.

**2. Prohibition of child labor**

No child labor is to be engaged in any process. The supplier should obey all employment legislation in their region.

**3. Working hours**

The supplier should obey local laws on daily and weekly working hours.

**4. Compensation and benefits**

Wages should be paid in accordance with the local laws including those governing minimum wages, overtime hours and statutory benefits.

**5. Fair treatment**

The working environment that is free from harassment should be established. There must be no sexual harassment, compulsion, derogatory insults or unreasonable restrictions in any form.

**6. Non-discrimination**

The supplier should not engage in discrimination during employment or business operations on the basis of race, skin color, age, gender, sexual preference, ethnic grouping, handicaps, religion, political affiliation or marital status.

**7. Freedom of association and collective bargaining**

The supplier should respect the rights of all employees to organize into unions and take part in collective bargaining.



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**Health and Safety Standards:**

The supplier should understand that a safe and healthy working environment will not only minimize work-related injuries and illnesses but also improve the quality of products and services. The collection of worker opinions and employee education on a continuous basis are essential to identifying and solving health and safety issues in the workplace.

**1. Occupational safety**

Appropriate design, engineering and administrative controls, preventive maintenance and safe operating procedures, and continuous safety training should be used to assess and control safety hazards in the workplace, or to provide employees with suitable and properly maintained protective equipment.

**2. Emergency response preparations:**

The impact of emergency situations and events should be minimized through the implementation of emergency response plans and response procedures. Such plans and procedures should focus on reducing harm to life, environment and property.

**3. Work injuries and occupational disease**

A suitable process and system should be established to prevent, manage, track and report occupational injuries and diseases. Employees should also be encouraged to report, classify and record cases of injury and illness. The necessary treatment and assistance should be provided, an investigation undertaken of each case, action taken to eliminate the cause of the accident, and employee given assistance to return to work as soon as possible.

**4. Industrial hygiene**

The impact to employees from exposure to biological, chemical



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and physical factors should be identified, evaluated and controlled. Engineering and administrative controls should be used to prevent excessive employee exposure to such factors. If effective prevention cannot be achieved by such controls then suitable personal protective equipment programs should be adopted to ensure employee health.

**5. Manual labor**

The impact of physical labor on employees should be identified, assessed and controlled. This includes the manual transportation of materials, repeated lifting of heavy objects, standing for extended periods of time, or highly-intensive assembly tasks.

**6. Machinery protection**

The safety hazard posed by production equipment or other machinery should be assessed. If employees will be endangered by machinery then protective gear, interlock devices and shielding should be provided.

**7. Environmental hygiene, food and accommodation**

Employees should be provided with clean toilets and drinking water as well as hygienic food preparation, storage and dining facilities. Employee dormitories provided by the supplier or labor agent should be maintained in a clean and safe state. Suitable emergency exits, hot water for washing and bathing, sufficient illumination/heating/ventilation equipment and private space that is easy to access should also be provided.

**8. Health and safety communications**

Occupational health and safety training should be conducted in the mother language of the employee. Health and safety-related information should also be posted in prominent locations



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throughout the workplace.

**Environmental Standards:**

Environmentally friendly practices should be used by the supplier during the production process to minimize any negative impact on the community and environment. The supplier should also adhere to the relevant environmental laws.

**1. Environmental permits and compliance**

The supplier should obtain, maintain and update all necessary environmental permits and registrations. They must also adhere to the operating and reporting requirements of said permits and registrations.

**2. Pollution prevention and conservation of energy/resources**

The use and wastage of resources (including energy and water) should be reduced or prevented at the source. Other methods such as process adjustments, alternative materials, recycling and re-use can also be used to achieve this goal.

**3. Hazardous substances**

Chemicals and other substances that pose a threat to the environment should be identified and managed to ensure their safe handling, transport, storage, use, recycling, reuse and disposal.

**4. Solid waste and effluent**

Non-hazardous solid waste should be identified, managed and reduced in a systematic manner for disposal or recovery in an environmentally friendly manner. Effluents from operations or hygiene facilities should be identified, monitored and treated before discharge in accordance with the regulations.

**5. Emissions**



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Volatile organic compounds (VOCs), aerosols, corrosive substances, particulates, ozone depleting substances and byproducts of combustion generated during operations should be identified, monitored and treated before discharge in accordance with the regulations.

**Ethical Guidelines:**

To ensure the fulfillment of corporate social responsibility, the supplier and its downstream suppliers must be ethical and honest in their business activities.

**1. Ethical Management**

The highest standards of integrity should be followed in all business dealings. A zero-tolerance policy applies to all forms of bribery, corruption, blackmail and malfeasance. All business transactions should be recorded in a transparent and accurate manner. A monitoring procedure should also be implemented to ensure compliance with anti-corruption laws.

**2. Improper gains**

There is to be no provision, promising, giving or acceptance of bribes or any other forms of improper gain. The ban includes the provision, giving or accepting of any items of value (directly or indirectly) in order to obtain or retain business, assign business to another party, or for improper gain.

**3. Disclosure**

Information on business transactions should be disclosed in accordance with the applicable laws and generally accepted industry practices. There is to be no falsification of records or fraudulent reporting of supply chain activities.

**4. Intellectual property**

Intellectual property rights should be respected and protected



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during the transfer of technology and professional know-how. Customer and supplier data must also be protected.

**5. Fair trade, advertising and competition**

The standards on fair trade, advertising and competition should be adhered to.

**6. Protection of privacy and prevention of retribution**

Procedures should be put into place to protect whistleblower suppliers and employees unless prohibited by law. The confidentiality and anonymity of their identities should also be ensured. Communication procedures should be drawn up for employees to express their concerns without fear of retribution.

**7. Source of non-conflict minerals**

The supplier should ensure at a policy-level that the minerals used in the products they manufacture do not go directly or indirectly to the funding of armed criminal organizations that engage in human rights abuses.

**8. Privacy rights**

Reasonable efforts should be made to protect the personal information of all transaction parties (including suppliers, customers, consumers and employees). Privacy rights should be respected during the collection, storage, processing, transmission and sharing of personal information.

**9. Preventing conflicts of interest**

The supplier should check and prevent any potential conflicts of interests with EMC, as well as any events or situations that may harm EMC.

**Management System Standards :**

The supplier should implement management systems to promote





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compliance with the relevant laws and engage in continuous improvement in the areas set out in the Supplier Code of Conduct.

**1. Corporate commitment**

Appropriate resources should be allocated by the supplier to fulfill the expectations set out in the “Code” as well as communicate the principles set out in the “Code” throughout its supply chain.

**2. Management duty and responsibility**

Top management and representative should be explicitly designated by the supplier to ensure the proper implementation of the management system and related programs. The top management layer should regularly inspect the operations of the management system.

**3. Legal compliance and code requirements**

The supplier should adhere to all quality, health, safety and environmental laws and regulations. The supplier should obtain, maintain and update all permits and registrations include the requirements of this “Code.”

**4. Risk assessment and management**

The supplier should have a suitable procedure for identifying all environmental, health, safety, labor practices, and ethical risks related to their operations. The importance of each risk should be identified so that suitable procedures and controls can be implemented to control known risks and ensure compliance with the law.

**5. Improvement targets**

Performance targets, indicators and implementation plans should be set out in writing to improve the social & environmental responsibility performance of the supplier. This includes regular





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reviews of supplier performance on meeting these targets.

**6. Educational and training**

Training plans should be developed for the management and employees in the implementation of supplier policies, procedures and improvement targets as well as to satisfy applicable statutory requirements.

**7. Communications**

Procedures should be established to clearly communicate the supplier's policies, implementations and improvement targets to employees, suppliers and customers.

**8. Labor opinion and participation**

An evaluation procedure should be established to monitor employee understanding of the implementations and conditions encompassed by this Code. Employee feedback should also be collected so that improvements can be made.

**9. Audits and evaluation**

Regular self-evaluations should be conducted to ensure compliance with the law, this Code, as well as the requirements related to social and environmental responsibility in customer contracts.

**10. Corrective measures**

A procedure should be established to ensure the timely correction of deficiencies identified during internal/external assessments, inspections, investigations and reviews.

**11. Documentation and records**

Documents, files and records should be archived to ensure compliance with regulatory and company requirements. Privacy protection should also be ensured.



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### 12. Supplier responsibility

A procedure should be established to communicate the requirements of this Code to the supplier and to monitor supplier compliance with this Code.