

Evergreen Marine Corporation Risk Management Policy and Process

Chapter I General Principle

Article 1 Purpose of the Policy

In order to optimize the risk management system, improve risk management practices, and to control the risk factors that may bring uncertainty and threaten business operations, the Company specifically established this policy and process to ensure the achievement of operational goals.

Chapter II Risk Management Structure, Authority and Responsibility

Article 2 Risk Management Structure, Authority and Responsibility

1. **Board of Directors:**

The Board of Directors is the highest governing body for the Company's risk management. The Board approves risk management policy and process based on the Company's operational strategies and business environment, oversees the implementation of risk management and takes responsibility to ensure effective mechanisms for the company's overall management of risk.

2. **Sustainability Committee:**

The Sustainability Committee is a functional committee under the oversight of the Board of Directors, responsible for coordinating with concerned departments to conduct various risk management programs and supervising their implementation.

3. **Sustainability Committee Working Team:**

The Sustainability Committee Working Team is responsible for conducting related risk management tasks. The head of the Business Coordination Department serves as its Director-General, responsible for convening working team meetings and assisting with the implementation of various sustainability programs. The position's main responsibilities are listed as follows:

- (1) Coordinate with responsible departments to roll out the policy, follow the process and improve risk control mechanisms.
- (2) Assist each responsible department to analyze and assess potential risks within its scope of responsibility, and ensure that the risk management mechanisms can be fully integrated into the daily operation process.
- (3) In line with the development of international and domestic risk management systems, make timely recommendations to update the Company's policy and process and ensure effective risk management.
- (4) Submit an annual implementation report to the Sustainability Committee and make necessary improvement suggestions.

Chapter III Risk Management Process

Article 3 The Company's risk management process includes the following steps: risk identification, risk assessment, risk management, risk disclosure and communication.

1. Risk Identification

Based on the principle of materiality, all responsible departments of the Company should identify and assess the risks to environmental protection, social inclusion, corporate governance, sustainable procurement and other aspects that may occur in the operation process. The nature of potential risk factors is evaluated as a basis for further analysis, monitoring and management. The risks faced by the Company are classified into the following six categories:

(1) Strategic Risks

Risks of possible losses caused by excessive concentration in a single market, influence of major customers, or imperfect planning of service routes.

(2) Market and Operational Risks

Risks that may arise from market fluctuations, such as risks of possible losses due to changing freight rates, surcharges, fuel prices, ship maintenance costs, human errors or strikes, etc.

(3) Laws and Legal Risks

Failure to comply with relevant laws and regulations of the competent authority may result in possible losses; risks regarding the integrity and validity of contracts, such as the legality of the business being undertaken and an understanding of international laws, which may result in possible losses.

(4) Financial Risks

Risks that may cause losses such as exchange rate risk, investment risk, capital risk or credit risk.

(5) Information Risks

Risks that arise from security control, operation, and insufficient backup of information systems and that may cause possible losses, such as system failures, crashes, data loss, security protection, or computer virus prevention and removal.

(6) Risk of Damage

Risks of possible losses caused by natural disasters, global or regional financial crises, terrorist attacks or major infectious diseases, etc.

2. Risk Assessment

After each responsible department identifies the risk factors it may face, it should develop appropriate assessment methods as a basis for conducting risk management.

- (1) Risk assessment involves evaluating the likelihood of a risk event and analyzing its potential impact on the Company once such an incident occurs. The result serves as a basis for subsequent risk prioritization and adoption of appropriate response measures.

- (2) For quantifiable risks, rigorous statistical methods and techniques should be adopted for analysis and management.
- (3) Other risks that are currently difficult to quantify will be measured via a qualitative method. The qualitative measurement of risk refers to expressing the likelihood of a risk event and its impact through text description.

3. Risk Management

After assessing (analyzing and evaluating) and summarizing risk factors, each department should monitor the risks within its scope of responsibility and propose response plans to mitigate the risks to an acceptable or tolerable level. A report of the risks and response plans should be submitted to the Sustainability Committee.

4. Risk Disclosure and Communication

The Sustainability Committee should ensure that each responsible department effectively implements its risk management policy, monitors risk management operations, delivers risk management information and regularly reports to the Board of Directors on the performances of the Company's risk management operations every year. In addition to reporting relevant information in accordance with the regulations of the competent authorities, the Company also discloses risk management-related information in its annual report.

Chapter IV Appendix

Article 4 The Risk Management Policy and Process takes effect upon approval by the Board of Directors. The same rule applies to its revisions.

A brief history of The Risk Management Policy and Process:

1. This policy was established on March 24, 2020.
2. The first revision of this policy was made on May 12, 2023, renaming “Risk Management Policy” to “Risk Management Policy and Process”.