

## Promotion of Sustainable Development

Initiative	Implementation			Deviation and Reason
	Y	N	Additional Information	
1. Has the company established a sustainable development governance system and designated personnel to oversee implementation? Has the company's board authorized senior management to implement the plan under board supervision?	V		<p>The board passed the Company's "Corporate Social Responsibility Best Practice Principles" on May 11, 2016. The principles have since been renamed "Sustainable Development Best Practice Principles."</p> <p>The Company's sustainable development implementation team is headed by the president of the Company, with support from the General Administration Department, Personnel Department, and Ship Management Department. The team monitors economic, environmental, social and labor issues arising from company operations and assesses how they are handled. The team briefs the board on sustainable development implementation once a year. In 2022, the briefing took place at the board meeting on Nov. 7.</p> <p>The Company's sustainable development practices ensure maximum flexibility and responsiveness. They include implementation of corporate governance, development of a sustainable environment, protection of social welfare, provision of material disclosures, and the monitoring of domestic</p>	No Deviation

		<p>and international guidelines. The Company has inquired with multiple consulting firms on the preparation of a sustainable development report. It also started tracking its greenhouse gas emissions before this became mandatory. The board received an implementation briefing on March 20, 2023. During the meeting, the board also approved the establishment of a sustainable development committee. The board will supervise implementation and progress.</p>	
<p>2. Does the company assess operational risk from environmental, social, and governance issues in accordance with the materiality principle, and does it have relevant risk management policies in place? (Note 2)</p>	V	<p>The Company assesses operational risk across the shipping, trucking and logistics operations of its subsidiaries. The assessments take business opportunity, background, and risk-reward potential into account. Primary risk strategies include risk containment, risk mitigation, risk transfer and risk acceptance.</p> <p>In accordance with the materiality principle, the Company has completed an operational risk assessment of environmental, social and governance issues. Feasible risk management mechanisms were drafted by a team headed by the Company president and made up of managers from relevant departments. The team also implemented a risk response plan</p>	No Deviation

			to minimize potential losses. Per the Company' s risk control policy, the board is briefed on risk management once a year. In 2022, the briefing took place at the board meeting on Nov. 7. The briefing covered multi-level risk controls in the areas of COVID-19, occupational safety and health, and legal affairs.	
3. Environmental Issues (1) Does the company have industry-appropriate environmental management policies?	V		The Company closely monitors the impact of its fleet on the environment and climate change. In accordance with the International Convention for the Prevention of Pollution from Ships (MARPOL) and European Union regulations, the Company: <ul style="list-style-type: none"> <li>--continuously tracks emissions from its fleet in accordance with the International Maritime Organization Fuel Oil Data Collection System and EU/UK Monitoring, Reporting and Verification System.</li> <li>--maintains an inventory of hazardous materials. The Company's purchase management guidelines ensure no asbestos-containing materials are used and limit use of heavy metals and other hazardous materials. The Company is compliant with the EU Ship Recycling Regulation (EU-SRR) and Hong Kong Convention and is classification society-certified.</li> <li>--has installed ballast water</li> </ul>	No Deviation

		<p>treatment systems on its ships to prevent the spread of harmful and invasive aquatic organisms from one region to another in accordance with the International Convention for the Control and Management of Ships' Ballast Water and Sediments.</p> <p>--strictly prohibits overboard disposal of plastic waste in accordance with international marine environment protection laws. The Company has also installed new water filter facilities on its fleet and uses eco-friendly trash bags. In addition, it asks its crews to minimize use of bottled water, other plastic products and plastic packaging. Since these measures were implemented, plastic waste volume has been halved.</p>	
<p>(2) What does the company do to improve energy efficiency, and does it use renewable materials to minimize its environmental footprint?</p>	<p>V</p>	<p>The Company has adopted numerous measures to minimize its environmental footprint.</p> <p>--On ships: Energy-saving devices have been installed on ships to improve energy efficiency. In addition, the Company only uses high-end anti-fouling paint on its ships and routinely cleans shell plating. The Company has also installed high-end drinking water systems on its ships to reduce plastic waste. It rewards its crews for waste and plastic reduction and works with classification societies on energy conservation research.</p>	<p>No Deviation</p>

		<p>--In the field and offices: Concrete measures include a switch to energy-efficient lighting, fewer tube lights, turning off electronics that are not in use, thermostat controls during the summer, waste paper recycling, trash sorting, waste reduction, and fewer printouts.</p>	
<p>(3) Has the company assessed present and future climate change-related risk and has it adopted climate-related countermeasures?</p>	V	<p><b>Shipping:</b> With international and local regulatory requirements growing stricter by the day, fleet operators are under pressure to reduce greenhouse gas emissions and pollution. This means higher risk from higher operating costs. The Company has implemented various changes and upgraded equipment to improve the energy efficiency of its ships, including switching to low-sulfur fuel, optimizing routes with meteorological navigation and installing energy-saving equipment. Down the line, the Company will replace older vessels in a timely manner by building ships with high-efficiency diesel engines and energy-saving designs. At the same time, it will closely monitor the development of relevant regulations and proactively implement countermeasures to mitigate operational risks.</p> <p><b>Trucking and warehousing:</b> The Company continuously replaces tractors and stackers</p>	No Deviation

			with new vehicles that meet new environmental standards.	
(4) Did the company track its greenhouse gas emissions, water consumption, and waste volume in the last two years, and does it have management policies to reduce greenhouse gas emissions, water consumption and waste generation?	V		<p>The Company routinely inspects its capsize bulk carriers, container tractors, and warehouse logistics equipment to ensure they meet greenhouse gas emission standards. Its emission inspections cover the shipping and logistics (trucking and terminal) operations of its subsidiaries as well.</p> <p>Direct greenhouse gas emissions:  2021: 362,480 tons of CO<sub>2</sub>  2022: 332,770 tons of CO<sub>2</sub></p> <p>Indirect greenhouse gas emissions (electricity use):  2021: 1,514.52 tons of CO<sub>2</sub>  2022: 1,810.28 tons of CO<sub>2</sub>  (Emissions increased from 2021 to 2022 due to adding the subsidiaries)</p> <p>Field and office water consumption:  2021: 12,475 m<sup>3</sup>  2022: 16,769 m<sup>3</sup></p> <p>Recyclable waste:  2021: Scrap iron and hardware: 30,720 kg  2022: Scrap iron and hardware: 19,040 kg  2021: Used engine oil: 22,100 L  2022: Used engine oil: 34,990 L</p> <p>The Company contracts a certified waste disposal company</p>	No Deviation

		<p>to process general waste. Annual waste volume: 2021: 128 tons 2022: 124 tons</p> <p>Under international convention, the carbon emissions of bulk carrier fleets have to be verified by the American Bureau of Shipping before a Statement of Compliance is issued. The Company's fuel emission figures for container tractors and warehouse equipment are its own tallies.</p> <p>Environmental Policies Shipping: In accordance with IMO requirements, the Company actively reduces its fleet emissions every year. Based on 2019 emission levels, the Company's targets for subsequent years are:</p> <ol style="list-style-type: none"> <li>1. 2020 to 2022: A year-on-year reduction of 1% from 2019 levels</li> <li>2. 2023 to 2026: A year-on-year reduction of 2% from 2019 levels</li> </ol> <p>The Company actively tracks fleet emissions and its ships undergo routine maintenance to ensure mechanical efficiency. Apart from installing energy-saving equipment and contracting a professional air conduction company to set efficient nautical routes, the Company will use smart ship monitoring systems to</p>	
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		<p>collect accurate energy consumption data.</p> <p>Trucking and Warehousing: The Company will continue purchasing sixth generation emission standard-compliant tractors, electric tractors, and equipment to replace older vehicles and equipment. The Company has also implemented energy-conserving driving practices and energy usage reduction measures. In addition, employees are asked to sort and recycle waste.</p>	
<p>4. Social Issues</p> <p>(1) Does the company have management policies and procedures in accordance with relevant laws and the International Bill of Human Rights?</p>	V	<p>To live up to its corporate social responsibilities and uphold the basic human rights of employees and stakeholders, the Company adheres to the International Bill of Human Rights, which includes the International Covenant on Civil and Political Rights; International Covenant on Economic, Social and Cultural Rights; Convention on the Rights of Persons with Disabilities; and the Convention on the Elimination of All Forms of Discrimination Against Women. The Company is also compliant with Taiwan's Labor Standards Act, Act of Gender Equality in Employment, Employment Service Act, and other relevant laws. It provides a safe, healthy working environment through</p>	No Deviation



		<p>management principles that promote diversity and tolerance, fair wage and benefit evaluations, and freedom from discrimination. It also holds quarterly labor-management meetings and occupational safety and health committee meetings to ensure employee and stakeholder rights remain protected.</p> <p>In 2022, the Company passed workplace sexual harassment prevention and unlawful prevention of performance policies to further protect employee rights. The policies were proposed by the Company's occupational safety and health committee and approved by the Company's president.</p>	
<p>(2) Does the company have and has it implemented reasonable employee welfare measures (including salary, paid time off, and other benefits), and do employee salaries reasonably reflect performance and achievements?</p>	V	<p>Employee welfare information can be found in the "Labor Relations" section of Chapter 5. Wages are adjusted annually based on operating performance and performance bonuses are distributed based on annual profit. On average, performance bonuses increased 3% in 2022. On the workplace diversity and equality front, women make up 50% of the Company's employees and account for 32.3% of the Company's senior management (assistant manager and above).</p>	No Deviation

<p>(3) Does the company provide employees with a safe, healthy work environment? Does it provide regular safety and health training for employees?</p>	<p>V</p>	<p>Company property is inspected and cleaned three times a day and disinfected regularly. Machinery and fire safety inspections are also conducted regularly. The Company provides annual health exams and vocational safety training for employees. In 2022, 259 employee person-times attended 625 hours of labor safety and occupational safety and health training of the consolidated company.</p> <p>The consolidated company recorded one workplace accident in 2022, in which one employee (0.3% of the consolidated company workforce) was injured. Improvements to workplace safety have been made to strengthen operational safety awareness. The Company has also incorporated the accident into case studies for safety and health education training.</p>	<p>No Deviation</p>
<p>(4) Does the company offer career development and training programs for employees?</p>	<p>V</p>	<p>The Company' s rotational transfer system provides employees with training opportunities that develop their professional skills. The Company encourages employees to take part in continuing education and business English programs. In 2022, 942 employee person-times attended 2,369 hours of internal and external professional training, including new employee training and continuing</p>	<p>No Deviation</p>

			education of the consolidated company.	
(5) Is the company compliant with laws, regulations and international standards on customer health and safety, privacy, marketing preferences and labeling? Does the company have consumer protection policies and SOPs for handling consumer and customer complaints?	V	V	<p>The Company' s bulk shipping, inland trucking and warehouse logistics operations are compliant with, respectively, the International Safety Management Code, Regulations for Automobile Transportation Operators, and Regulations Governing the Customs Management of Container Terminals.</p> <p>Customer rights are protected by corporate policies including the Company's "Ethical Management Guidelines" and "Code of Conduct." In addition, stakeholders can file grievances via a dedicated contact section on the Company's website.</p> <p>As the Company is not engaged in design, production, manufacturing or sales, consumer policies are not applicable.</p>	No Deviation
(6) Does the company have supplier management policies? Does it require suppliers to be compliant with environmental and occupational safety regulations, and labor and human rights standards?	V		The Company' s supplier management policies and their implementation can be found on the Company' s website. The Company asks suppliers to conduct annual self-evaluations on product quality, delivery, operations and sustainability. The Company uses these evaluations to better understand suppliers' environmental, social and	See Additional Information

How have these policies been implemented?			governance performance and select which suppliers to work with. This is one way the company upholds environmental protection and labor rights.	
5. Does the company follow international reporting standards and guidelines in the preparation of non-financial disclosure reports, including its sustainability report? Has the veracity of the information contained in said report(s) been verified by a third-party certification body?		V	The Company has not issued a sustainability report at this time and will follow international reporting standards and guidelines if it does so in the future.	See Additional Information
<p>6. If the company has its own sustainability guidelines in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," specify the status of said guidelines and any deviations from the official principles: Not applicable.</p> <p>7. Is there any other material information that would help the public better understand the company's implementation of sustainable development practices?  Information on the implementation of the Company's corporate social responsibility and community outreach programs can be found on the Company's website. The Company is highly committed to sustainable business practices and has operated with integrity since its inception. By fulfilling its social responsibilities, the Company provides employees with a stable and healthy environment for personal growth while maximizing shareholder value. The Company actively promotes public welfare and gives back to society through youth development programs and disadvantaged community outreach programs. It hopes its programs can raise awareness on the importance of community outreach and encourage more businesses to do their part, creating a virtuous cycle in society.</p>				

