



T.S. Lines Limited

德翔海運有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code : 2510



2024

Environmental, Social and Governance Report

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1. ABOUT THIS REPORT

T.S. Lines Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**” or “**us**”) is pleased to present our first Environmental, Social and Governance (“**ESG**”) report, covering our ESG management approach and performance for the year ended December 31, 2024. This report has summarised the Group’s ESG policies, initiatives and performance to provide stakeholders with an overview of our progresses over key ESG areas.

1.1 REPORTING SCOPE AND REPORTING PERIOD

This Report covers the Group’s ESG performances from January 1, 2024 to December 31, 2024 (the “**reporting year**”), covering our offices in Taiwan and Hong Kong, and shipping operations in Mainland China, Japan, Korea, and South East Asia.

1.2 REPORTING STANDARDS AND PRINCIPLES

This Report is prepared in accordance with the mandatory disclosure requirements and the “comply or explain” provisions of the ESG Reporting Code (the “**ESG Code**”) set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

In the preparation of this ESG Report, the Group follows the four reporting principles as set out in the ESG Code:

Reporting principles	Application in this ESG Report
Materiality	Material environmental and social issues were identified and prioritized, and are disclosed in this ESG Report.
Quantitative	The Group accounts for and discloses key performance indicators (“ KPIs ”) in quantitative terms for proper evaluation of the effectiveness of ESG policies and actions.
Balance	Information is disclosed as objectively as possible to provide stakeholders with an unbiased picture of our overall ESG performance.
Consistency	This is the first ESG Report presented by the Group. The Group will adopt consistent statistical methods in subsequent years for meaningful comparisons in the future.

1.3 APPROVAL OF REPORT

The Board is responsible for overseeing the statutory compliance, stakeholder engagement, ESG performance and risk management of the Group. The approval of this ESG Report from the Board was obtained on 28 March 2025.

1.4 FEEDBACK

The Group values stakeholders’ feedback to steer the Group’s development in the ESG aspects. Any comments and suggestions regarding this report are welcome and any enquiries shall be mailed to esg@tslines.com.

2. OUR ESG APPROACH

2.1 ESG GOVERNANCE

The Group understands that effective ESG governance is crucial for the sustainable development of the Group. As such, the Group attaches great importance to sustainable development and continues to enhance its ESG governance structure to improve the integration of ESG issues into business strategy and operational management. The Board is responsible for overseeing the Group's ESG strategy, reviewing and approving sustainability goals, and ensuring that related risks and opportunities are integrated into business development. The Group's management is responsible for coordinating ESG-related matters and regularly reporting on ESG management progress to the Board, with relevant business departments implementing the ESG policies and measures. The Planning Department is responsible for coordinating the ESG data collection and reporting of relevant divisions, such as the IT Department, Vessel Management Department, Engineering Department, Bunkering team, Administration Department, etc. The Group is continuously enhancing its ESG governance structure to gradually integrate ESG principles into business development strategies.

The Group understands the importance of a sound internal control and risk management mechanism for promoting sustainable development. The Group has internal control policies in place, where our internal control and risk management system is implemented by relevant departments such as the Planning Department, Legal Department, Vessel Management Department etc., covering ESG-related issues to promote sustainable business development. In view of adapting to the evolving regulatory requirements, the Group will improve its internal monitoring mechanisms and enhance its ESG risk identification and management capabilities continuously.

The Board reviews the Group's ESG performance every year to ensure that it is consistent with its business development. Relevant business departments annually report ESG data and the implementation status of ESG initiatives for the Group to review and refine the ESG management approach. The Group will continue to develop ESG-related targets in the future as it gradually improves its ESG management mechanism and will report to the Board on the progress regularly.

2. OUR ESG APPROACH

2.2 STAKEHOLDER ENGAGEMENT

The Group recognizes the importance of engaging with its stakeholders and endeavors to maintain effective communication and interaction with different stakeholders through various communication channels.

The Group’s key stakeholders include its clients, employees, suppliers and contractors, investors and regulatory authorities. We engage with different stakeholder groups on an ongoing basis, in order to understand and address the expectations, interests, concerns and needs of stakeholders and build trusted relationships with them.

Stakeholder	Communication Channel
Clients	<ul style="list-style-type: none">• Carry out customer satisfaction survey• Follow-up on customer feedback/complaints
Employees	<ul style="list-style-type: none">• Regular performance assessment• Direct communication• Team-building activities• Training program
Suppliers and contractors	<ul style="list-style-type: none">• Procurement policy• Supplier and contractor assessment
Investors	<ul style="list-style-type: none">• Annual general meeting• Investor meeting• Company website• Public disclosure
Regulatory authorities	<ul style="list-style-type: none">• Ongoing dialogue• Public disclosure

2. OUR ESG APPROACH

2.3 MATERIALITY ASSESSMENT

A materiality review was carried out with the assistance of a third-party consultant to review and prioritize material ESG issues through the steps below:

1. Identification of ESG issues	With reference to the Stock Exchange’s ESG Code and international ESG reporting guidance, a list of potential ESG issues in addition to the material issues as disclosed in our prospectus was identified.
2. Prioritization of ESG topics	With reference to the global sustainability trends, material topics of industry peers and local and international sustainability reporting guidelines, the list of potential ESG issues was reviewed to prioritize ESG issues that are material to our operations.
3. Validation of ESG topics	The preliminary list of material issues was validated by the management based on their understandings of the Group’s businesses and operations, and is presented in this ESG Report.

The material ESG issues that were identified and prioritize through the materiality review process are as follows:

Governance	Environment	Social
<ul style="list-style-type: none">• Business ethics• Data protection and cybersecurity	<ul style="list-style-type: none">• Climate change• Environmental protection	<ul style="list-style-type: none">• Marine transport and operational safety• Occupational health and safety• Employment and labor practices• Supply chain management• Customer service

3. GOVERNANCE

3.1 BUSINESS ETHICS AND INTEGRITY

The Group takes a strong stance against any act of bribery, extortion, fraud, money laundering and other unlawful practices. Policies and procedures have been established to guide ethical conduct and ensure compliance with relevant laws and regulations.

The Code of Conduct for staff (the “**Code**”) sets out the standards of day-to-day conduct we demand from our employees. All employees of the Group, irrespective of their positions, are expected to fully adhere to the principles contained in the Code as well as all other Group policies and procedures, including the Anti-bribery and Anti-corruption policy, Code of Conduct for Directors, Whistleblowing Policy and Anti-money Laundering Policy.

All employees must conduct themselves in compliance with all applicable laws of different jurisdictions wherever the Group conducts business. All employees are expected to fully cooperate in the investigation of any alleged violation of the law or regulations. Concealing a violation or altering or destroying evidence may be illegal and will be treated as a serious breach of the Code.

The Code also outlines requirements for employees to disclose their interests and obtain prior authorization before engaging in any act that may cause conflict between personal interest and company interest, or any act that is likely to cause such conflict. Those employees who are involved in the evaluation of business proposals and the selection of our customers and suppliers have a special obligation to avoid situations that could interfere, or appear to interfere, with their ability to make fair decisions. Directors and other specified individuals of the Company are further required to refrain from trading the Company’s shares at certain times and under certain conditions, and abide by the Company’s Directors’ dealing policy, in order to avoid conflict of interests.

We have a zero-tolerance policy against any form of bribery or corruption. In addition to requiring our employees to follow and adopt a high standard of integrity and ethics in their roles, we expect and encourage employees, customers, suppliers and other stakeholders who have concerns about any suspected misconduct or malpractice within the Group to come forward and voice those concerns. A report can be made verbally or in writing with supporting evidence. Upon receiving the report, the Company will evaluate the report received to decide the necessity of a full investigation. An investigator from the internal audit or compliance department will be appointed if an investigation is warranted. In case of a potential criminal offence, the Company will refer the matter to the Audit Committee for further procedures to report to relevant authorities. The whistleblowers will also receive the outcome of the investigation in writing. If the whistleblower is not satisfied with the outcome, they may raise the matter again with the Audit Committee for further investigation.

The Group did not carry out anti-corruption training during the reporting year, and is planning to carry out relevant trainings in 2025, in order to strengthen the anti-corruption awareness at all levels.

3. GOVERNANCE

3.2 DATA PROTECTION AND CYBERSECURITY

The Group recognizes the significance of responsible data management. Our Code sets out requirements for safeguarding at all times the confidentiality of business or other sensitive information and the integrity of our business and operational records.

Employees must not disclose any confidential information to third parties (non-company persons and company persons other than those who are concerned parties who are not in the position to learn the information) except when disclosure is authorized by the Group.

In order to protect personal data, our Code also requires the obtaining of personal information by legal and appropriate means only to the extent necessary. In case of any incident involving personal information, employees are required to alert the relevant Legal Department immediately.

As the container shipping industry is transitioning towards digitalization, we strive to promote the digitalization of our business. The IT System Management Policy is established to outline management responsibilities in areas such as access and security control, backup and disaster recovery plan, information resource strategy and planning and business continuity plan to minimize cybersecurity risks and protect internal confidential information and customer privacy, so as to better protect the personal data of our employees, suppliers and customers and strengthen their trust in the Group. Regular IT safety risk assessments are carried out to identify potential threats or risks. Cybersecurity training courses are arranged for employees to promote information security awareness, covering topics such as common cybersecurity threats and safeguards.

3.3 INTELLECTUAL PROPERTY RIGHTS PROTECTION

We understand the importance of protecting intellectual property rights. In addition to adhering to relevant laws and regulations, such as the Trademark Act, the Fair Trade Law and the Trademark Law of the People's Republic of China, we have registered trademark and domain names to protect our intellectual property.

3.4 REGULATORY COMPLIANCE

The Group is not aware of any incidents of material non-compliance with laws and regulations concerning bribery, extortion, fraud and money laundering, as well as health and safety and privacy matters relating to products and services and methods of redress, that have a significant impact on the Group during the reporting year. There were no concluded legal cases regarding corrupt practices brought against the Group or its employees during the reporting year.

4. ENVIRONMENT

4.1 CLIMATE RESILIENCE AND ADAPTATION

In response to the potential impacts of climate change on our business operations and the international call to address the global emergency, we strive to manage and mitigate relevant risks through implementing a series of operational guidelines. These guidelines cover air and greenhouse gas (“GHG”) emissions control and energy management. The governance of climate-related issues follows our overall ESG governance framework, where our Board holds ultimate responsibility and provides oversight of our climate change approach. For further details of the governance framework, please refer to the “ESG Governance” section of this report.

We have identified several material climate-related physical and transition risks that could significantly impact our assets and operations. Corresponding mitigation measures have been devised to enhance the climate resilience and adaptability of our business.

Type	Impact description	Mitigation measures
Physical risks		
Extreme weather events	Business operations can be disrupted by equipment malfunctions or damage caused by typhoons or heat waves.	<ul style="list-style-type: none"> • Strengthen fleet resilience through enhanced safety protocols, regular maintenance and weather monitoring. • Establish emergency response plans and procedures. • Use of weather-routing systems for safer and shorter routes. • Strengthen the maturity of business continuity plans and remote work arrangement to prepare for disrupted office operations by extreme weather events.
Rising global temperature	An increased frequency of hot weather conditions can affect outdoor workers, leading to heat-related illnesses and productivity losses.	<ul style="list-style-type: none"> • Provide heat-resistant and cooling supplies to seamen during hot weather conditions.
Rising sea levels	An increased frequency and severity of coastal flooding can damage ports and terminal infrastructure, leading to cargo delays and operational disruptions.	<ul style="list-style-type: none"> • Optimize route planning and supply chain logistics to identify the most efficient and safest paths for fleets.

4. ENVIRONMENT

Type	Impact description	Mitigation measures
Transition risks		
Emerging climate-related laws and regulations	Non-compliance with applicable laws and regulations can result in legal penalties and operational disruptions.	<ul style="list-style-type: none"> Regularly review the impacts of relevant emerging laws and regulations. Improve the shore power connection rate and enhance the installation scale of AMP system. Evaluate and design new dual-fuel ships that meet decarbonization regulations.
Changing market environment	The inability to meet the rising demand for low-carbon services can undermine business competitiveness.	<ul style="list-style-type: none"> Invest in low-carbon technologies and retrofit existing equipment. Closely track market trends and customer preferences to keep our business model relevant.

According to a study by the International Maritime Organization (“IMO”), international shipping emissions account for approximately 2.8% of global CO₂ emissions. As part of the maritime sector, we recognize our responsibility and potential to cutting down on carbon emissions associated with our business operations, in order to contribute to the 2030 IMO Strategy to reduce carbon intensity by 40% by 2030, and achieve net-zero by 2050, using 2008 as the base year.

Total carbon emissions and intensity	Unit	2024
Direct (Scope 1) emissions	000' tCO ₂ e	1,088.01
Indirect (Scope 2) emissions	000' tCO ₂ e	0.28
Total carbon emissions intensity	000' tCO ₂ e/revenue (US\$'000)	0.00081

We have also identified four Scope 3 categories that are particularly relevant to our business: purchased goods and services, capital goods, fuel- and energy-related activities and upstream transportation and distribution. As a first step towards developing our Scope 3 emissions inventory, during the reporting period, we calculated emissions from fuel- and energy-related activities that were not included in Scope 1 or 2 emissions. These emissions largely represent the core operational emissions associated with vessel operations.

In 2024, the **fuel- and energy-related emissions** (not included in Scope 1 or 2 emissions) is
238.6 000' tCO₂e.

We will continue to identify emission sources, collect activity data and emission factors and calculate Scope 3 emissions for other relevant categories in line with the Greenhouse Gas Protocol. We will disclose these results in subsequent years as data becomes available. This approach will help us better monitor our environmental performance, pinpoint emission hotspots and prioritize emissions reduction efforts throughout the value chain. It will also enable us to set and achieve reduction targets.

4. ENVIRONMENT

Given the nature of the shipping industry, most of our carbon emissions come from the bunker fuel consumption of our owned vessels, particularly from the bunkering of heavy fuel oil, low sulphur fuel oil and low sulphur marine gas oil. Meanwhile, Scope 2 emissions from purchased electricity for our onshore activities are less significant. Therefore, while we are in the process of reviewing our energy efficiency and emission targets, we have been carrying out various measures to promote energy efficiency and reduce the carbon footprint of our vessels:

- Introduce meteorological navigation to optimize services
- Reduce sailing speed along the coasts in accordance with local port regulations
- Closely monitor vessel speed and fuel consumption performance
- Use refrigerants with lower Global Warming Potential (“GWP”)
- Perform regular maintenance on vessels to keep the hulls clean and free of marine growths that could increase the load on the main engine, resulting in more fuel consumption
- Adopt advanced energy-saving and environmental friendly design and machinery in newly acquired vessels, such as the seawater frequency conversion system, optimization of hull, bow and propeller and energy-saving conduits to reduce fuel consumption
- Apply a special anti-fouling coating on the hull’s outer plates to reduce sailing resistance and enhance energy efficiency

For vessels over 400GT, we have developed a Ship Energy Efficiency Management Plan (“SEEMP”) to monitor and analyze their energy consumption. The SEEMP tracks the monthly and annual operational Carbon Intensity Indicator (“CII”) and CII rating for each vessel. The CII shows the amount of CO₂ emitted per unit of transport distance performed by the vessel, while the CII rating reflects the vessel’s performance in terms of its carbon intensity. As required by the IMO, these performance indicators and assessments form the basis of energy-saving and carbon-reduction plans for our vessels with relatively less satisfactory ratings. During the reporting period, most of our vessels have already achieved the required rating of C or above, with eight of them achieving the A-rated CII, indicating low annual operational carbon intensity. For vessels rated with relatively less satisfactory ratings, we will formulate and implement a plan of corrective actions (e.g. vessel speed optimization, weather routing, optimization of ballast, etc.) and enhance the carbon intensity and CII ratings of those vessels, and thereby improve the overall carbon intensity as a whole. We will continue to comply with the IMO requirements and are working to formulate a more detailed carbon reduction plan in the future to ensure the achievability of the carbon intensity targets.

Additionally, all of our new vessels have achieved an Energy Efficiency Design Index (“EEDI”) below the required standard, demonstrating that they are more energy efficient than the reference level. We will continue to incorporate innovative and energy-efficient designs and technologies in our future newbuildings to meet the increasingly stringent EEDI requirements set by the IMO every five years.

All of our vessels have been certified with an attained Energy Efficiency Existing Ship Index (“EEXI”) that exceeds the required standards, indicating that their technology and design meet energy efficiency standards. EEXI, introduced by the IMO, aims to reduce vessels’ carbon emissions by improving their carbon intensity through technical enhancements. We determine the required EEXI for each vessel based on its type, capacity and propulsion method, as per IMO requirements. This aligns with our goal to lower carbon intensity. We also operate vessels in accordance with the IMO’s Energy Efficiency Operational Indicator (“EEOI”) requirements to reduce fuel use.

4. ENVIRONMENT

4.2 AIR, WATER AND OIL POLLUTION

We strive to minimize adverse environmental impacts on marine and coastal ecosystems from our air emissions, effluent and waste end-of-life treatment. While we are in the process of reviewing our reduction targets, we have implemented the Shipboard Environmental Operations Procedure in accordance with the International Convention for the Prevention of Pollution from Ships (“**MARPOL**”) requirements to establish relevant operational plans as guidelines for both sea and shore staff. Prior to sailing, crews go through a Checklist for Pollution Preventing Equipment to ensure that all pollution-prevention equipment on board, such as scrubbers, sewage treatment systems and ballast water treatment system, are checked, adjusted and repaired.

We have established the Exhaust Gas Cleaning System (“**EGCS**” or “**scrubber**”) Operating Procedures to stipulate the management responsibilities related to scrubbers, including malfunction reporting, supervision and maintenance. Scrubbers are installed on all new vessels except those with a shipping capacity of 1,100 TEU, enabling the reduction of sulfur oxides (“**SO_x**”) and particulate matter (“**PM**”) in exhaust gas emitted from our vessels, and allowing the use of more economical high sulfur fuel oil (“**HSFO**”). For vessels without scrubbers, we utilize low-sulfur fuels in accordance with IMO requirements. In order to further reduce air emissions, our newly built vessels are equipped with to shore power system to use shore power when docking instead of diesel generator. Additionally, in compliance with the relevant regulations in California, all of our vessels navigating within Emission Control Areas use fuel with a sulfur content not exceeding 0.5%, and when berthed, the sulfur content must be below 0.1%. To control nitrogen oxides (“**NO_x**”) emissions, we closely monitor engine parameters and carefully select the type of fuel used. Regular monitoring mechanisms are in place to ensure other emissions are maintained at a certain level.

Air emissions	Unit	2024
SO _x	000' tonne	22.67
NO _x	000' tonne	9.31
PM	000' tonne	1.50

We recognize our operations can contribute to water pollution through oil spills and wastewater discharge from vessels. Therefore, we have implemented necessary monitoring and prevention measures to minimize potential impacts.

We have installed ballast water treatment systems on all owned vessels in compliance with the D2 Standards of the IMO Ballast Water Management Convention. Whenever ship safety is assured, every practical effort is made to discharge ballast water into the open ocean and replace it with deep seawater before the vessel arrives at its next port of call. Additionally, we have installed domestic wastewater treatment plants on board to comply with discharge standards, which are inspected and maintained quarterly.

To prevent oil spills, we have implemented outboard valve seal management and installed oily water separators (“**OWS**”) to minimize the risk of contaminated bilge water being pumped out. Crews are required to maintain detailed records of the OWS maintenance and operating status in the OWS Operation Records Book, ensuring the equipment functions properly during voyages.

4. ENVIRONMENT

We have also developed a training manual on oil spill prevention and engaged external professionals to train crew members. The manual covers basic measures such as identifying pipes and valves with paint colors, inspecting and maintaining equipment and establishing an emergency group. Waste oil is regularly offloaded onto shore. Additionally, we have established Bunkering Fuel Oil Management Procedures to minimize the risk of oil spills. These procedures provide detailed guidance for pre-bunkering, bunkering and post-bunkering activities. For more details of the prevention of and emergency response to oil spills, please refer to the “Health and Safety” section of this report.

TS Kobe Oil Spill Incident

On August 20, 2024, our owned vessel TS Kobe experienced an oil spill during refueling at a terminal in Hong Kong. The onboard emergency response procedures were immediately initiated in compliance with the Shipboard Oil Pollution Emergency Plan (“**SOPEP**”) and the International Safety Management (“**ISM**”) Code.

The crew followed the SOPEP to identify the precise location of the oil spill and take immediate measures to prevent further leakage. This involved utilizing sawdust to contain the oil, shutting off valves of the affected oil tanks and deploying oil booms and absorbent materials to prevent the spread of oil to a larger area.

The incident was promptly reported to us, the Hong Kong Marine Department and the Marshall Islands Registry. The Hong Kong Marine Department dispatched a marine pollution emergency team. We also dispatched a superintendent to the vessel to assist in spill management. Mitigation measures included:

- Deploying supplementary oil booms and absorbent materials
- Using cleanup vessels and oil dispersal equipment
- Documenting the spill and providing regular updates to the superintendent and the technical management team
- Maintaining communication with the Hong Kong Marine Department and monitoring ships within the affected area
- Conducting aerial surveillance with drones and tidal monitoring

4. ENVIRONMENT

No further spread of oil was noted. Oil sampling analysis was conducted to assess the environmental impact and inform subsequent cleanup decisions. The Hong Kong Marine Department confirmed the cleanup process had been completed before allowing TS Kobe to leave the port. We have also developed a long-term environmental monitoring plan, including regular oil sampling.

Following the incident, on-board training for crew members regarding bunkering procedures was conducted. To enhance operational procedures, we have implemented several improvements:

- Oil Quantity Verification
 - Strict confirmation of fuel quantities with the bunkering barge before refueling.
 - Regular checks of oil tank levels to prevent overflows or leaks.
- Pre-Refueling Communication
 - Conducting pre-refueling meetings to confirm fuel quantities, operational steps and emergency plans.
- Bunkering Checklist
 - Updated checklist requiring onboard personnel to check oil levels every 30 minutes during refueling and document each inspection.
- Equipment Improvements
 - Evaluating real-time monitoring systems to alert crew members of oil level changes, preventing overflows.

These measures aim to prevent similar incidents in the future and improve safety for operations.

To properly manage waste on board, we have developed a Garbage Management Plan that outlines the handling procedures for various types of waste, ensuring compliance with MARPOL regulations. Designated containers are provided for different waste categories, including plastics, food waste, domestic waste, cooking oil, incineration ash, operational waste, animal carcasses, fishing gear and e-waste. We also use incinerators to reduce combustible wastes. Additionally, we follow the fleet's waste management plan and regularly dispose of waste at landfills.

We will continue our efforts in controlling our environmental footprint through adopting various advanced designs and measures, such as progressively introducing Inventory of Hazardous Materials certifications to vessels.

4. ENVIRONMENT

4.3 CONSERVATION OF NATURAL RESOURCES

Marine and coastal ecosystem provide us with essential natural resources and raw materials. As an environmentally responsible company, we have adopted various initiatives to conserve these resources and safeguard biodiversity. While we are in the process of reviewing our water efficiency targets, we have established the Operating Procedures for Ballast Water to minimize the introduction of pathogens, harmful aquatic organisms and bacteria when pumping the water in and out of our vessels. We also use eco-friendly, non-toxic hull paint on our vessels to protect marine life.

We strictly adhere to regulations aimed at preserving biodiversity. For example, our ship operators provide information on biofouling management practices before arrival at Australian ports. This includes implementing an effective biofouling management plan and cleaning all biofouling within 30 days prior to arrival. Additionally, we submit a Pre-Arrival Report at least 12 hours before docking for a biosecurity risk assessment. If any personnel health issues are reported, the vessel undergoes further health risk assessments. In the same vein, our vessels comply with the latest At-Berth Regulation in California. During port calls, we use shore power and emission capture and control systems to reduce emissions at Californian ports.

During the reporting year, the Group did not experience any issue in sourcing water. Desalinated seawater is used as the main source of fresh water during offshore operations. Residual heat generated from recycled cooling water in ship engines are being used to distil seawater to generate freshwater for offshore operations across the Group's entire fleet.

4.4 REGULATORY COMPLIANCE

We recognize the potential environmental impacts of our business and strive to enhance our environmental performance across all assets and operations. In compliance with all applicable environmental laws and regulations, including those set by the IMO, we have implemented a range of environmental measures and procedures on operations for our owned vessels. For chartered-in vessels, charterers are required to ensure their operations meet IMO requirements. All our owned and chartered-in vessels and bunkers hold valid certificates for environmental protection and pollution prevention, including the International Air Pollution Prevention Certificate, the International Oil Pollution Certificate and the International Sewage Pollution Prevention Certificate under MARPOL, and the Document of Compliance to comply with the ISM Code. Timely renewals of these certificates and documents are made to ensure compliance with requirements.

During the reporting period, there was no instances of non-compliance with laws and regulations related to air and GHG emissions, discharges into water and land, and the generation of hazardous and non-hazardous wastes. We will continuously monitor our environmental impact and natural resource utilization to maintain compliance with evolving environmental and climate-related laws and regulations from the IMO and other relevant authorities.

5. SOCIAL

5.1 EMPLOYMENT AND LABOR PRACTICES

We recognize the importance of talent attraction and retention for the Group's long-term success. We value our employees and strive to provide a workplace where our talents thrive. Through a robust human resources management system to protect the rights and interests of employees and diversified career development opportunities for employees, we actively attract and retain talents and seek mutual development with employees.

5.1.1 Protecting Employees' Rights and Interests

The Group strictly abides by laws and regulations in regions we operate relevant to compensation and dismissal, equal opportunities, diversity, anti-discrimination, and other benefits and welfare, such as the Act of Gender Equality in Employment and the Labor Standards Act of Taiwan. In accordance with relevant laws and regulations, the Group established and implemented the Working Regulations, setting out our employment policies on various aspects such as relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

The Group is committed to creating a fair, diversified and inclusive workplace for our employees. In compliance with relevant law requirements, our employees' recruitment, remuneration and welfare, promotion and dismissal depend on their competence at work. We respect the rights and interests of every employee and strive to create a discrimination- and harassment-free working environment for all employees, where equal opportunities are offered to all employees regardless of their age, gender, race, nationality, disability, family status, marital status, or any other factors irrelevant to their work competence.

In addition, our Workplace Unlawful Harassment Prevention Plan outlines the roles and responsibilities of different levels and divisions in handling workplace harassment, guidelines for employees who are facing workplace violence or harassment, the procedures for handling physical or mental violations in the workplace, as well as resources for health and wellness counselling and support. Employees are encouraged to notify the human resources department or report to the internal complaint hotline if they have witnessed or are facing any workplace violence. Confidential investigation will be carried out upon receiving the complaint; in the event of a substantiated report, disciplinary measures will be administrated to the employee involved.

5. SOCIAL

5.1.2 Talent Recruitment and Retention

We recruit our employees based on a number of factors, such as their industry experience in the global container shipping industry, their educational background, and our vacancy needs. We entered into individual employment contracts with our full-time employees covering matters such as wages, employee benefits, employment scope and grounds for termination.

Our Working Regulations have stipulated the rules regarding the negotiation, adjustment and payment of salaries. We have also established the Employee Remuneration and Benefits Operating Procedures to further set out guidelines in areas such as the salary structure for employees of different grades, welfare and benefits, and year-end bonuses.

In order to support the professional growth of our employees, we carry out new-joiner reviews and annual performance reviews according to the Working Regulations and the Employee Appraisal and Promotion Management Procedures. In order to ensure the performance of new joiners is up to standard, new joiner reviews are conducted after three months of employment on aspects such as the efficiency and quality of their work and their working attitude. Adhering to the merit-based principle, annual appraisals are conducted at the management and working level to evaluate their performance during the year, the status of their annual targets, skills and knowledge, and their future development planning as the basis for promotion decisions.

To attract and retain talent, we provide competitive remuneration packages to our employees. Apart from the base salary, our compensation package also includes year-end bonuses, birthday gift, marriage allowances, maternity allowances, funeral assistance, medical subsidy, etc. We recognize the importance of providing leave entitlements to cater to diverse employee needs. As such, we offer a variety of leave provisions in addition to statutory holidays, such as annual leave, sick leave, marriage leave, maternity leave, bereavement leave, breastfeeding leave, menstrual leave and family care leave, with the aim to help our employees balancing their personal and professional commitments.

The Group provides insurance for employees in accordance with the laws and regulations of the operating locations. For example, our employees in Taiwan are entitled to the labor occupational accident insurance, labor insurance, employment insurance and national health insurance, while our employees based in mainland China are entitled to housing provident fund and social insurance including pension, basic medical insurance, maternity insurance, work-related injury insurance and unemployment insurance, as mandated by relevant laws and regulations.

We recognize the importance of safeguarding the physical and mental well-being of our workforce, striving to cultivate a happy and supportive work environment. As such, we made a concerted effort to promote a healthy work-life balance for employees. During the reporting year, we arranged events, such as New Year celebrations, annual dinners, mid-year celebration dinners, birthday celebrations, etc.

5. SOCIAL

5.1.3 Labor Practices

The Group complies with the Labor Standards Act of Taiwan and other laws and regulations relevant to labor practices. We strictly prohibit the use of child labor and forced labor. In the onboarding process, employees are required to provide copies of their identity cards and relevant documentation for background check to ensure that no underage labor is hired. In case of any inadvertent hiring of underaged individuals, we will take immediate action to rectify the situation according to relevant rules and regulations, including termination of employment and informing the relevant authorities in accordance with regulations. As of the end of the reporting year, no child labor or forced labor has been found in our operations. The Group will continue to strengthen labor management measures in the future to maintain a fair working condition and protect human rights.

We respect human rights across our operations. Although the onboard crew members are not the Group's direct employees, the Group stringently complies with local laws, regulations and conventions where our vessels trade and our offices are located, including but not limited to the Maritime Labour Convention, 2006. The Maritime Labour Convention, 2006 is an international agreement of the International Labour Organization (ILO) that sets out minimum working and living standards for all seafarers on ships, including minimum age, employment agreements, hours of work and rest, payment of wages, paid annual leave, repatriation, onboard medical care, the use of recruitment and placement services, accommodation, food and catering, health and safety protection and accident prevention, and complaint procedures for seafarers.

All our self-operated owned and chartered-in vessels are subject to strict compliance with the Maritime Labour Convention, 2006, and are inspected by Port State Control. We have standard operating procedures in place to ensure that all crew members possess a crew certificate, which certifies specific qualifications, including age eligibility, before they can work on board. For the specific services jointly operated with other carriers, the parties involved are required to comply with all applicable laws according to the cooperation agreement.

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5.1.4 Employee Composition

Employee category		Number of employees	Turnover rate
By gender	Male	360	15.83%
	Female	548	11.86%
By age group	Below 30	210	23.33%
	30-50	587	9.37%
	Above 50	111	16.22%
By employee category	Managers or above	109	5.50%
	General employees	799	14.52%
By geographical region	Taiwan	258	18.22%
	Mainland China	274	6.93%
	Hong Kong	67	19.40%
	Other region	309	13.92%
By employment contract	Permanent	899	/
	Temporary	9	/
By employment type	Full-time	908	/
	Part-time	0	/

5.1.5 Training and Development

The Group strongly believes that employees' professional growth is essential to our business's growth. We provide a wide variety of training for employees to enhance their technical skills and knowledge of industry quality standards, occupational health and safety standards and applicable laws and regulations.

Our Training Procedure outlines the requirements for the type, frequency, planning, arrangement, and post-course evaluation of training. During the onboarding process, new hires are required to submit a training plan and complete the orientation training, covering topics such as the introduction of management procedures and employee handbook, occupational safety, information security, and company values and culture.

For existing employees, our human resources department will develop an annual training plan according to the human resources organization strategy, functions of each department, future development planning and regulatory requirements of relevant laws and regulations. Departmental training will also be arranged based on the actual needs of each function.

Written or oral exams and assignments will be arranged for employees to monitor and assess training effectiveness. Employees are also required to submit a satisfaction survey after the training. The human resources department will utilize the post-course assessment results and satisfaction survey results to assess the effectiveness of the training program and continuously improve the training plan for employees.

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We also engaged fleet management companies to supervise the crew's performance and provide training for the crew, including safety management, marine accident and emergency measures.

During the reporting year, we arranged various training courses, covering topics such as organizational management, human resources management, introduction to dispatch and container systems, basic rules and terminology of container shipping, route planning, etc.

A total of 323 employees participated in the training sessions on different topics during the reporting year, with an average training hour of 3.90 hours. We will continue implementing various training programs to provide our employees with the necessary skills and capabilities to meet expectations in their roles.

		Number of employees trained	Percentage of employees trained	Total number of training hours	Average number of training hours
By gender	Male	109	30.28%	892	2.48
	Female	214	39.05%	2,652.5	4.84
By employee category	Managers or above	50	45.87%	793.5	7.28
	General employees	273	34.17%	2751	3.44

5.2 HEALTH AND SAFETY

5.2.1 Health and Safety Management at the Workplace

We are committed to providing a safe working environment and protecting employees from occupational hazards. To this end, we have enacted the Occupational Health and Safety Manual ("**OHS Manual**") in accordance with the requirements in ISO45001: 2018 to set out management procedures for the occupational health and safety management system.

Our OHS Manual sets out the roles and responsibilities of the occupational health and safety system, risk assessment procedures to identify and evaluate potential risks and hazards, procedures related to emergency preparation and response, incident reports and investigations, etc. We developed the "Consultation, participation and communication management procedures" to encourage employees of all levels to participate in the development, planning, and implementation of the occupational health and safety system, as well as taking part in the safety performance review and mitigation actions.

With the aim to standardize the Group's occupational health and safety management, we have also established the Occupational Safety and Health Management Regulation and, the Occupational Safety and Health Management Plan and the Safety and Hygiene Work Code. As stipulated in the Occupational Safety and Health Management Regulation, we have set up the Occupational Safety and Health Committee and Occupational Safety and Health Department to manage the health and safety of all office premises of the Group.

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In order to minimize the occupational health and safety risks at our workplaces, the following plans and guidelines are also in place:

Human Factors Hazard Prevention Plan	Management plan on potential occupational hazards from exposure to undesirable working environments, repetitive tasks, poor working postures or improper working hours management for a long time, which may lead to work-related musculoskeletal injuries and diseases.
Maternal Health Protection Plan	Management plan on potential physical and mental hazards for female employees during pregnancy, postpartum and breastfeeding.
Prevention Plan for Diseases Caused by Abnormal Workload	Management plan on potential illness from abnormal workload for those employees who are at risk of burnout and stress, such as those who work at night, work long hours or have abnormal workloads.

To help our employees manage their health, we have also outlined requirements for health examinations in the Occupational Safety and Health Management Plan. Body checks are arranged for all new joiners and general staff. The body check records are compiled into a health examination manual for distribution to the employees for their own records. If there are health issues identified during the examination and the assessment results show that the employee cannot adapt to their original position, we would also suggest the employee follow medical advice to change their workplace or position or shorten their working hours.

Apart from annual body checks, we also distribute health reminders such as high blood pressure, heat stroke, etc., to employees from time to time in order to enhance their awareness of their personal healthcare. Health consultations or lectures by doctors of different specializations are also arranged every month. During the reporting year, we arranged on-site health services provided by contracted medical staff for employees at our Taiwan office every week.

We place a strong emphasis on health and safety training to equip all employees with the necessary knowledge and skills to perform their duties safely. During the reporting year, we organized 32 occupational health and safety training programs for 50 new joiners, covering essential laws and regulations and incorporating practical case studies.

We also arrange extensive training for its employees in accordance with the Occupational Health and Safety Training requirements of the Labor Department of Taiwan. This training covers technical skills, industry quality standards, occupational health and safety standards, and applicable laws and regulations.

During the reporting year, there were no accidents in which we suffered any injuries or deaths due to work.

2024

Number of work-related fatalities occurred	0
Rate of work-related fatalities occurred	0%
Lost days due to work-related injuries	0

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5.2.2 Health and Safety Management of our Fleets

As a container shipping company, ensuring the safety of our vessels and crew is paramount. Although the onboard crew members are not the Group's direct employees, we have implemented a robust operational and vessel safety framework to minimize risks and ensure compliance with international standards.

In accordance with the requirements of the ISM Code, we have established an Occupational Health and Safety Management System ("**OHSMS**"). This system is designed to ensure compliance with relevant laws and regulations, including the four pillars of the International Convention for the Safety of Life at Sea ("**SOLAS**"), the MARPOL, the International Convention on Standards of Training ("**STCW**"), and the Maritime Labour Convention, 2006 ("**MLC 2006**").

All of our vessels hold a valid Document of Compliance ("**DOC**") and a Safety Management Certificate ("**SMC**"), which are subject to periodic verification in accordance with the ISM Code. The Occupational Health and Safety Management Manual outlines the safety management policy, including procedures for handling emergencies, ensuring safe navigation, protecting seafarers from injury, preventing environmental pollution, and ensuring the rights and benefits of seafarers.

We have formulated the Safety Management Manual that sets out our safety management policy for the vessels for handling emergencies and carrying out measures to ensure safe navigation, protect seamen from injury and danger to life, prevent environment pollution at sea and financial losses, and provide a decent living and working space of seafarers. The policy is posted on the wall at suitable places in our office and on board the vessels under our management. The manual also provides for the responsibility and authority of the ship master, the development of plans for shipboard operations, emergency preparedness and responsibility, and the reporting and analysis of non-conformity and casualties. A series of procedures on aspects including shipboard environmental operation, exhaust gas cleaning system operation, procedures for handling dangerous goods, and emergency treatment against oil spillage are also laid out to implement our health and safety policies.

We have adopted a variety of safety measures:

- Regular repair and maintenance of vessels, including cargo management plans and emergency response plans.
- Conducting emergency response drills to prepare for potential emergencies.
- Reporting and analyzing non-conformities, accidents, and hazardous situations through our safety management system to identify root causes and implement preventive measures.
- Implementing a Vessels Navigation Safety Manual to set out requirements for voyage planning, weather navigation, and sailing in adverse conditions.
- Conducting both regular and ad-hoc inspections of our vessels, including port state control inspections, flag state annual safety inspections, and shipboard routine self-checks. Any irregularities or defects identified during these inspections are promptly rectified in accordance with professional advice from the technical division.

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In accordance with the ISM Code, internal annual audits on our owned vessels and chartered-in vessels are arranged every year. Through our annual audits on the safety management systems of vessels, we identify non-conformity or observations and analyze the immediate causes and root causes for issues identified. Immediate corrective action or improvement action will also be formulated based on the audit findings to continuously enhance our safety management systems.

5.3 OUR SUPPLY CHAIN

As a container shipping company, we recognize the importance of managing our supply chain effectively and responsibly to improve environmental and social sustainability. Our procurement follows different processing procedures based on the type of procurement of different divisions, such as ships and parts, fuel and other ship-related materials, containers and seals, and general items. We have implemented the Procurement and Payment Policy and a set of Standard Operating Procedures (“SOP”) for every stage of the supply chain to effectively manage our suppliers. A robust framework for supplier assessment and screening is in place to standardize supplier assessment and annual performance evaluation criteria.

During the reporting period, we had a total of 1,369 suppliers, with 1,258 of suppliers in Asia regions. Refer to the detailed breakdown of number of suppliers by geographical location in section 6.1 Environmental and Social Performance Indicators.

5.3.1 Supplier Screening and Assessment

We adopt a systematic approach to identifying and selecting suppliers, beginning with thorough market research. Potential suppliers are selected based on an evaluation of their product and service quality, pricing, delivery times, reputation, financial stability and compliance with health, safety and environmental requirements. Once potential suppliers are identified, we proceed to request the necessary documentation for the verification of supplier credentials, such as business licenses, tax registration certificates, and other relevant permits. These documents are reviewed to ensure compliance with legal and regulatory standards.

SOPs are developed and implemented according to the specific procurement needs of each division, such as the Operating Procedure for Selection and Management of Container Freight Station, the Management Procedure for Transactional Supplier Evaluation, the Evaluation Management Procedure of Vessel/Engineering Department Evaluation and the Operating Procedure for Container Yard Selection.

To maintain transparency and ethical standards, suppliers are required to submit an annual conflict of interest declaration so that we can identify and manage any potential conflicts that may arise during our business relationship.

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5.3.2 Supplier Evaluation

We conduct at least one annual performance assessment of our current suppliers to ensure they consistently meet our quality and service standards. The assessment includes but is not limited to quality, service, price, financial credit profile, market evaluation, delivery punctuality and regulatory compliance. This evaluation helps identify areas for improvement and supports our commitment to maintaining a reliable and sustainable supply chain. Our procurement team periodically reviews and updates our list of approved suppliers to maintain quality and satisfaction.

For newbuilding projects, we maintain regular communication with major vessel suppliers and monitor market trends to align with industry development. Our New Build Procurement Operating Procedures outline the standard procedures for commencing new building projects and acceptance of new builds, as well as the follow-up procedures with suppliers if there are any issues or failures in the equipment on board after the new ship is delivered.

To mitigate potential environmental and social risks along the supply chain, our SOPs have stipulated requirements relevant requirements to ensure their compliance with environmental and social standards.

For instance, our Operating Procedure for Selection and Management of Container Freight Station requires suppliers managing the container freight stations to strictly comply with the International Ship and Port Facility Security (“ISPS”) Code, the SOLAS Convention and other laws and regulations related to occupational health and safety and environmental protection. We would also evaluate the supplier based on their membership status of the Customs Trade Partnerships Against Terrorism (“**C TRAT**”) and the Container Security Initiative (“**CSI**”) and the Authorized Economic Operator (“**AEO**”). Our suppliers managing the container freight stations are also required to ensure shore energy facilities, appropriate discharge systems and isolated areas for the storage of dangerous goods are in place to minimize the potential impact on the environment.

To ensure the quality and safety of our marine fuels we procured, we perform sampling for marine fuel testing after adding fuel oil according to the Marine Fuel Procurement Operating Procedures. This process verifies that the bunker fuel complies with ISO 8217 specifications to ensure the quality and safety of marine fuels, which is crucial for maintaining the efficiency and longevity of our vessels and for preventing environmental contamination.

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5.4 CUSTOMER SERVICE

The Group is committed to pursuing service excellence. In accordance with the ISM Code, internal annual audits on our owned vessels and chartered-in vessels are arranged every year to ensure the safety management system and navigational safety are in place. In addition to complying with applicable domestic and international laws and regulations, such as the ISM Code, the Group has established and implemented the Fleet Administration Manual to guide the operating procedures for each division, such as the protocol for handling dangerous goods and special containers and the arrangement for vessel maintenance.

Apart from the shipboard management, the Group has also established the Sales and Payment Policy to set out the steps involved in receiving, processing, and delivering orders, emphasizing the importance of timely delivery and smooth order processing. All sales and related operations are expected to comply with the Sales and Payment Policy when conducting business.

We value customer feedback and consider it a vital part of continuously improving our service quality. Our Sales and Payment Policy have also outlined the procedures for handling customer complaints and disputes. Once receiving complaints, our local branch office would file the complaint details and submit them to the sales and marketing department for review and handling.

5.5 COMMUNITY INVOLVEMENT

The Group values positive and long-term relationships with stakeholders. We are committed to making a positive social impact and fostering sustainable development in the locations where we operate. We encourage our employees to give back to the community through donations and participating in volunteering activities.

During the reporting year, the Group has not set specific focus areas or performance indicators for community investments yet. However, we recognize the importance of engaging with local communities and are committed to explore relevant opportunities in the future. In 2025, we will begin planning initiatives in areas such as education, environmental protections or community welfare. We will assess how to allocate resources and set measurable goals to guide our community investment efforts in the coming year.

5.6 REGULATORY COMPLIANCE

The Group is not aware of any incidents of material non-compliance with laws and regulations concerning employment, labor practices and occupational health and safety, that have a significant impact on the Group during the reporting year.

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6.1 ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS

Environmental		
Environmental KPIs	Unit	2024
Air emissions¹		
NO _x emissions	000' tonne	22.67
SO _x emissions	000' tonne	9.31
PM emissions	000' tonne	1.50
GHG emissions		
Total GHG emissions	000' tonne CO ₂ e	1,088.29
Scope 1 – Direct emissions ²	000' tonne CO ₂ e	1,088.01
Scope 2 – Energy indirect emissions ³	000' tonne CO ₂ e	0.28
Total GHG emissions intensity	000' tonne CO ₂ e/revenue (US\$'000)	0.00081
Scope 3 associated with fuel- and energy-related activities not included in Scope 1 or Scope 2 ⁴	000' tonne CO ₂ e	238.60
Energy use		
Total energy consumption	MWh	3,791,989.34
Total energy intensity	MWh/revenue (US \$'000)	2.83
Total direct energy consumption	MWh	3,791,408.86
Heavy fuel oil	MWh	1,998,049.80
Low sulphur fuel oil	MWh	1,720,127.55
Low sulphur marine gas oil	MWh	73,231.51
Total indirect energy consumption	MWh	580.48
Purchased electricity	MWh	580.48
Waste		
Total non-hazardous waste produced	kg	1,647.10
Non-hazardous waste intensity	kg/revenue (US \$'000)	0.0012

- 1 Refers to air emissions generated from the fuel combustion during vessel operations. The emission data is calculated according to emission factors in the Fourth IMO GHG Study 2020.
- 2 Refers to GHG emissions generated from the fuel combustion during vessel operations. The emission data is calculated according to emission factors in the Fourth IMO GHG Study 2020.
- 3 Refers to GHG emissions associated with electricity purchased by the Group. The emission data is calculated according to latest available local emission factors.
- 4 Refers to emissions related the fuel consumption from vessel operations and purchased electricity that are not included in Scope 1 and 2 emissions. The emission data is calculated according to latest available emission factors from the Department for Environment, Food & Rural Affairs of the United Kingdom.

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Environmental		
Environmental KPIs	Unit	2024
Water		
Total water consumption ⁵	m ³	33,255.45
Water intensity	m ³ /revenue (US\$'000)	0.025
Freshwater generation from water desalination	m ³	49,849.00
Wastewater discharge		
Wastewater discharge during sailing ⁶	m ³	92,425,000.82
Amount of ballast water exchange with seawater	m ³	1,810,407.14
Percentage of fleet implementing ballast water exchange	%	100%
Percentage of fleet implementing ballast water treatment	%	100%

Social		
Social KPIs	Unit	2024
Number of employees		
Total number of employees	Number of	908
Number of employees by employment type		
Full-time employees	Number of	908
Part-time employees	Number of	0
Number of employees by contract type		
Permanent	Number of	899
Temporary	Number of	9
Number of employees by gender		
Male	Number of	360
Female	Number of	548
Number of employees by age group		
Below 30	Number of	210
30 – 50	Number of	587
Above 50	Number of	111
Number of employees by employment category		
Managers or above	Number of	109
General employees	Number of	799

⁵ Includes freshwater consumption in offices and freshwater supplied from shore.

⁶ Includes discharge of sanitary wastewater, bilge water and scrubber flushing water.

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Social		
Social KPIs	Unit	2024
Number of employees by geographical region		
Taiwan	Number of	258
Mainland China	Number of	274
Hong Kong	Number of	67
Other region	Number of	309
Turnover		
Total number of resigned employees	Number of	122
Turnover rate by gender		
Male	%	15.83%
Female	%	11.86%
Turnover rate by employee category		
Managers	%	5.50%
General employees	%	14.52%
Turnover rate by age group		
Below 30	%	23.33%
30 – 50	%	9.37%
Above 50	%	16.22%
Turnover rate by geographical region		
Taiwan	%	18.22%
Mainland China	%	6.93%
Hong Kong	%	19.40%
Other region	%	13.92%
Health and Safety		
Number of work-related fatalities	Number of	0
Number of lost days due to work injury	Days	0
Training		
Number of trained full-time employees	Number of	323
Percentage of trained employees by gender		
Male	%	30.28%
Female	%	39.05%

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Social		
Social KPIs	Unit	2024
Percentage of trained employees by employee category		
Managers or above	%	45.87%
General employees	%	34.17%
Training Hours		
Average number of training hours completed by employee by gender		
Male	Hours	2.48
Female	Hours	4.84
Average number of training hours completed by employee by employee category		
Managers or above	Hours	7.28
General employees	Hours	3.44
Number of suppliers by geographical region		
Taiwan	Number of	369
Mainland China	Number of	63
Hong Kong	Number of	211
Asia (excluding the above regions)	Number of	615
Other region	Number of	111
Products		
Total complaints received for services	Number of	0

6.2 HONG KONG STOCK EXCHANGE ESG CODE CONTENT INDEX

Disclosure Requirements		Sections/Remarks
Mandatory Disclosure Requirements		
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses. 	ESG Governance

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Disclosure Requirements		Sections/Remarks
Reporting Principles — Materiality	<p>The ESG report should disclose:</p> <ul style="list-style-type: none"> (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. 	Materiality Assessment
Reporting Principles — Quantitative	Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable).	Environmental and Social Performance Indicators
Reporting Principles — Consistency	The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	Environmental and Social Performance Indicators
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report.	Reporting Scope and Reporting Period
Subject Areas, Aspects, General Disclosures and KPIs		
A. Environmental		
Aspect A1: Emissions		
General Disclosure	<p>Information on:</p> <ul style="list-style-type: none"> a) the policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 	<p>Climate Resilience and Adaptation</p> <p>Air, Water and Oil Pollution</p> <p>Environment – Regulatory Compliance</p>
KPI A1.1	The types of emissions and respective emissions data.	Environmental and Social Performance Indicators
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental and Social Performance Indicators

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Disclosure Requirements		Sections/Remarks
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental and Social Performance Indicators
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental and Social Performance Indicators
KPIA1.5	Description of emission target(s) set and steps taken to achieve them.	<p>Climate Resilience and Adaptation</p> <p>Air, Water and Oil Pollution</p> <p>The Group is currently in the progress of reviewing its environmental targets, hence no emission target is set. The Group has not established a separate quantified target for GHG emissions at this stage. However, the majority of the Group’s operating fleet consists of newly built vessels equipped with energy-saving technologies such as scrubbers, and fully complies with the IMO decarbonization regulations. The Group will continue to monitor regulatory developments and industry trends to assess the need for setting supplementary long-term targets.</p>

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Disclosure Requirements		Sections/Remarks
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	<p>Air, Water and Oil Pollution</p> <p>The Group is currently in the progress of reviewing its environmental targets, hence no waste reduction target is set. Due to the nature of the Group's operations, it generates a relatively low amount of waste. While no quantified waste reduction target has been set at present, the Group will continue to explore the feasibility of related measures and evaluate future actions based on actual operational conditions. In the coming year, the Group will continue to review the setting of such targets.</p>
Aspect A2: Use of resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	<p>Climate Resilience and Adaptation</p> <p>Air, Water and Oil Pollution</p> <p>Conservation on Natural Resources</p>
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental and Social Performance Indicators
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental and Social Performance Indicators

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Disclosure Requirements		Sections/Remarks
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	<p>Climate Resilience and Adaptation</p> <p>The Group is currently in the progress of reviewing its environmental targets, hence no energy efficiency target is set. Given the Group’s operating model and existing newbuilding investment plans, most of the Group’s vessels are newly constructed and equipped with energy-efficient propulsion systems and technologies. As a result, no separate quantitative target for energy efficiency has been set to date. The Group currently adheres to international standards and actively monitors energy performance indicators, with plans to further assess the need for dedicated management targets in 2025.</p>

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Disclosure Requirements		Sections/Remarks
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	<p>Conservation on Natural Resources</p> <p>The Group is currently in the progress of reviewing its environmental targets, hence no water efficiency target is set. The Group has not set a water consumption reduction target, primarily due to minimal overall water usage which has limited impact on our core operations. Water consumption mainly occurs in our offices and crew living quarters, where general water-saving measures are already in place. The Group will continue to monitor its water consumption and consider setting supplementary targets in 2025 as necessary.</p>
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Due to the business nature of the Group, matters related to packaging materials are not relevant to the Group's business and hence not covered in this Report.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Conservation on Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Conservation on Natural Resources

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Disclosure Requirements		Sections/Remarks
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Resilience and Adaptation
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Resilience and Adaptation
B. Social		
Employment and Labor Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment and Labor Practices
KPI B1.1	Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region.	Environmental and Social Performance Indicators
KPI B1.2	Employee turnover rate by gender, age group and geographical region	Environmental and Social Performance Indicators
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety

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Disclosure Requirements		Sections/Remarks
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety Environmental and Social Performance Indicators There were no work-related fatalities in the in the past three years including the reporting year.
KPI B2.2	Lost days due to work injury.	Environmental and Social Performance Indicators
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employment and Labor Practices
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Environmental and Social Performance Indicators
KPI B3.2	The average training hours completed per employee by gender and employee category.	Environmental and Social Performance Indicators
Aspect B4: Labor Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Employment and Labor Practices
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Employment and Labor Practices
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment and Labor Practices

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Disclosure Requirements		Sections/Remarks
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Our Supply Chain
KPI B5.1	Number of suppliers by geographical region.	Environmental and Social Performance Indicators
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Our Supply Chain
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Our Supply Chain
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Our Supply Chain
Aspect B6: Product Responsibility		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	<p>Data Protection and Cybersecurity</p> <p>Intellectual Property Rights Protection</p> <p>Customer Service</p> <p>Governance – Regulatory Compliance</p> <p>Due to the business nature of the Group, matters related to advertising and labelling of products and services provided are not relevant and hence not covered in this Report.</p>

6. ANNEX

Disclosure Requirements		Sections/Remarks
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Due to the business nature of the Group, matters related to products sold or shipped subject to recalls for safety and health reasons are not relevant to the Group's business and hence not covered in this Report.
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Customer Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Rights Protection
KPI B6.4	Description of quality assurance process and recall procedures.	Customer Service
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Data Protection and Cybersecurity
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business Ethics and Integrity Governance – Regulatory Compliance
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Business Ethics and Integrity
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Business Ethics and Integrity
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Business Ethics and Integrity No anti-corruption training was arranged for directors and staff in the reporting year. In the coming year, the Group will arrange relevant anti-corruption training for its directors and staff.

6. ANNEX

Disclosure Requirements		Sections/Remarks
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Involvement
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	No charitable donations were made during the reporting year. In the coming year, the Group will work towards increasing its community investment.
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	