T.S. LINES
德翔海運

T.S. Lines Limited
德翔海運有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code : 2510



2025
Environmental, Social and Governance Report

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1. ABOUT THIS REPORT

This Environmental, Social and Governance Report (the "**ESG Report**" or the "**Report**") is the second ESG report published by T.S. Lines Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**" or "**us**"). Prepared based on the principles of materiality, quantitative disclosure, balance and consistency, the Report provides a detailed disclosure of the Group's policies, initiatives and performance in respect of environmental, social and governance ("**ESG**") matters for the year 2025. The Report aims to enhance stakeholders' understanding of the Group's sustainable development efforts, respond to their expectations and needs, and promote the Group's continuous fulfilment of its sustainable development responsibility.

1.1 REPORTING SCOPE AND REPORTING PERIOD

This Report covers the Group's ESG performance from January 1, 2025 to December 31, 2025 (the "**Reporting Year**"), covering our offices in Taiwan and Hong Kong, and shipping operations in Mainland China, Japan, Korea, and Southeast 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**").

The data and case studies used in this Report are derived from the Group's internal documents, statistical reports, and consolidated summaries and statistics of its responsibility performance.

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

Reporting principles	Application for this ESG Report
Materiality	Through a materiality assessment, the Group identifies material issues relevant to its business and provides focused disclosure on the verified material issues in this Report. The materiality assessment process includes the identification of key stakeholders, inviting the Board and various stakeholders to prioritize the importance of sustainability issues, and conducting an analysis of material issues.
Quantitative	To comprehensively assess the Group's environmental, social and governance ("ESG") performance during the Reporting Year, the Group has disclosed the applicable quantitative key performance indicators ("KPIs") set out in the Environmental, Social and Governance Reporting Code. The standards, methodologies, assumptions and bases of calculation adopted for the quantitative KPIs are stated, including the sources of the principal conversion factors.
Balance	This Report presents the Group's performance during the Reporting Year in an impartial manner, avoiding inappropriate selection, omission or presentation of information that may influence readers' decisions or judgments.
Consistency	This Report has been prepared using methodologies consistent with those of the previous reporting period, enabling meaningful comparison of the Group's ESG information between the current and previous reporting periods. Explanations are provided for first-time disclosures, as well as for changes in statistical methods, calculation formulas and data where applicable.

1. ABOUT THIS REPORT

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 20 March 2026.

1.4 ACCESS TO AND FEEDBACK ON THIS REPORT

The online version of this Report is available on the website of The Stock Exchange of Hong Kong Limited (**www.hkexnews.hk**) and the Company's website (**www.tslines.com**).

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. ABOUT T.S. LINES

2.1 COMPANY OVERVIEW

Established in 2001, T.S. Lines is a fast-growing container shipping company with a strong presence in Asia. Supported by a flat organizational structure and an experienced workforce, the Group has maintained competitiveness across various market cycles through operational flexibility, cost efficiency and service reliability.

T.S. Lines focuses on the Asia region, the world's largest container shipping market, and has built an extensive shipping network across Asia and has further expanded its network through the launch of several new long-haul services. As of December 31, 2025, the Group operated 46 services covering 22 countries and regions, with a long-standing operational presence in the Greater Bay Area of China. In recent years, the Group has complemented its core offerings and enhanced service diversity for customers.

2.2 CHAIRMAN'S STATEMENT

At T.S. Lines, we believe that sustainable development is integral to the long-term resilience and competitiveness of a global shipping company. Over the years, we have progressively integrated environmental, social and governance ("ESG") considerations into our corporate decision-making and daily operations, aligning sustainability with business strategy rather than treating it as a separate agenda.

The Board of Directors oversees the Group's ESG policies and performance, ensuring that our sustainability priorities remain aligned with the Group's long-term direction. We place strong emphasis on environmental responsibility, employee well-being, integrity in governance and constructive engagement with the communities in which we operate. Through continuous efforts to improve operational efficiency, reduce environmental impact and enhance stakeholder communication, we aim to create sustainable value for our business and society.

Our current priorities include the ongoing monitoring of vessel energy efficiency and carbon emissions, the establishment of a consistent ESG data collection and tracking framework, the strengthening of compliance management, and the active promotion of community engagement initiatives. In parallel, the Group continues to enhance its sustainability governance and disclosure practices in line with international standards, including IFRS S1 and S2, as well as the latest requirements of the Hong Kong listing regime.

2025 marked an important milestone in the institutionalization of the Group's ESG management framework. During the Reporting Year, we completed our second ESG report in continued alignment with Hong Kong's disclosure requirements, expanded the coverage and depth of Scope 3 data collection, and carried out a range of ESG initiatives across multiple locations, including beach clean-ups, volunteer programs and charitable activities. These efforts have helped establish a more consistent approach to ESG management and disclosure, laying a solid foundation for deeper climate-related management and the formulation of longer-term sustainability objectives.

Looking ahead to 2026, the Group will focus on strengthening management foundations and further improving the quality of ESG disclosure. Key initiatives include enhancing internal ESG reporting and review processes through cross-functional collaboration, advancing climate-related disclosures in preparation for the implementation of IFRS S2, and promoting the collection of Scope 3 emissions data together with supply chain decarbonization efforts. We will also continue to encourage ESG participation across our workforce and regional offices, while progressively developing medium – to long-term decarbonization targets and measurable indicators to support the Group's sustainability roadmap.

Teh-Sheng Chen
Chairman, Executive Director and Chief Executive Officer
20 March 2026

3. 2025 HIGHLIGHTS

3.1 AWARDS AND HONORS

Los Angeles, United States	
T.S. Lines was awarded the **"Green Flag Award"** by the **Port of Long Beach** in **2024**, in recognition of the Company's **100% compliance** with the port's **Vessel Speed Reduction Program**, meeting the **20-nautical-mile Tier 1 standard**.  ENVIRONMENTAL Achievement 2024 Port of LONG BEACH THE GREEN PORT 2024 GREEN FLAG VESSEL SPEED REDUCTION PROGRAM 20 nautical mile This certificate is proudly presented to T.S. LINES for qualifying in the Port of Long Beach's 2024 Green Flag Voluntary Vessel Speed Reduction Program at the Tier 1 (20 nautical mile) level. This recognition was earned by meeting or exceeding the 90% program requirement for compliant vessel calls made to the Port in 2024. The Port greatly appreciates your ongoing commitment to environmental stewardship. Mario Cordero, Chief Executive Officer Roger Wu, Director of Business Development	➢ The award recognizes T.S. Lines' ongoing efforts in environmental management and operational decarbonization, demonstrating tangible progress in energy efficiency, emissions reduction and the improvement of port-area air quality. The Group will continue to apply the same environmental management principles across other service routes and ports, promoting low-carbon operations and green navigation in support of its commitment to sustainable shipping.
Hong Kong, China	
T.S. Lines was awarded the **Gold Award** under the **Sea Cargo Pre-shipment Declaration Scheme** by Hong Kong Customs in 2024, in recognition of the Group's active participation and outstanding performance in the Electronic Cargo Manifest Form 1 program.  海運貨物資料預報計劃 2024 Sea Cargo Pre-shipment Declaration Scheme 2024 金獎 Gold Award 德翔海運有限公司 T.S. LINES LIMITED Is presented with this Certificate in recognition of her outstanding performance in the EMAN Statement One Submission Scheme with exceptionally high submission rate of sea cargo information in the year.	➢ The award recognizes T.S. Lines' professionalism and operational efficiency in compliance management and digital customs declaration. It also reflects the Group's active support for government initiatives on smart logistics and data governance, contributing to safer, more transparent and efficient port and shipping operations.

3. 2025 HIGHLIGHTS

Philippines	
T.S. Lines was honored with the "**Flagship Elite Award**" by **International Container Terminal Services, Inc. (ICTSI)** and was ranked **seventh among the top ten customers** in **2024**.  	➢ The recognition affirms T.S. Lines' strong performance in operational efficiency and partnership development, while further enhancing the Group's brand presence and industry reputation in the regional market. It also reflects the Group's continued commitment to operational excellence, long-term collaboration and sustainable logistics practices.

3.2 ENVIRONMENTAL PERFORMANCE

In 2025, the Group recorded a year-on-year reduction in marine fuel consumption, resulting in lower air pollutant emissions. During the same period, improvements in vessel operations contributed to a reduction in wastewater discharge, as summarized in the table below.

In 2025, the Group contributed to reductions in the following emissions[1]:

Carbon dioxide (CO_2)	29.96 000' tonnes
Nitrogen oxides (NO_x)	0.75 000' tonnes
Sulphur oxides (SO_x)	0.03 000' tonnes
Particulate matter (PM)	0.08 000' tonnes

1 Environmental performance data presented in this section are compared against the results of the previous year.

3. 2025 HIGHLIGHTS

In 2025, the Group demonstrated outstanding performance in shipping industry-specific metrics as follows:

- CII Rating: 97.6% of vessels achieved Grade C or above as required by regulations (50% Grade B, 28.6% Grade A), fully complying with IMO energy efficiency standards.
- Shore Power Usage: Vessels equipped with shore power facilities consumed 1,386,399 kWh of shore power, with cumulative operation exceeding 2,170 hours, effectively reducing port emissions.
- AER Indicator (gCO_2e/DWT-nm): reached 0.127 in 2025, representing a 52.6% reduction from the 2008 baseline and surpassing the IMO 2030 target of 40% emissions reduction, underscoring the Group's consistent efforts to improve vessel efficiency and reduce carbon emissions.

3.3 OCCUPATIONAL HEALTH AND SAFETY

The Group is committed to safeguarding the health and safety of its workforce through effective safety management and ongoing monitoring. Key health and safety performance indicators for the year are set out below:

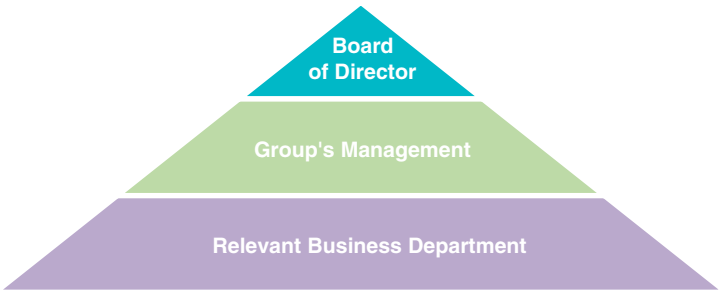
Work-related fatalities	0 Cases
Rate of work-related fatalities for employees (based on 200,000 hours worked)	0.00%
Number of lost days due to work injury (employees)	0 Days

The nil records reflect the Group's continued commitment to maintaining a safe and healthy workplace, with no work-related fatalities or lost-time injuries reported during the year.

4. OUR ESG APPROACH

4.1 ESG GOVERNANCE STRUCTURE

As the highest decision-making body for the Group's ESG matters, the Board assumes overall oversight responsibility. The Board is responsible for overseeing the Group's ESG strategy, reviewing and approving sustainability goals, approving ESG-related organizational structures and the Group's policies, and ensuring that related risks and opportunities are integrated into business development. To ensure the effective functioning of the Group's ESG oversight mechanism, the Board, through the management team, is responsible for assisting the Board in guiding and implementing ESG governance functions.



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 serves as the primary coordinating unit, responsible for consolidating ESG measures, ESG data collection and performance across various departments, 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.

4. OUR ESG APPROACH

4.2 STAKEHOLDER ENGAGEMENT

The Group recognizes the importance of stakeholder engagement and is committed to maintaining effective communication and constructive interaction with its stakeholders through various communication channels.

The Group's key stakeholders include clients, employees, suppliers and contractors, investors and regulatory authorities. The Group engages with its stakeholders on an ongoing basis to understand and respond to their expectations, interests, concerns and needs, with a view to building long-term and trusted relationships.

Stakeholder	Communication Channel	Frequency
Clients	Carry out a customer satisfaction survey Follow-up on customer feedback/complaints	Annual
Employees	Regular performance assessment Direct communication Team-building activities Training program	As needed
Suppliers and contractors	Procurement policy Supplier and contractor assessment	As needed
Investors	Annual general meeting Investor meeting Company website Investor roadshows ESG-related engagement activities Public disclosure	Semi-annually: results briefings Annually: annual general meeting Investor meetings and roadshows in various formats Timely updates to the company website
Regulatory authorities	Ongoing dialogue Public disclosure	As needed

4. OUR ESG APPROACH

4.3 MATERIALITY ASSESSMENT

The Group conducts a comprehensive materiality assessment on an annual basis to identify ESG topics of greatest concern to its key stakeholders, thereby determining the information to be prioritized for disclosure in the ESG report. This process ensures that the report appropriately reflects the Group's ESG impacts while addressing the interests and information needs of its principal stakeholders.

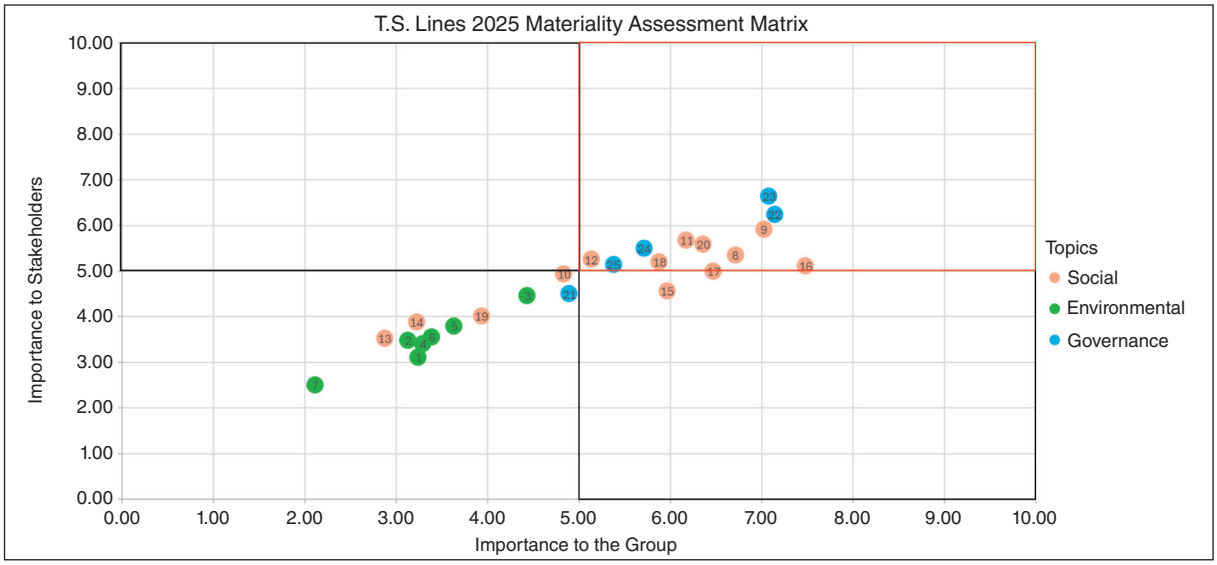
During the Reporting Year, with the assistance of an independent professional consultant, the Group carried out a materiality survey and, through a systematic assessment process, identified the material ESG topics to be prioritized for disclosure in the Group's 2025 ESG Report.

Materiality Determination Process

Step 1: Update of ESG Topic Pool and Identification of Potential Material Topics	In updating the ESG topic pool for 2025, T.S Lines benchmarked against the disclosure requirements of the ESG Code. Based on the results of the 2024 materiality assessment, the Group also referred to the Sustainability Accounting Standards Board (SASB) Materiality Map, ESG rating frameworks of MSCI, as well as ESG topic disclosures of industry peers, to formulate an updated ESG topic pool for 2025.
Step 2: Engage Key Stakeholders for Conducting Materiality Survey	The Group identified key stakeholder groups based on the perspective of impact. During the Reporting Year, the Group collected feedback from key stakeholders through an anonymous online questionnaire survey. A total of 519 valid questionnaires were received from management, employees (general staff), clients, shareholders/investors, and suppliers/contractors.
Step 3: Development of the Materiality Matrix and Prioritization of Topics	Based on a comprehensive analysis of the data and feedback collected from the survey, ESG topics were assessed along two dimensions: (i) importance to stakeholders and, and (ii) importance to the Group. Topics that scored above the midpoint on both dimensions were identified as material topics. The Group then prioritized the ESG topics by significance, developed a materiality matrix, and identified 12 material ESG topics of greatest concern to stakeholders.
Step 4: Validation of Material ESG Topics	The assessment results were validated by the Board and management of the Group. This report focuses on the material ESG topics to disclose relevant information and respond to the information needs and expectations of stakeholders.

4. OUR ESG APPROACH

The chart below illustrates the Group's ESG materiality analysis matrix.



Environmental Topics	Social Topics	Governance Topics
1 Climate Change Response	**8 Occupational Health and Safety**	21 Anti-corruption
2 Greenhouse Gas Emissions	**9 Human Rights and Labor Rights**	**22 Business Ethics**
3 Energy Consumption and Management	10 Supply Chain Management	**23 Compliance with Laws and Regulations**
4 Water Utilization and Management	**11 Product and Service Quality and Safety**	**24 Risk Management**
5 Pollutant Discharge and Management	**12 Customer Privacy and Data Protection**	**25 Data Protection and Cybersecurity**
6 Air Emissions and Management	13 Community Contribution	
7 Biodiversity	14 Green Supply Chain	
	15 Employment Management	
	16 Employee Compensation and Benefits	
	17 Employee Development and Training	
	18 Product and Service Management	
	19 Intellectual Property Protection	
	20 Maritime Transportation and Operational Safety	

4. OUR ESG APPROACH

The table below outlines the corresponding sections of this report that respond to the material topics identified above.

Material Topics (Listed in Order of Materiality)	Corresponding Sections
23 Compliance and Lawful Operations	Chapter 6 Corporate Governance and Compliance Management
22 Business Ethics	Chapter 6 Corporate Governance and Compliance Management
9 Human Rights and Labor Rights	Chapter 8 Social and Operational Responsibility
16 Employee Compensation and Benefits	Chapter 8 Social and Operational Responsibility
8 Occupational Health and Safety	Chapter 8 Social and Operational Responsibility
20 Maritime Transportation and Operational Safety	Chapter 8 Social and Operational Responsibility
11 Product and Service Quality and Safety	Chapter 8 Social and Operational Responsibility
17 Employee Development and Training	Chapter 8 Social and Operational Responsibility
24 Risk Management	Chapter 6 Corporate Governance and Compliance Management
18 Product and Service Management	Chapter 8 Social and Operational Responsibility
25 Data Protection and Cybersecurity	Chapter 6 Corporate Governance and Compliance Management
12 Customer Privacy and Data Protection	Chapter 8 Social and Operational Responsibility

5. CORPORATE GOVERNANCE AND COMPLIANCE MANAGEMENT

5.1 ANTI-CORRUPTION AND INTEGRITY

5.1.1 Anti-corruption

The Group places great importance on integrity in business operations and compliance management. It strictly complies with the Prevention of Bribery Ordinance, the Anti-Money Laundering Law, the Foreign Corrupt Practices Act (FCPA), the United Nations Convention against Corruption, and other applicable laws and regulations. The Group firmly opposes all forms of bribery, extortion, fraud, and money laundering, and is committed to maintaining a fair, impartial, and transparent operating environment across all its business activities.

To further regulate employee conduct and strengthen anti-corruption and integrity management, the Group has formulated and implemented a range of policies that serve as the standards governing the daily conduct of all employees. These policies clearly require all personnel to uphold the principles of integrity, honesty and compliance with laws and regulations, and strictly prohibit the offering or acceptance of any improper benefits under any circumstances.

The internal policies of the Group and its subsidiaries (including but not limited to)

- Anti-bribery and Anti-corruption Policy
- Anti-Money Laundering Policy
- Entertainment and Hospitality Expense Management Procedures
- Code of Conduct for staff
- Work Rules of T.S. Lines Limited, Taiwan Branch

5. CORPORATE GOVERNANCE AND COMPLIANCE MANAGEMENT

In accordance with the relevant policies, employees are required to report any suspected non-compliance or improper behavior identified during business through established internal reporting or whistleblowing mechanisms. The Group will assess the reported matters and, where appropriate, initiate investigations, involving the internal audit or compliance functions as necessary, to ensure that issues are properly followed up and addressed. In addition, the Group requires suppliers and business partners involved in procurement, tendering, or other forms of cooperation to comply with anti-bribery clauses and integrity commitments, to ensure that business dealings are conducted in compliance with applicable laws and regulations and with a high level of transparency.

During 2025, the Group conducted internal briefings and training sessions on anti-corruption, anti-bribery, and competition law, enhancing employees' awareness of business ethics and compliance risks.

Anti-Corruption Training and Awareness

July 2025
During the annual meeting, the Legal Department delivered briefings to representatives of branch offices and management on anti-corruption and competition law, highlighting management's responsibilities in compliance and oversight and reiterating the Group's stance on bribery and fraudulent conduct.

Going forward, the Group will advance anti-corruption training initiatives for the Board of Directors to further enhance directors' compliance awareness and integrity governance capabilities.

November 2025
The Group organized both in-person and online training sessions on anti-corruption and anti-bribery to enhance employees' awareness of business ethics, compliance risks and internal whistleblowing procedures, supporting the continued promotion of an integrity-driven culture across the organization.

During the year 2025, the Group did not record any cases involving bribery, extortion, fraud or money laundering. The Group will continue to enhance its whistleblowing and oversight mechanisms and promote integrity awareness among employees, with a view to ensuring that its operations are conducted in compliance with applicable laws and regulations.

5. CORPORATE GOVERNANCE AND COMPLIANCE MANAGEMENT

5.1.2 Business Ethics

The Group places strong emphasis on business ethics and integrity and adopts the Code of Conduct for staff as a fundamental guide for employees' professional behaviors and ethical standards. All employees, regardless of position or seniority, are required to adhere to the principles set out in the Code of Conduct to safeguard the Group's reputation and ensure fairness and transparency in its operations. Key areas include:

- Integrity and Accuracy of Information
- Avoidance of Conflicts of Interest
- Integrity in Business Dealings
- Respect and Fair Treatment
- Confidentiality and Data Protection

Through these principles and practices, the Group seeks to embed a culture of integrity and ethical conduct into its daily operations and decision-making processes, forming a key foundation for sustainable development and stakeholder trust.

5.2 RISK MANAGEMENT

The Group places strong emphasis on risk management and has established an Enterprise Risk Management ("**ERM**") framework in accordance with its Risk Management Policy, with a systematic approach to identifying, assessing and managing risks that may affect its operations, strategy and sustainable development. Through an annual materiality assessment process, the Board identifies key ESG issues that are material to the Group, and the related risks and opportunities are incorporated into overall strategic and management discussions.

5. CORPORATE GOVERNANCE AND COMPLIANCE MANAGEMENT

The Group has established an integrated risk management and internal control framework under which the Board of Directors provides leadership, the Audit Committee exercises oversight, management is responsible for implementation, and the Internal Audit function performs independent assurance. By combining both top-down and bottom-up risk management processes and conducting annual risk identification and assessment, our institutionalized framework and risk-aware culture ensure that operational, financial and compliance risks are properly managed, supporting the Group's long-term and sustainable development. The Group's ERM framework is developed with the support of an external professional adviser, who is engaged to assist in designing and enhancing the relevant risk management policies and procedures.

Board of Directors	
Audit Committee	
Relevant Departments	Internal Audit Department

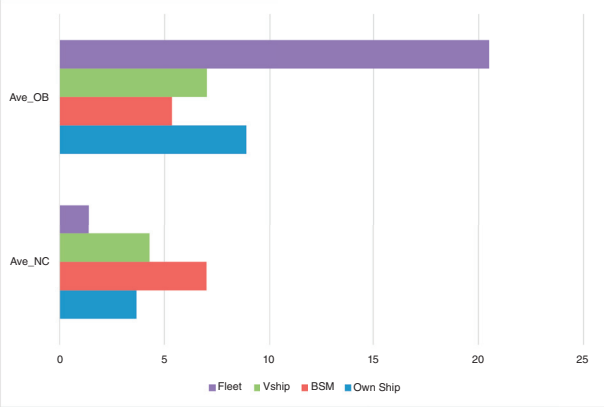
ERM Framework structure

ESG-related risks, including environmental compliance, occupational health and safety, and supply chain management, have been integrated into the existing ERM framework. Management regularly assesses the risk level and potential impact of such risks using a risk matrix, and discusses mitigation and improvement measures during internal audit and risk review meetings. These ESG risk items also form part of the annual internal control assessment to ensure the effectiveness of both risk management and internal control systems.

Climate-related risks and opportunities have not yet been formally included in the ERM assessment scope and will be considered as part of the Group's future efforts to further enhance its risk management framework.

Risk Management Case Summary: Environmental Compliance

The Group integrates environmental compliance risks related to vessel operations into its daily management practices, with a focus on fuel usage, emission control and pollution prevention requirements. The Marine Department conducts regular **internal audits** and **on-site inspections** and reports the findings to management for risk monitoring and improvement actions. In 2025, over 100 on-site and document-based audits were conducted covering ballast water management, energy efficiency operations and pollution prevention equipment, with non-conformities and observations tracked for follow-up to support regulatory compliance and sustainable operations.



Identified issues and improvement items were classified as non-conformities (NC) or observations (OB) and were subject to ongoing follow-up and remediation.

5. CORPORATE GOVERNANCE AND COMPLIANCE MANAGEMENT

5.3 SOUND AND PRUDENT OPERATIONS

5.3.1 Compliance with Laws and Regulations

The Group attaches great importance to lawful and compliant operations and integrates regulatory compliance responsibilities into its corporate governance and daily operations. Compliance is not the responsibility of a single functional department but is implemented through the established division of responsibilities among the Board of Directors, management and business units, to ensure that business activities are conducted in accordance with applicable laws, regulations and regulatory requirements.

To support compliance management, the Group has established relevant systems and procedures to systematically identify and monitor major regulatory requirements applicable to its business, including but not limited to the securities and inside information-related regulations, sanctions and anti-money laundering requirements. Internal reporting, approval and escalation mechanisms are in place for notifiable matters, transaction arrangements and external communications to support lawful and compliant operations.

The internal policies of the Group and its subsidiaries (including but not limited to)

- Inside Information Policy
- Directors Securities Dealing Code
- Notifiable Transaction Policy
- Connected Transaction Policy
- Sanctions Risk Monitoring Policy
- External Communication Policy
- Shareholders' Communication Policy
- Whistleblowing Policy

In addition, the Group supports lawful and compliant operations through internal audit, whistleblowing mechanisms, and information technology and data security management systems, which provide appropriate channels for the identification, reporting and follow-up of potential non-compliance. During the Reporting Year, the Group continued to enhance its whistleblowing arrangements, including the completion of the establishment of a dedicated whistleblowing mailbox in November 2025. During the Reporting Year, the Group was not aware of any material non-compliance with applicable laws and regulations that had a significant impact on its operations.

5. CORPORATE GOVERNANCE AND COMPLIANCE MANAGEMENT

5.3.2 Data Protection and Cybersecurity

The Group recognizes the importance of responsible data management and cybersecurity to its operations and governance. At all times, the Group is committed to safeguarding the confidentiality of commercial and other sensitive information, as well as maintaining the integrity and reliability of its business and operational records.

The Group has incorporated maritime cyber risk management requirements into the PR-0709 Fleet Electronic Information Management and Cybersecurity Risk Management Procedures, which form part of its Safety Management System (SQE/SMS), in accordance with the International Maritime Organization ("**IMO**") MSC-FAL.1/Circ.3 Maritime Cyber Risk Management Guidelines. The procedures cover, among others, electronic information equipment management, anti-virus maintenance, communications security, data backup arrangements and incident reporting mechanisms, with the aim of ensuring the security, integrity and availability of vessel operations and information assets.

As the container shipping industry continues to undergo digital transformation, the Group is committed to promoting data protection and cybersecurity management in accordance with its information security. The Group has established an Information Technology Systems Management Policy and the Data Protection Management Procedures, which set out management responsibilities in areas including access and security controls, data backup and disaster recovery planning, information resources strategy and planning, and business continuity planning. These measures help prevent operational and compliance risks arising from information technology and systems, and ensure the stability and regulatory compliance of the Group's governance framework, thereby safeguarding the personal data of employees, suppliers and customers and enhancing stakeholders' trust in the Group.

In addition, the Group conducts information technology security risk assessments on a regular basis to identify potential cyber threats or risks. Cybersecurity training programs are provided to employees to enhance their awareness of information and communications security, covering topics such as common information security threats and corresponding preventive measures.

Looking ahead, the Group will continue to monitor updates to IMO requirements and relevant international standards, and will review and enhance its cybersecurity measures and training mechanisms on an ongoing basis to further strengthen its overall information security management capabilities.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

6.1 ENVIRONMENTAL MANAGEMENT SYSTEM

The Group attaches great importance to environmental protection and is committed to implementing systematic environmental management across its business operations. The Group's environmental management system is established based on its existing ESG governance framework, under which environmental management requirements are integrated into operational management and decision-making processes. This enables the Group to identify, monitor and mitigate the environmental impacts arising from its business activities, while ensuring compliance with applicable environmental laws, regulations and relevant regulatory requirements. For further details, please refer to the "ESG Governance Structure" section of this Report.

The Group has established relevant policies and operational procedures to provide guidance on, among others, emissions management, resource utilization, waste management and environmental risk control. The Group has established and obtained ISO 14001 certification through third-party audit, which is the foundation of our Environmental Management System ("EMS"). The certification demonstrates that the Group has put in place a structured management framework for identifying, managing and monitoring environmental aspects, including pollution prevention and compliance with applicable environmental laws and regulations. Clear roles and responsibilities have been defined for management and relevant operational units to support the effective implementation of environmental management measures in daily operations. Such environmental management requirements apply to both vessel operations and shore-based activities, ensuring consistency in the Group's environmental management practices.

The Group will continue to monitor developments in environmental laws, regulations and industry standards, and will review and enhance its environmental management system as appropriate. The Group is committed to minimizing its environmental impact and supporting the sustainable development of its business.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

In respect of environmental initiatives, the Group has set relevant environmental objectives based on its operational circumstances and has implemented corresponding action plans during the Reporting Year in accordance with the established timelines, as set out below:

Environmental Targets and Action Plans

Environmental Targets	Key Indicators	Action Plans & Initiatives	Timeline	Status
Air Emissions Control				
Mitigation of Air Emissions	Operational Efficiency Enhancement	– Continuous Monitoring: Continuously monitor and enhance energy efficiency in accordance with SEEMP and CII requirements; – Design Optimization: Adopt high-efficiency designs for newbuilds to optimize EEDI/ EEXI ratings.	Long-term (5-10 years)	In Progress
	Vessel Hull and Equipment Optimization	– Hull Management: Strengthen hull cleaning protocols to reduce frictional resistance and minimize fuel consumption; – Advanced Technology: Apply high-performance anti-fouling coatings and variable frequency pumps on newbuilds; – Exhaust Gas Cleaning: Install Exhaust Gas Cleaning Systems (EGCS/Scrubbers) on all future newbuilds (excluding vessels with 1,100 TEU capacity) to mitigate Sulphur Oxides (SOx) emissions.	Long-term (5-10 years)	In Progress
Promotion of Green Shipping	Adoption of Low-Carbon Fuels	– Fuel Transition: Procure biofuel high-consumption vessels and advance the delivery of methanol-fueled newbuilds; – Fuel Management: Assess the utilization of Low Sulphur Fuel Oil (LSFO) and implement management frameworks for low-carbon fuel adoption.	Long-term (5-10 years)	In Progress
	Utilization of Clean Energy	– Shore Power Promotion: Promote the application of Shore Power (AMP) systems and manage clean energy usage; – Infrastructure Readiness: Equip newbuilds with shore power capability to replace diesel generators at berth, thereby reducing air pollutants and fuel consumption.	Long-term (5-10 years)	In Progress

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Environmental Targets and Action Plans

Environmental Targets	Key Indicators	Action Plans & Initiatives	Timeline	Status
Climate Change/Greenhouse Gas Emissions				
Strengthening Greenhouse Gas Emissions Management	Establish Emissions Baseline	– In accordance with the IMO 2023 GHG Reduction Strategy, establish the fleet-level greenhouse gas (GHG) emissions baseline; – Continue to promote weather routing, optimized sailing speed (eco-speed) and other energy efficiency measures.	Long-term (5-10 years)	In Progress
	Establish Energy Efficiency Models	– Regularly update the SEEMP Part III Energy Efficiency Implementation Plan in accordance with IMO and flag state requirements.	Long-term (5-10 years)	In Progress
Promoting Low-Carbon Transition	Fuel Transition and Medium – to Long-Term Decarbonization Planning	– Assess the feasibility of introducing methanol fuel, shore power, and energy-saving equipment upgrades for newbuild vessels; – Promote the transition of vessel operational energy, gradually replacing high-carbon fuels with low – or zero-carbon alternatives (e.g. natural gas, biofuels, green hydrogen); – Evaluate the stability of fuel supply chains to ensure reliable sourcing of alternative fuels and consider long-term price volatility; – Gradually incorporate and strengthen fuel quality, safety, environmental, and social criteria of low-carbon fuel suppliers into supplier evaluation and management frameworks; – Progressively establish a climate risk database and conduct quantitative scenario analysis to enhance climate resilience management capabilities.	Long-term (5-10 years)	In Progress

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Environmental Targets and Action Plans

Environmental Targets	Key Indicators	Action Plans & Initiatives	Timeline	Status
Waste Generation				
Enhancing Shipboard Waste Management	Implementation of Shipboard Waste Segregation	– Vessels shall continue waste segregation, record keeping, and port reception in accordance with the Garbage Management Plan under MARPOL Annex V; – Post color-coded waste segregation signage in all onboard areas, designate responsible personnel for waste management, and conduct inspections and feedback during vessel audits; – Establish internal shipboard waste management procedures and strengthen employee training to enhance waste segregation awareness and accuracy.	Long-term (5-10 years)	In Progress
	Control of Hazardous Waste	– Restrict and control the use of hazardous materials and packaging at source in accordance with the Inventory of Hazardous Materials (IHM) requirements.	Long-term (5-10 years)	In Progress
Reducing Office Waste	Source Reduction of Office Waste	– Expand paperless operations through EIP electronic approvals, Power BI reporting, and Microsoft 365 collaboration tools; – Promote the reduction of single-use items (e.g. paper cups, plastic bags); – Strengthen waste segregation practices and awareness campaigns across all office locations.	Long-term (5-10 years)	In Progress
	Recycling and Resource Recovery of Office Waste	– Further promote waste reduction and circular resource utilization by strengthening recycling awareness for paper, plastics, and other materials, encouraging double-sided printing and the use of recycled paper.	Long-term (5-10 years)	In Progress

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Environmental Targets and Action Plans

Environmental Targets	Key Indicators	Action Plans & Initiatives	Timeline	Status
Wastewater Generation				
Enhancing Discharge Management to Water Bodies	Reduction of Ballast Water Pollution and Impact	– Maintain 100% compliance with D-2 standards for Ballast Water Treatment Systems (BWTS); – Enhance ballast water management and training systems, ensure fleet-wide BWTS installation, conduct regular crew training on BWTS operation, and strengthen awareness of D-2 standards and proper completion of the Ballast Water Record Book.	Long-term (5-10 years)	In Progress
	Enhancement of Oily Water Management	– Continue implementation of oily water separator management, audits of oil/ wastewater record books, and SOPEP emergency response drills; – Strengthen ship-shore training and annual internal audits; – Enhance maintenance management to reduce unplanned discharges arising from equipment aging, sludge tanks, or pipeline leakages.	Long-term (5-10 years)	In Progress
Energy Use Efficiency				
Enhancing Fleet Energy Efficiency Management	Improving Fleet Energy Efficiency	– In 2026, continue to strengthen CII (Carbon Intensity Indicator) performance and related training, promote hull cleanliness inspection mechanisms, and establish joint verification procedures involving the Master, Chief Mate, and shore-based teams; – Integrate SEEMP implementation to enhance vessel energy efficiency, reduce sailing resistance, and lower fuel consumption; – Improve completion rates of hull cleanliness inspections and crew participation in CII training, gradually fostering a proactive energy efficiency culture among seafarers.	Long-term (5-10 years)	In Progress
	Deployment of Digitalized Energy Management for Vessels	– Continue promoting weather routing (OSR) and digitalized speed optimization to enhance vessel energy efficiency management.	Long-term (5-10 years)	In Progress

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Environmental Targets and Action Plans

Environmental Targets	Key Indicators	Action Plans & Initiatives	Timeline	Status
Strengthening Office Energy Conservation	Reduction of Office Energy Consumption	– Introduce energy-efficient lighting, optimize air-conditioning temperature settings, and promote lights-off policies and routine equipment inspections; – Continue LED upgrades at locations such as Taipei, implement air-conditioning management measures in Hong Kong, and sustain energy-saving initiatives; – Implement energy-saving measures tailored to building conditions across offices, including standardized air-conditioning settings at approximately 24-26°C, lights-off during lunch breaks and after office hours, use of energy-efficient fixtures, and shutdown of idle equipment; – Continue replacing lighting systems with high-efficiency LEDs, evaluate energy-saving solutions for servers and office equipment, and strengthen employee awareness on electricity conservation (e.g. powering down devices and switching off lights).	Long-term (5-10 years)	In Progress
Water Use Efficiency				
Improving Office Water Use Efficiency	Reduction of Average Water Consumption	– Conduct regular inspections of pantry and restroom facilities for leaks and aging equipment; – Post water-saving reminders and conduct employee awareness initiatives across offices; – Coordinate with property management to install sensor-operated faucets and water-saving sanitary fixtures.	Long-term (5-10 years)	In Progress

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Environmental Targets and Action Plans

Environmental Targets	Key Indicators	Action Plans & Initiatives	Timeline	Status
Improving Shipboard Water Use Efficiency	Reduction of Freshwater Demand	– Optimize the operation of seawater desalination systems and onboard domestic water management to enhance water conservation performance and behavioral management; – Improve overall fleet water efficiency and self-sufficiency, reducing reliance on port freshwater supply and associated fuel consumption; – Reduce dependence on freshwater for living and operational purposes by prioritizing the use of seawater or reclaimed water for non-potable applications.	Long-term (5-10 years)	In Progress
	Enhancement of Seawater Desalination System Efficiency	– Improve onboard desalination system efficiency while ensuring potable water safety, reducing energy consumption per unit of water produced; – Introduce or assess high-efficiency reverse osmosis (RO) and energy recovery technologies, prioritizing energy-efficient desalination systems in future fleet upgrades.	Long-term (5-10 years)	In Progress

The Group's environmental targets and action plans are formulated in compliance with applicable laws and regulations of international jurisdictions and major operating regions; primarily guided by the 2023 IMO Greenhouse Gas Reduction Strategy, the Group also references regional climate, air quality and green shipping policies including Hong Kong's Climate Action Plan 2050, Clean Air Blueprint 2035, and Green Marine Fuel Bunkering Action Agenda, the Opinions of the Central Committee of the Communist Party of China and the State Council on Comprehensively Promoting the Construction of a Beautiful China in the Chinese mainland, and the Air Pollution Control Plan (2024-2027) for the Taiwan region, so as to align with international standards and the sustainable development directions of the operating regions.

6.2 EMISSIONS COMPLIANCE MANAGEMENT

The Group strictly complies with applicable laws, regulations and regulatory requirements relating to air emissions and greenhouse gas emissions, discharges to water and land, generation of hazardous and non-hazardous waste in the regions where it operates, including mainland China, Hong Kong, Taiwan, Japan, Korea and Southeast Asia. Vessel operations are conducted in accordance with national laws, industry standards and relevant requirements promulgated by the IMO.

To ensure compliant operations, the Group has implemented relevant environmental management measures and procedures for vessel operations, and requires operators of chartered-in vessels to comply with applicable environmental laws and international standards. The Group maintains the required environmental protection and anti-pollution certifications to ensure ongoing compliance with statutory and regulatory requirements.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

During the Reporting Year, all the Group's operations complied with applicable environmental laws and regulations. Details of the major environmental laws and regulations and the Group's compliance status are set out in Annex "Laws and Regulations that have a significant impact on the Group" to this Report.

6.2.1 Pollutant Discharge and Management

The Group implements an emissions and pollution management framework in accordance with the International Convention for the Prevention of Pollution from Ships ("**MARPOL**") and the International Safety Management Code ("**ISM Code**"). In support of these requirements, the Group has established and implemented internal procedures, including the Shipboard Environmental Operation, Emergency Treatment Against Oil Spillage and Garbage Management Plan, Inventory of Hazardous Material Management Procedure, to prevent and control pollution of water bodies and the improper disposal of waste arising from vessel operations.

Ship Level Responsibilities

Including the Master, Chief Engineer and Chief Mate

Vessels shall carry out relevant activities in accordance with the Environmental Operations and Pollution Prevention Procedures established by the Group.

Vessels shall perform inspections, keeping and reporting of pollution prevention equipment in accordance with applicable requirements.

Responsible for prohibiting all illegal discharges of oil, oily mixtures, bilge water, garbage, harmful substances and exhaust emissions.

Responsible for providing ship personnel with the necessary education, drills and training in environmental protection.

In the event of an oil spill incident, all ship personnel shall handle the spill in accordance with the approved Shipboard Oil Pollution Emergency Plan ("**SOPEP**") and make every effort to minimize oil pollution.

Responsible for recording oil pollution incidents and reporting pollution incidents to the relevant authorities and competent authorities.

Oil Pollution and Water Pollution

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.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

The Group recognizes that its operations may contribute to water pollution through risks such as oil spills and wastewater discharges from vessels. Accordingly, the Group has put in place appropriate monitoring, preventive and emergency response measures to minimize potential environmental impacts and to ensure compliance with applicable regulatory and operational requirements.

Oil Pollution and Water Pollution Management Measures

Category	Internal System and Measurement
Ballast Water	➢ Internal System The Group implements the Ballast Water Operations Procedures, which regulate the pumping-in and pumping-out of ballast water, with the objective of minimizing adverse impacts on coastal and port ecosystems arising from the transfer of harmful aquatic organisms, organic matter and pathogens. ➢ Measures All owned vessels are equipped with ballast water treatment systems that comply with the D2 Standards of the IMO Ballast Water Management Convention, and 100% treatment or exchange of ballast water is implemented. ➢ Risk Control Ballast water exchange may pose risks to vessel stability and hull structural integrity. Prior to conducting ballast water exchange, safety conditions must be verified using the Ballast Water Exchange Checklist to ensure that all safety requirements are met before operations commence.
Sewage Treatment	➢ Regulatory Compliance Sewage treatment arising from vessel operations is conducted in accordance with the requirements of Annex IV of the MARPOL. ➢ Measures All domestic wastewater generated from vessel operations is subject to strict collection and treatment procedures. Vessels are equipped with sewage holding tanks and sewage treatment plants approved by classification societies to ensure that treated effluent meets international standards and the requirements of relevant environmental authorities prior to discharge.
Bilge Water and Oil Pollution Prevention	➢ Internal System The Group implements the SOPEP and fuel management procedures to reduce the risk of accidental spills. In addition, the Bunkering Management Procedures have been established to provide detailed guidance for operations before, during and after bunkering, with the aim of minimizing oil spill risks. ➢ Measures All vessels are equipped with oily water separators ("OWS") to ensure that oily bilge water is treated prior to discharge, thereby preventing oil pollution of the marine environment. The Group has also developed oil spill prevention training manuals and engages external professionals to provide specialized training to crew members.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Wastewater discharge during the Reporting Year:

	2025
Wastewater discharge during sailing m^3	110,265,804.38

Hazardous and Non-hazardous Waste

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 waste. Additionally, we follow the fleet's waste management plan and regularly dispose of waste at landfills.

2025 Highlights	➢ In 2025, the Group introduced the PR-0707-02 Inventory of Hazardous Materials (IHM) Management Procedure in accordance with the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships ("**Hong Kong Convention**") and the EU Ship Recycling Regulation.
	➢ Under this procedure, an Inventory of Hazardous Materials ("IHM") is established and maintained for vessels to monitor hazardous substances contained in materials and coatings, prevent the use or installation of substances exceeding regulatory thresholds, and ensure environmental safety throughout the entire life cycle of the vessels.

Hazardous Waste Management Measures:

- Hazardous waste generated onboard (such as oily sludge, used filters and chemical cleaning agent containers) is collected and treated by contractors holding valid licenses and qualifications.
- The management of onboard domestic and packaging materials is conducted in accordance with MARPOL Annex V (Prevention of Pollution by Garbage from Ships) and IMO Resolution MEPC.295(71) (Guidelines for the Development of Garbage Management Plans). Single-use plastics and non-recyclable packaging materials are prohibited.
- Environmentally friendly materials such as kraft paper, pure cotton cloth, glass containers and recyclable PP plastics are encouraged. HME (Harmful to Marine Environment) classification is clearly indicated in the Garbage Management Plan to ensure compliance with international environmental standards.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Non-Hazardous Waste Management Measures:

- Non-hazardous waste (such as paper, plastic bottles, metal cans and general domestic waste) is segregated and stored in accordance with the Garbage Management Plan, and is delivered to port reception facilities for recycling or incineration upon arrival at port.

- Ship personnel record the collection and delivery of garbage daily in the *Garbage Record Book*, which is subject to regular review by the Master and shore-based management to ensure compliance with waste management requirements.

Specific Measures and Case Examples in 2025	➢ The Inventory of Hazardous Materials (IHM) is continuously updated and controlled in accordance with the PR-0707-02 IHM Management Procedure to ensure that material procurement and repair activities comply with environmental restriction requirements. ➢ Equipment and coating replacement records are monitored through the IHM system to avoid repeated use of high-polluting materials, thereby achieving waste reduction at source. ➢ Waste segregation and shore-based recycling are implemented in accordance with the Garbage Management Procedure, together with enhanced crew training to improve waste reduction practices and regulatory compliance awareness.

During the Reporting Year, hazardous waste generated from project operations included the following:

	2025
Total Hazardous Waste Produced tonne	58.44
Hazardous Waste Intensity tonne/revenue (US $ million)	0.0455

During the Reporting Year, non-hazardous waste generated from project operations included the following:

	2025
Total Non-Hazardous Waste Produced tonne	215.91
Non-Hazardous Waste Intensity tonne/revenue (US $ million)	0.1681

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

6.2.2 Air Emissions and Management

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 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 systems, 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. To further reduce air emissions, our newly built vessels are equipped with a to-shore power system to use shore power when docking instead of diesel generator.

Additionally, in compliance with the relevant regulations in California, all 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.

During the Reporting Year, the Group's air pollutant emissions were as follows:

Air emissions	2025	2024	Reduction
NO_x 000' tonne	24.88	25.62	2.91%
SO_x 000' tonne	12.09	12.12	0.27%
PM 000' tonne	2.44	2.52	3.07%

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

6.3 RESOURCE USAGE AND MANAGEMENT

6.3.1 Energy Consumption and Management

The Group is committed to promoting energy management and enhancing vessel energy efficiency. Relevant measures are implemented in accordance with the International Safety Management (**ISM**) Code and the Ship Energy Efficiency Management Plan (**SEEMP**), with continuous efforts to optimize voyage efficiency and fuel performance. The marine department reduces fuel consumption and emissions using weather routing, economic speed control, hull maintenance and energy-efficient equipment upgrades.

Energy-saving measures in shipping operations include:

- Adoption of weather routing and economic speed (eco-speed) strategies to optimize voyage planning based on forecasted weather and ocean current conditions, thereby reducing fuel consumption.
- Regular cleaning of hulls and propellers to minimize sailing resistance.
- Installation of shore power (**AMP**) systems, high-efficiency main engines and variable-frequency pump systems on newbuild vessels, enabling the use of shore power in port in place of diesel generators.

Onshore office operations implement electricity-saving measures in accordance with internal energy-saving guidelines, including setting appropriate air-conditioning temperatures, using energy-efficient lighting and encouraging employees to adopt energy-saving practices such as switching off lights when not in use, to improve overall energy efficiency.

2025 Highlights

In 2025, the Group completed the update and review of all components of the SEEMP. Existing and certified SEEMP Part III documents were reviewed in line with the latest Carbon Intensity Indicator (**CII**) requirements and the 2050 net-zero emissions pathway. The energy efficiency implementation plans for 2026-2028 were submitted to the Flag State or Recognized Organizations (ROs) for certification, ensuring that fleet energy efficiency management continues to comply with international requirements.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

2025 Energy Reduction Case Examples	
➢ Shipping Operations In 2025, the operations department introduced the Optimum Ship Routing (OSR) weather routing service on trans-Pacific routes. Taking the Mexico service (MEX SVC – TS COLOMBO) as an example, a comparison of two voyages showed that the vessel adopting the OSR-recommended route reduced fuel consumption by approximately 18.9 tonnes and shortened sailing time by around 11 hours, demonstrating the effectiveness of weather-based route optimization in improving fuel efficiency, reducing emissions and enhancing operational performance. In addition, the Group utilizes a digital platform established by the vessel management company to monitor fuel efficiency and CII performance in real time. When combined with WNI weather routing analysis, the platform supports voyage and speed optimization, compliance with the Energy Efficiency Existing Ship Index (**EEXI**) and IMO carbon intensity regulations, and data-driven operational decision-making.	➢ Office Operations In 2025, the Hong Kong office implemented zoned air-conditioning management in accordance with building central cooling arrangements, activating air-conditioning based on actual usage needs. Lighting in common areas was also upgraded to energy-efficient LED fixtures. The Taipei office replaced outdated lighting equipment with high-efficiency energy-saving lamps, reducing electricity consumption and improving lighting performance.

During the Reporting Year, the principal energy consumed by the project included the following:

Energy use	2025	2024	Reduction
Total energy consumption MWh	3,684,741.22	3,791,989.34	2.83%
Total energy intensity MWh/revenue (US $'000)	2.87	2.83	–

6.3.2 Water utilization and management

The Group's operations are primarily vessel-based. Water resource consumption mainly occurs during offshore operations, including freshwater production and domestic use. The Group continues to manage water use in vessel operations in accordance with the requirements of the MARPOL and the International Convention for the Control and Management of Ships' Ballast Water and Sediments, and has implemented the following measures.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Seawater Desalination and Recycling:

- Vessels produce freshwater through seawater distillation using waste heat recovered from main engines for daily use, thereby reducing reliance on shore-based freshwater supply.

2025 Water Use Reduction Case Examples

- To enhance self-sufficiency in water supply during offshore operations, the Group's fleet continues to utilize seawater desalination systems to produce freshwater for domestic use. Distillation using main engine waste heat further reduces the need for external freshwater replenishment.
- At the same time, ballast water treatment systems are maintained in normal operation to minimize water pollution and ensure compliance with international regulations.

During the Reporting Year, water resources consumed by the project included the following:

Water	2025	2024	Reduction
Total water consumption m^3	26,107.56	33,255.45	21.49%
Water intensity m^3/revenue (US$'000)	0.020	0.025	–
Freshwater generation from water desalination	61,820.82	49,849.00	–

6.3.3 Use of Other Raw Material Resources

The Group continues to advance digital transformation and paperless management to enhance administrative efficiency and reduce the consumption of paper and office supplies. By adopting cloud-based collaboration, digital reporting and electronic approval systems, the Group has reduced reliance on paper documents, printing and physical filing.

In parallel, the Group promotes prudent use and segregation of office consumables and encourages employees to adopt electronic communication and paperless workflows to minimize resource use and environmental impact. During 2025, the Group further strengthened these initiatives through targeted training, enhancing employees' digital capabilities and accelerating the adoption of electronic documents across daily operations, reporting and approval processes.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

6.4 CLIMATE CHANGE RESPONSE

6.4.1 Governance

The Group recognizes the long-term impacts of climate change on the shipping industry and the increasing regulatory and market expectations to address climate-related risks. In response, the Group has established governance mechanisms to identify, monitor and manage climate-related risks and opportunities.

The governance of climate-related matters follows the Group's overall ESG governance framework, under which the Board of Directors holds ultimate responsibility and oversight to ensure that climate-related strategies and actions are aligned with the Group's long-term development objectives. For further details of the governance framework, please refer to the "ESG Governance Structure" section of this report.

Board and Management Climate-related Competence and Expertise	The Board of Directors and senior management possess extensive experience in shipping operations and operational management, enabling them to effectively assess the potential impacts of climate-related risks on the Group's operations and assets. Certain Directors and senior executives have undertaken training related to ESG and climate governance, and have developed an understanding of the IMO energy efficiency regulations, the CII framework and decarbonization strategies. This collective expertise allows the Board and management to determine that they have the appropriate skills and competencies, both currently and on an ongoing basis, to oversee the development and implementation of climate-related strategies.
Communication and Reporting Mechanisms for Climate-related Matters	Communication on climate-related matters is primarily conducted through annual Board meetings for the review of the annual report, regular management briefings and written reporting materials. In the event of significant environmental incidents or regulatory developments, updates are provided to the Board in a timely manner via electronic communications or ad hoc meetings. Formal reporting on climate-related issues is conducted at least annually, with additional updates provided as necessary.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

6.4.2 Strategy

Guided by the IMO greenhouse gas strategy and the 2050 net-zero ambition, the Group has adopted a comprehensive climate strategy that integrates adaptation, mitigation and transition planning to reduce carbon emissions, maintain regulatory compliance and support the sustainable development of its shipping operations.

Climate Adaptation and Mitigation Measures

The Group continues to promote low-carbon operating strategies to mitigate the impacts of climate change on its shipping operations and to enhance operational resilience. Its climate adaptation and mitigation approach covers multiple aspects, including energy-efficient vessel design, operational optimization, energy management and responses to extreme weather conditions.

- Energy-efficient and Low-carbon Vessel Design:

  Newbuild vessels adopt high-efficiency designs in compliance with the Energy Efficiency Design Index (**EEDI**) and EEXI, and are equipped with environmentally friendly technologies such as energy-saving ducts, variable-frequency pumps, AMP and advanced anti-fouling coatings. The Group is also progressively introducing methanol dual-fuel propulsion systems to align with the IMO decarbonization requirements.

- Operational Optimization and Energy Efficiency Management:

  With weather routing, economic speed control and voyage optimization, the Group continues to reduce fuel consumption and carbon emissions. All vessels monitor CII performance in accordance with the SEEMP, and improvement plans are developed for vessels with lower ratings.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Transition Plan and Decarbonization Roadmap

In alignment with the IMO greenhouse gas strategy and the 2050 net-zero target, the Group initiated fleet energy efficiency simulation and transition planning in 2025, and is progressively establishing a medium- to long-term decarbonization roadmap.

Short Term (2024-2026)	• Conduct CII and Greenhouse Fuel Intensity (**GFI**) simulation analyses in accordance with IMO requirements to assess fuel intensity performance and the potential impacts of carbon pricing mechanisms. (Based on calculations using 2024 fleet operational data, the average attained GFI was 92.59, indicating stable energy efficiency performance of the existing fleet.) • Enhance fuel efficiency through measures such as weather routing and speed management, and establish an internal carbon emissions database to support regulatory compliance and reporting.
Medium Term (2027-2030)	• Establish an energy efficiency benchmarking model based on the IMO 2030 target of a 40% reduction in carbon intensity relative to the 2008 baseline. (Based on the Group's 2025 emissions calculations, the Annual Efficiency Ratio (**AER**) was 0.1274, outperforming the IMO 2030 target value of 0.1612, indicating that the Group has achieved the target ahead of schedule.) • Continue to evaluate fuel transition options and vessel retrofit programs, and develop technology adoption plans with reference to industry best practices.
Long Term (Beyond 2030)	• Continuously monitor developments in alternative fuel technologies and regulatory trends, and assess the application of alternative fuels and newbuild vessel technologies when commercially and technically feasible. • Explore decarbonization collaboration mechanisms with supply chain partners (e.g. fuel procurement and shore power infrastructure) to jointly advance the 2050 net-zero shipping objective.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

The Group systematically identifies and assesses climate-related risks and opportunities. Based on this assessment, the Group further analyses their potential financial impact. In addition, scenario analyses are conducted under different assumptions relating to climate transition and physical risks to evaluate the Group's resilience and risk tolerance across various climate pathways, thereby providing reference inputs for strategic decision-making and development planning.

Identification and Assessment of Climate-related risks and opportunities

In identifying, assessing and managing climate-related risks and opportunities, the Group evaluates each risk and opportunity based on two dimensions: the **magnitude of impact** and the **likelihood of occurrence**. This assessment is used to determine the potential impact on the Group's business and operations. Climate-related risks and opportunities assessed as **"Medium" or above** are classified as material.

In determining the time horizons for assessing the impacts of climate-related risks and opportunities, the Group has taken into account China's "dual-carbon" policy targets of achieving peak carbon emissions by 2030 and carbon neutrality by 2060, the carbon neutrality targets set by the governments of Hong Kong, mainland China and Taiwan for 2050, as well as the IMO Net-Zero Strategy and its indicative checkpoints. These checkpoints include a reduction of at least 20% in total annual greenhouse gas emissions from international shipping by 2030, at least 70% by 2040, and the achievement of net-zero emissions around 2050, compared with the 2008 baseline.

Based on the above considerations, the Group has defined the time horizons for climate-related risks and opportunities as follows: **short term** refers to the period from the present to 2030, **medium term** refers to 2031 to 2040, and **long term** refers to 2041 to 2050.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

The table below sets out the identified climate-related risk and opportunity categories, their respective time horizons, impact levels and assessments of their impact on the business model and value chain.

Climate-related Risk and Opportunity Categories		Climate-related Risk and Opportunity	Time Horizon of Impact	Description and Potential Impacts of Climate-related Risks and Opportunities
Physical Risks	Acute Physical Risk	Flooding and Related Hazard Risks	Short to Medium Term	Flooding may disrupt shipping operations, affect vessel operational safety and increase the risk of vessel collisions or groundings. Port terminals, machinery and infrastructure may also be exposed to damage from saltwater intrusion and sediment accumulation, leading to higher operational inputs and maintenance costs. In addition, frequent flooding and heavy rainfall during the flood season may trigger urban waterlogging, which could disrupt normal office operations, cause interruptions to information systems at business hubs, and require adjustments to preventive and response measures.
		Typhoon and Cyclone Risks	Short to Medium Term	Strong winds and heavy seas may adversely affect vessel navigation safety, increasing the risks of vessel damage, capsizing or drifting. Port facilities and infrastructure, including structures and machinery, may also be damaged by severe winds, potentially resulting in business interruptions. When typhoons make landfall, damage to building roofs and windows may force temporary suspension of office operations, while widespread power outages and network disruptions may impair operating systems and require additional preventive measures.
	Chronic Physical Risk	Rising Sea Temperatures	Medium to Long Term	Rising sea temperatures may lead to more volatile meteorological conditions along shipping routes, adversely affecting vessel operating environments, navigational safety and port facilities, and in turn impacting operational efficiency. As a result, shipping operations may require dynamic route optimization and ongoing fleet renewal.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Climate-related Risk and Opportunity Categories		Climate-related Risk and Opportunity	Time Horizon of Impact	Description and Potential Impacts of Climate-related Risks and Opportunities
Transition risks	Policy and Legal Risks	Regulatory Requirements for Existing Products and Services	Medium to Long Term	The International Maritime Organization's energy efficiency standards impose more stringent requirements on shipbuilding and vessel operations. The Group is required to develop technical measures for both newbuild and existing vessels, while shipping operations must adopt additional operational measures to ensure compliance. Under the CII requirements, existing vessels are required to achieve progressively lower carbon emissions per tonne-mile each year. Failure to meet the required standards may result in operational restrictions or the loss of market contracts. In addition, vessels operating on high-sulphur fuel face accelerated retirement, while policies in the Group's major operating regions are increasingly favoring dual-fuel and zero-carbon vessels, exposing the Group to fleet renewal and compliance risks.
		Exposure to Legal Proceedings and Litigation Risks	Medium to Long Term	As organizations such as the IMO and the European Union implement increasingly stringent emissions and environmental regulations, vessels operating on conventional fuels may be required to upgrade or exit the market. This may affect the Group's fleet deployment and route planning. In addition, the global push towards progressive decarbonization and the 2050 net-zero target has contributed to a rise in climate-related public interest litigation overseas, exposing companies to increased legal risks and the need to adjust shipping operational strategies.
		More Stringent Greenhouse Gas Emissions Disclosure Requirements	Medium to Long Term	Mainland China, Hong Kong and Taiwan are actively implementing measures to achieve carbon neutrality and have introduced more stringent greenhouse gas emissions disclosure requirements. These developments may give rise to higher compliance risks and necessitate operational adjustments to meet regulatory expectations on greenhouse gas emissions reporting. Failure to provide accurate and comprehensive climate-related disclosures may expose the Group to regulatory penalties or reputational damage.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Climate-related Risk and Opportunity Categories	Climate-related Risk and Opportunity	Time Horizon of Impact	Description and Potential Impacts of Climate-related Risks and Opportunities
Market Risks	Rapid Development of the Alternative Marine Fuel Market	Medium to Long Term	The rapid emergence of alternative marine fuel markets, such as green ammonia, green methanol, liquefied natural gas (LNG) and biodiesel, is creating significant cost pressures and compliance challenges for vessel operations. At the same time, it is giving rise to green premiums and increased competition for sustainable financing, prompting companies to accelerate fleet renewal, restructure supply chains and develop differentiated service models.
	Changes in Customer Behavior	Medium to Long Term	An increasing number of customers are setting science-based emissions reduction targets, committing to net-zero goals and developing carbon neutrality roadmaps. This trend is driving emissions reductions across the value chain and imposing higher sustainability performance requirements – such as carbon reduction and energy efficiencies on container shipping services. Shipping companies are expected to support customers in achieving their emissions reduction objectives. Failure to do so may result in asset impairment, reduced orders or vessel idling, increased operating costs, or the loss of existing customers to competitors.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Climate-related Risk and Opportunity Categories		Climate-related Risk and Opportunity	Time Horizon of Impact	Description and Potential Impacts of Climate-related Risks and Opportunities
Opportunities	Climate-related Opportunities	Green Policies and Sustainable Financing Opportunities	Short to Long Term	By continuously improving energy efficiency and achieving emissions reduction targets, the Group is better positioned to access green or lower-interest financing and may leverage emissions reductions accumulated through low-carbon operations as cost offsets or carbon credit trading opportunities. Transparent and timely climate-related disclosures also help enhance investor confidence, reduce concerns over potential environmental risks, and strengthen the Group's profile in the capital markets and its long-term financing capability. In addition, green shipping subsidies and collaborative programs offered by international organizations such as the IMO, the UN and the European Union present favorable opportunities for the Group to advance innovation and fleet upgrading.
		Enhanced Resource Efficiency and Operational Management	Short to Long Term	The Group reduces fuel consumption and carbon emissions by optimizing voyage routes, promoting slow steaming and implementing efficient fleet deployment, thereby enhancing its low-carbon operational performance and strengthening its green shipping profile through improved vessel energy management. The Group also promotes the use of shore power facilities and cleaner energy at ports, progressively enhancing climate resilience and improving its competitiveness in sustainable markets.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Climate Scenario Analysis

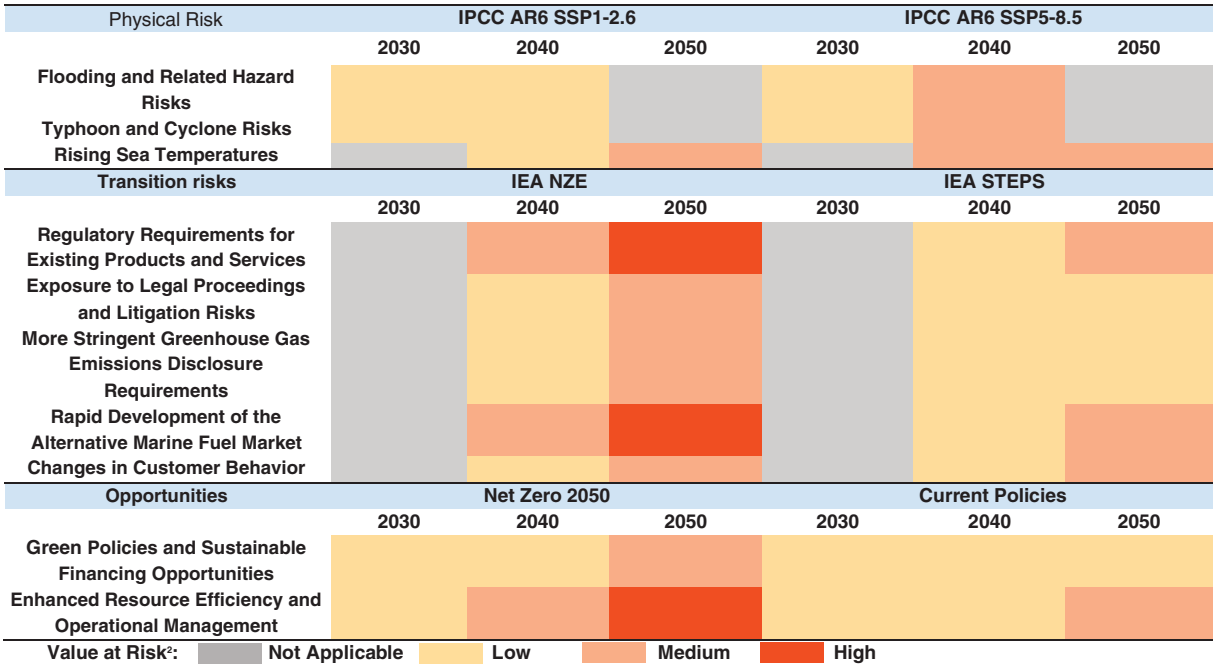
To systematically assess the potential impacts of climate change on the Group's business, operations and financial performance under different future pathways, the Group applies scenario analysis to evaluate the potential effects of material climate-related risks and opportunities across various climate scenarios. This approach supports the strengthening of the Group's climate resilience and informs timely strategic and risk management decision-making.

TS Lines references the scenario analysis methodologies recommended under ISSB S2 and the Task Force on Climate-related Financial Disclosures ("TCFD"), selecting internationally recognized climate scenario models and relevant key parameters to analyze climate-related risks and opportunities.

Scope of Analysis	Taiwan head office Hong Kong branch Chinese Mainland Shipping operations in other regions, including Japan, Korea and Southeast Asia
Time Horizon	**Short term** refers to the period from the present to 2030, **medium term** refers to 2031 to 2040, and **long term** refers to 2041 to 2050
Scenario Assumptions	The scenario analysis is conducted with **2025 as the base year** and is subject to the following assumptions: • The geographical locations of the Group's assets remain unchanged throughout the analysis period. • Climate-related information disclosure is aligned with climate-related policies applicable in Hong Kong. • Mitigation measures remain unchanged; that is, climate scenario analysis assumes that the climate mitigation policies and measures currently implemented will not change in the future. • The IMO net-zero target remains unchanged, with international shipping greenhouse gas emissions reaching peak levels as soon as possible and achieving net-zero emissions around 2050.
Scenario Selection	For the assessment of **physical risks**, the Group adopts the Shared Socioeconomic Pathways ("SSPs") developed by the Intergovernmental Panel on Climate Change ("IPCC"), specifically **SSP1-2.6** and **SSP5-8.5**, to analyze the potential impacts of different levels of climate change severity. For the assessment of **transition risks and opportunities**, the Group references scenarios developed by the **International Energy Agency ("IEA")**, including the **Net Zero Emissions by 2050 Scenario ("NZE")** and the **Stated Policies Scenario ("STEPS")**. In addition, the Group refers to the framework of the **Network for Greening the Financial System ("NGFS")** and selects the **Net Zero 2050** and **Current Policies** scenarios to further assess climate-related opportunities.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Based on the above information and input variables, the Group has conducted climate scenario analysis (qualitative). The table below summarizes the results of the scenario analysis.



[2] Value at Risk: With reference to the Implementation Guidance on Climate-related Disclosures under the Environmental, Social and Governance Framework issued by The Stock Exchange of Hong Kong Limited, climate scenario analysis is applied to assess value at risk. A higher value at risk (expressed in terms of magnitude or percentage) indicates a greater potential impact on the Group's asset values and financial performance, and a correspondingly higher level of actions required to enhance climate resilience.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Financial Impact Analysis and Response Measures

Based on the identified material climate-related risks and opportunities, the Group qualitatively assesses their impact on its financial position, financial performance and cash flows. This assessment considers both the current financial effects during the Reporting Year and the anticipated financial effects over the short, medium and long term, considering how climate-related risks and opportunities are incorporated into the Group's financial planning and operational decision-making. This analysis provides management with a basis for understanding the potential impacts and supporting prudent decision-making. The analysis includes assessments of their impact on strategy and decision making. The table below sets out the corresponding mitigation or response measures of the identified risks and opportunities adopted by the Group.

Climate-related Risk and Opportunity		Financial Impact Analysis (qualitative)	Risk and Opportunity Responses
Acute Physical Risk	Flooding and Related Hazard Risks	Current Financial Effects: Flood-related route deviations and reduced schedule reliability have resulted in higher operating costs and lower revenues. Anticipated Financial Effects: Flooding and related hazards, such as port closures and supply chain disruptions, may exert multiple financial pressures on shipping operations, including asset damage, operational delays and revenue losses. These impacts are expected to increase maintenance, insurance and fuel costs, while also amplifying share price volatility and financing risks. Rising insurance premiums, higher deductibles and more cautious climate risk assessments by capital markets may further constrain financing capacity and adversely affect credit ratings and share price performance.	The Group's offices are generally located on higher floors of office buildings in urban areas. Urban waterlogging during the flood season primarily affects low-lying areas, streets at lower elevations and underground spaces. As a result, the direct risk of office flooding is relatively limited. Nevertheless, the Group has put in place contingency measures to address indirect impacts arising from urban flooding, such as power outages, transportation disruptions and interruptions to public utilities.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Climate-related Risk and Opportunity	Financial Impact Analysis (qualitative)	Risk and Opportunity Responses
Typhoon and Cyclone Risks	Current Financial Effects: Office operations are affected by typhoon-related extreme weather events, resulting in reduced normal operating hours. Port closures, sheltering delays and route diversions have led to loading and unloading delays and lower schedule reliability, causing revenue reductions alongside higher labor and fuel costs. Anticipated Financial Effects: Typhoon-related extreme weather events may damage operational equipment and assets and pose risks to employee safety, leading to asset impairment, higher operating costs and increased insurance expenses. The repair or replacement of damaged equipment and assets is expected to further increase operating costs.	The Group's offices and office buildings have established preventive and emergency response measures for typhoon events, including backup power systems to address potential power and network outages under extreme conditions. For vessel operations, the Group enhances its capability to respond to typhoons and extreme weather by managing pre-voyage safety inspections, implementing port-specific sheltering procedures and utilizing digital meteorological navigation systems to safeguard operational continuity. **1. Voyage Monitoring:** The entire fleet utilizes the WNI weather navigation system to monitor typhoon developments in real time. Masters implement avoidance routing and speed adjustments in accordance with established risk assessment procedures. **2. Vessel Safety:** Prior to the typhoon season, inspections are strengthened for deck cargo lashing and watertight doors and windows. Vessels at berth follow port requirements to reinforce mooring arrangements or depart to designated safe areas for shelter. **Emergency Response Mechanism:** The shore-based marine operations department maintains an emergency contact point, ensuring continuous 24-hour ship-shore communication during typhoon events.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Climate-related Risk and Opportunity		Financial Impact Analysis (qualitative)	Risk and Opportunity Responses
Chronic Physical Risk	Rising Sea Temperatures	Current Financial Effects: None identified. Anticipated Financial Effects: Rising sea temperatures may exert multiple financial pressures on shipping operations, including increased hull fouling, accelerated corrosion and reduced fuel efficiency. These impacts are expected to erode cash flows and increase maintenance and operating expenditures.	The Group enhances its capability to respond to rising sea temperatures and abnormal oceanic conditions through annual climate data tracking, cross-departmental coordination and feedback mechanisms, monitoring of sea temperatures and ocean currents, seasonal risk assessments and forward-looking scenario analysis and planning.
Policy and Legal Risks	Regulatory Requirements for Existing Products and Services	Current Financial Effects: Green vessel retrofitting has increased operating costs and capital expenditure, including investments to substitute conventional heavy fuel oil with greener marine fuels. Anticipated Financial Effects: From 2026 onwards, the Group expects higher investment and operating costs arising from the procurement of biofuels for vessels that do not meet regional operating requirements or the IMO's carbon emissions standards. The upgrading and transformation of conventional vessels to comply with regulatory requirements may further increase operating and financing costs.	**CII Rating Monitoring:** Fuel consumption and voyage data (DCS data) for each vessel are collected and analyzed monthly to dynamically track individual vessel CII ratings (Grades A to E). Early-warning vessels with lower ratings (Grades D or E) are promptly flagged to relevant departments to facilitate timely operational adjustments. **SEEMP Implementation and Optimization:** The Group strictly implements the Ship Energy Efficiency Management Plan (SEEMP Part III). Measures such as trim optimization on high-consumption routes and the use of weather routing to avoid adverse sea conditions are applied to reduce unnecessary fuel consumption. **Hull Performance Maintenance:** The condition of hulls and propellers is regularly monitored. Based on slip rate data, underwater cleaning or polishing is scheduled to maintain optimal propulsion efficiency. **Use of Biofuels:** Starting in 2026, the Group will consider procuring biofuels for vessels that do not meet carbon emissions requirements, with the aim of reducing emissions and achieving regulatory compliance.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Climate-related Risk and Opportunity	Financial Impact Analysis (qualitative)	Risk and Opportunity Responses
Exposure to Legal Proceedings and Litigation Risks	Current Financial Effects: None identified. Anticipated Financial Effects: Failure to comply with applicable environmental regulations may result in penalties being imposed by competent authorities, together with associated legal costs incurred in responding to enforcement actions. These impacts may increase operating expenses and lead to adverse effects on the Group's brand and reputation, potentially resulting in revenue reductions. In addition, remediation measures required by regulators may cause business disruptions during the rectification period and require additional resources and capital to upgrade vessel equipment, further increasing costs.	To mitigate these risks, the Group monitors regulatory developments, conducts cross-departmental compliance reviews, enhances ESG information transparency, and establishes mechanisms for assessing regulatory changes and conducting climate-related scenario analyses. These measures aim to reduce legal and litigation risks arising from non-compliance with climate-related regulations or inadequate disclosure.
More Stringent Greenhouse Gas Emissions Disclosure Requirements	Current Financial Effects: None identified. Anticipated Financial Effects: Failure to provide accurate and comprehensive climate-related disclosures may result in regulatory penalties or reputational damage, which could adversely affect revenues. Additional resources and capital may be required to monitor and report greenhouse gas emissions and to ensure compliance with disclosure requirements, leading to higher compliance and reporting costs.	The Group has established greenhouse gas emissions data inventory processes and strengthened cross-departmental coordination to enhance the accuracy and completeness of emissions information, thereby reducing compliance and reputational risks arising from non-conformance with disclosure requirements.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Climate-related Risk and Opportunity		Financial Impact Analysis (qualitative)	Risk and Opportunity Responses
Market Risks	Rapid Development of the Alternative Marine Fuel Market	Current Financial Effects: The Group has increased capital expenditure in fuel procurement and bunkering infrastructure to meet the requirements of the industry's low-carbon transition. Anticipated Financial Effects: The transition to low-carbon operations requires the adoption of lower-emission fuels and compatible fuel supply and bunkering infrastructure. Rising demand for technology development and bunkering facilities is expected to increase operating costs and capital expenditure for shipping companies, and may necessitate a reassessment of shipping profit structures.	During the initial phase of implementing net-zero vessel operations, the Group plans to procure biofuels to reduce carbon emissions across voyages. Following the completion of methanol-ready retrofitting on newbuild vessels, the Group will progressively adopt methanol as a marine fuel to further reduce emissions and enhance its ability to manage operational adjustments arising from the transition in the marine fuel market.
	Changes in Customer Behavior	Current Financial Effects: None identified. Anticipated Financial Effects: Customer demand for low-carbon services and green transportation solutions is increasing. Failure to meet customer expectations for energy-efficient and low-carbon operations may adversely affect the Group's profitability and revenues.	To address these risks, the Group monitors customers' decarbonization requirements and strengthens ESG information transparency and stakeholder communication. These actions support the Group in responding to the shift in customer behavior towards low-carbon services, thereby reducing the risk of order attrition and revenue loss.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Climate-related Risk and Opportunity		Financial Impact Analysis (qualitative)	Risk and Opportunity Responses
Climate-related Opportunities	Green Policies and Sustainable Financing Opportunities	Current Financial Effects: None identified. Anticipated Financial Effects: By enhancing its green operational performance, the Group may gain access to lower-interest financing, tax incentives and ESG-related valuation premiums, thereby strengthening long-term financial resilience and competitiveness. Over the longer term, the Group expects to realise financial benefits through premium pricing for green ports and shipping routes, the conversion of policy incentives into market share gains and insurance benefits, and enhanced climate resilience and capital market attractiveness.	**Data Verification and Disclosure:** Completion of third-party verification of annual emissions data under the IMO Data Collection System (DCS) and the EU Monitoring, Reporting and Verification (MRV) framework on a regular basis to ensure data accuracy and transparency. **Energy Efficiency Rating Optimization:** Continuous implementation of the SEEMP, including trim optimization and hull cleaning, to maintain fleet CII ratings within Grades A to C, in line with the decarbonization trajectory required under the Poseidon Principles. **Carbon Market Opportunities:** Ongoing assessment of carbon trading opportunities to capitalize on green policies and low-carbon operational initiatives. **Green Vessel Development:** Installation of dual-fuel methanol systems on newbuild vessels at an early stage. Prioritizing the use of methanol fuel enables the Group to access IMO green shipping incentives and enhances its competitiveness in green shipping services.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Climate-related Risk and Opportunity	Financial Impact Analysis (qualitative)	Risk and Opportunity Responses
Enhanced Resource Efficiency and Operational Management	Current Financial Effects: Through energy efficiency management, the Group has reduced operating costs and improved profit margins. Anticipated Financial Effects: Improvements in resource efficiency are expected to lead to lower operating costs, stronger cash flows and enhanced competitiveness. These benefits are anticipated to support accelerated digital transformation, supply chain optimisation and investment in energy management, enabling long-term sustainable growth.	Through the implementation of energy-saving initiatives, green procurement planning, the setting of energy efficiency targets and the use of scenario analysis, the Group aims to improve overall resource efficiency while reducing operating costs and transition-related risks.

Due to the Group's current lack of systems for quantifying the financial impacts of climate-related risks and opportunities, including the absence of relevant data system and cross-departmental coordination mechanisms, this annual report provides only qualitative analysis and does not disclose quantitative financial data.

The Group is actively evaluating the engagement of third-party professional services and the development of internal assessment capabilities to progressively enhance disclosure levels in the future.

6.4.3 Risk Management

The Group promotes the establishment of a comprehensive climate-related risk and opportunity management framework to continuously identify, assess and manage climate-related risks and opportunities. Considering its business characteristics, internal and external operating environment, and external professional advice, the Group has developed a structured management process for climate-related risks and opportunities, comprising four key stages: identification, assessment, analysis and response.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Climate-related Risk and Opportunity Management Process

1. **Identification:**
   The Group systematically identifies climate-related risks and opportunities relevant to its business by referencing industry disclosure practices, research materials and the policy environment, and by considering the characteristics of its value chain and operating regions. A climate-related risk and opportunity list is established accordingly.

2. **Assessment:**
   The Group conducts a comprehensive assessment of each identified climate-related risk and opportunity based on key dimensions such as potential impact and likelihood of occurrence. With input from management's professional judgement and cross-functional perspectives, the Group performs a materiality analysis and prioritization exercise, resulting in a climate-related risk and opportunity matrix.

3. **Analysis:**
   The Group selects internationally recognized climate scenarios and key parameters to analyze the severity of material climate-related risks and opportunities under different scenarios, as well as their potential financial impacts.

4. **Response:**
   The Group reviews and evaluates existing management measures and, with reference to industry best practices, formulates and optimizes response action plans to continuously enhance its climate risk management capabilities and overall business resilience.

At present, climate-related risks and opportunities are managed through a dedicated assessment process and are being further analyzed with the support of appointed ESG consultants, focusing on their potential implications for the Group's operations, strategy and financial planning. The Group is progressively enhancing its climate-related risk management practices and will continue to evaluate pathways for integrating climate-related considerations into its broader ERM framework.

6.4.4 Metrics and Targets

According to a study by IMO, international shipping emissions account for approximately 2.8% of global CO_2 emissions. As part of the maritime sector, we recognize our responsibility and potential to reduce carbon emissions associated with our operations, and to contribute to the IMO 2030 Strategy, which aims to reduce carbon intensity by 40% by 2030 and achieve net-zero emissions by 2050, using 2008 as the base year.

Based on the Group's business characteristics, during the Reporting Year the Group's principal sources of greenhouse gas emissions were fuel combustion from vessel operations and the consumption of purchased non-renewable electricity. To further strengthen greenhouse gas emissions data management, the Group is progressively advancing the identification and calculation of Scope 3 emissions in accordance with the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Through cross-functional collaboration mechanisms, the Group continues to collect and consolidate Scope 3 greenhouse gas emissions data based on the Scope 3 categories identified as relevant to its business operations.

During the Reporting Year, the Group's greenhouse gas emissions were as follows:

Total carbon emissions and intensity	2025	2024	Reduction
Direct (Scope 1) emissions 000' tCO_2e	1,043.81	1,073.79	2.79%
Indirect (Scope 2) emissions 000' tCO_2e	0.30	0.28	—
Total carbon emissions intensity 000' tCO_2e/ revenue (US$'000)	0.00081	0.00080	—
Scope 3 Category 1 emissions tCO_2e	65,030.14	—	—
Scope 3 Category 2 emissions tCO_2e	95,859.97	—	—
Scope 3 Category 3 emissions tCO_2e	231,808.55	238,604.02	2.85%

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, which 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.

Assets or Business Activities Impacted

The Group was unable to disclose the amounts or percentages of assets or business activities affected by climate-related transition risks, physical risks, and opportunities during this year, primarily because the relevant quantitative data were not fully prepared as of the reporting date. The process of obtaining such data involves high costs or complexity, and thus, a reasonable data exemption has been applied.

The Group is progressively strengthening its internal data collection and analysis capabilities, with the expectation of continuous improvements and the timely provision of relevant information in future years to better meet climate disclosure requirements.

Capital Deployment

The Group has not yet established dedicated capital expenditure, financing, or investment plans specifically for climate-related risks and opportunities during this year, and related amounts have not been separately accounted for or disclosed. This is primarily because relevant actions remain in the planning and evaluation stage at present. The Group is progressively enhancing its internal resource tracking mechanisms and expects to clearly identify and disclose relevant capital commitments in future years based on climate scenario analysis results, to support sustainable transition goals.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

Internal Carbon Prices

At present, the Group has not yet implemented an internal carbon pricing mechanism in its business decision-making process. However, it continues to closely monitor international carbon pricing developments, including potential frameworks under IMO GFI and their implications for shipping costs. In 2025, the Group initiated a simulation assessment using the Vessel CII and modeled GFI values to evaluate the potential impact of carbon costs on fuel consumption and fleet operations. Going forward, the Group will continue to observe regulatory developments and market trends, and will consider implementing an internal carbon cost mechanism to support operational and investment decision-making when appropriate.

Remuneration

At this stage, the Group has not yet incorporated climate-related performance indicators into its compensation and incentive systems. Nevertheless, management and relevant departments review energy efficiency, emission reduction, and climate management progress annually during the ESG reporting process to track the advancement of the Group's climate strategies. As international disclosure standards and the Group's internal governance framework continue to evolve, the Group will further explore the integration of climate performance metrics into incentive mechanisms to progressively enhance its overall climate governance structure.

Climate-related targets

This year, the Group has established qualitative climate targets to promote low-carbon transformation in shipping operations and advance the IMO Net-Zero strategy.

(a)	the metric used to set the target;	Please refer to the "Environmental Management System" section
(b)	the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	Aimed at adapting to low-carbon transition needs, ensuring the sustainability of shipping operations, reducing environmental impact, while actively aligning with IMO Net-Zero strategy and MARPOL regulations to enhance compliance and market competitiveness.
(c)	the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	Mainly applies to shipping operations
(d)	the period over which the target applies;	Long-term. Please refer to the "Environmental Management System" section
(e)	the base period from which progress is measured;	2025
(f)	milestones or interim targets (if any);	Not applicable.
(g)	if the target is quantitative, whether the target is an absolute target or an intensity target;	Not applicable.
(h)	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Comply with the International Convention for MARPOL, IMO Net-Zero Framework.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

6.4.5 Greenhouse Gas Emissions

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. Therefore, while we are in the process of reviewing our 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 growth that could increase the load on the main engine, resulting in more fuel consumption
- Adopt advanced energy-saving and environment-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

We have developed a SEEMP to monitor and analyze their energy consumption. The SEEMP tracks the monthly and annual operational CII and CII rating for each vessel. The CII shows the amount of CO_2 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 Year, over 97% of our vessels have already achieved the required rating of C or above, with twelve 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. 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.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

In accordance with the Group's At-Berth Regulation, we utilize shore power and emission control systems while vessels are berthed at ports such as those in California. The use of shore power significantly reduces fuel consumption from onboard auxiliary engines, thereby lowering greenhouse gas emissions as well as air and water pollution during berth. This practice supports carbon emissions reduction objectives while contributing to the protection of coastal and harbor ecosystems.

2025 Highlight	
In 2025, vessels under the Group's management that are equipped with shore power facilities utilized approximately 1,386,399 kilowatt-hours (kWh) of shore power electricity, with cumulative usage exceeding 2,170 hours.	The use of shore power effectively reduces fuel consumption and carbon emissions from onboard diesel generators during berth, thereby further enhancing energy conservation and emissions reduction performance and aligning with international trends in green port operations.

6.5 ENVIRONMENTAL AND NATURAL RESOURCE PROTECTION

6.5.1 Biodiversity

Marine and coastal ecosystems provide essential natural resources and raw materials. As a Group with container shipping as its core business, we conduct operations primarily within marine and coastal ecosystems. Potential impacts on biodiversity include water pollution, the spread of invasive species and disturbances to marine ecosystems. The Group complies with a range of international conventions and regional regulations related to marine environmental protection and biodiversity conservation, ensuring that its shipping operations meet international standards and the requirements of port States.

The Group places strong emphasis on the conservation of marine resources and has established a range of management systems and technical measures to mitigate the impacts of its operations on the natural environment.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

The Group's Biodiversity-related Internal Management Policies and Procedures

Category	Internal Management Policies	Management Procedures
International Conventions	Shipboard Environmental Operating Procedures	All vessels in the Group's fleet hold relevant certificates, including the International Oil Pollution Prevention Certificate and the International Sewage Pollution Prevention Certificate. In accordance with MARPOL Annexes I, IV and V, the Group manages waste and emissions to prevent oil pollution and marine litter.
	Operating Procedures for Ballast Water	All owned vessels are equipped with ballast water treatment systems that comply with the D-2 standard and are subject to regular inspection and maintenance, preventing the transfer of invasive species through ballast water.
	Hull Coating Policy	The Group uses anti-fouling coatings that comply with AFS requirements and prohibits the use of anti-fouling systems containing harmful organotin compounds, such as tributyltin (TBT).
Regional Conventions	Biofouling Management Guidelines, 2023-2025	In compliance with the requirements of the Australian Department of Agriculture, Fisheries and Forestry (Biosecurity), hull cleaning is completed prior to arrival in Australia, and biofouling management reports are submitted to mitigate the risk of the transfer of marine invasive species.
	At-Berth Regulation	Shore power and emission control equipment are used while vessels are berthed to reduce coastal air pollution and impact on water quality.
Other Initiatives	Biofouling Management Guidelines, 2023-2025	In accordance with the updated IMO Biofouling Management Guidelines, the Group has established and implemented vessel-specific Biofouling Management Plans (BMPs) and record books. Regular inspections and underwater cleaning are conducted when necessary, and the selection of anti-fouling coatings and system maintenance are integrated into vessel maintenance programs to prevent cross-border biofouling and the spread of invasive species.

6. ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY

2025 Biodiversity Case Highlight

Marine Conservation and Biodiversity

The Group fully supports the Hong Kong Government's policy prohibiting the carriage of shark fins. The company rejects all shark fin cargo bookings and reviews import manifests on a vessel-by-vessel basis to ensure strict compliance. In recent years, no violations have been recorded. Through standardized cargo screening and clear policy enforcement, TS Lines actively minimizes the potential impact of its operations on marine biodiversity and contributes to global ocean conservation.



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global shipping leaders with a

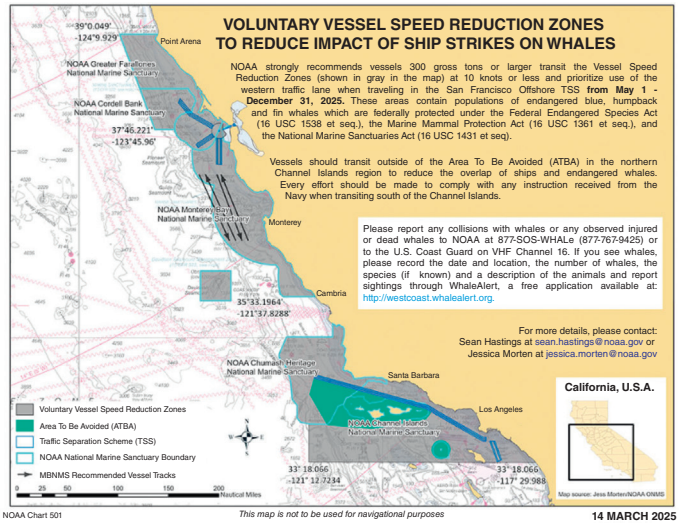
"No Shark Fin Carriage Policy"

(Recognized by WWF Hong kong, 2024)

According to *WWF Hong Kong's 2024 Review of Shipping Companies' Carriage Policies on International Shark Fin Trade*, TS Lines is recognized as one of 18 major global shipping companies – representing about 80% of the world's market share – that have adopted a "No Shark Fin Carriage Policy." This demonstrates the Group's commitment to responsible shipping and alignment with international best practices in marine conservation.

Navigation Management in Environmentally Sensitive Areas (Cetacean Protection)

In line with the IMO MEPC.1/Circ.906 Guidelines for the Reduction of Underwater Noise from Commercial Shipping, the Group monitors cetacean habitats and assesses navigational risks along its routes. In 2025, the Group's shipping routes did not pass through any designated cetacean protection areas or mandatory speed reduction zones. Route planning avoided high-density cetacean activity areas, keeping overall disturbance risk low.



In regions with voluntary protection measures, such as the U.S. West Coast, the Group follows relevant guidance by adopting cetacean-friendly navigation practices – including enhanced lookout, appropriate speed control, and operational caution – to minimize collision risks and underwater noise impacts on marine ecosystems.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

7.1 EMPLOYMENT AND LABOR RIGHTS

We recognize that attracting and retaining talent is critical to the Group's long-term success. The Group values its employees and is committed to fostering a supportive workplace in which our people can grow and perform at their best. Through a well-established human resources management framework that safeguards employees' rights and interests, together with diverse career development opportunities, we seek to attract and retain talent while promoting shared growth with our employees.

7.1.1 Employment Management

The Group strictly complies with employment, recruitment, and human resources management laws and regulations in all regions where it operates. A comprehensive employment management system has been established, with the Working Regulation serving as the core guideline to regulate recruitment, promotion, evaluation, and termination processes. This ensures that all personnel management practices remain transparent, fair, and compliant.

In accordance with the Working Regulation and the Employee Performance Appraisal and Promotion Management Procedures, the Group adheres to the principle of merit-based employment. Employment terms, conditions, and termination procedures are clearly defined to ensure that all employees sign formal employment contracts under lawful protection. These contracts cover remuneration, benefits, working hours, and termination clauses, among other aspects.

During recruitment, the Group considers candidates' professional capabilities, educational backgrounds, and industry experience based on the specific needs of each position. All new employees undergo a three-month probation evaluation to assess performance in terms of efficiency, quality, and attitude. Each employee also participates in an annual performance appraisal, with results serving as key references for promotion decisions and career development planning, thereby fostering continuous professional growth.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

Through a sound employment management system and performance evaluation mechanism, the Group has effectively enhanced workforce stability and performance. A fair and transparent promotion system further strengthens employees' confidence in career development and supports the Group's long-term talent strategy.

Employee Composition

Employee category		Number of employees	Turnover rate[3]
By gender	Male	334	15.57%
	Female	571	8.58%
By age group	Below 30	200	20.00%
	30-50	598	9.03%
	Above 50	107	6.54%
By employee category	Managers or above	209	4.78%
	General employees	696	13.07%
By geographical region	Taiwan	244	15.98%
	Mainland China	277	4.69%
	Hong Kong	67	0.00%
	Other region	317	15.46%
By employment contract	Permanent	891	/
	Temporary	14	/
By employment type	Full-time	903	/
	Part-time	2	/

3 The employee turnover rate refers to the number of employees who ended their employment relationship with the Group during the reporting period, whether through voluntary resignation, dismissal, retirement, or death. The calculation formula is as follows: Number of departing employees in specific category/Total number of employees in specific category × 100.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

7.1.2 Human Rights and Labor Rights

The Group upholds fairness, impartiality, and professionalism in human resource management, strictly complying with local labor laws and international human rights standards to safeguard employees' rights, interests, and dignity. Core management systems include the Work Regulation, Human Resources and Salary Management Policy, and Workplace Misconduct Prevention Program, forming a robust framework for human rights and labor protection.

In line with the Gender Equality in Employment Act, the Labor Standards Act and other applicable laws, the Group explicitly prohibits all forms of discrimination. All recruitment, appointments, appraisals, promotion, compensation, and termination decisions are based solely on employees' abilities and performance.

Furthermore, the Group complies with Taiwan's Labor Standards Act and other relevant labor practices and regulations. The Group strictly prohibits the employment of child labor and forced labor, ensuring that all employees enjoy lawful, equitable, and safe working conditions. Policies are designed to uphold a balanced relationship between employer and employee, and to promote diversity and equality in the workplace.

During the hiring process, employees must provide identification and supporting documents for background verification to ensure that no underage workers are employed. If an instance of child labor is discovered, the Group will take immediate corrective actions in accordance with relevant regulations, including termination of employment and reporting to competent authorities. The Group continues to strengthen its labor management measures and preventive mechanisms to eliminate the risks of child labor and forced labor.

An internal grievance and reporting mechanism has been established for workplace harassment and misconduct cases. The Workplace Misconduct Prevention Program outlines departmental responsibilities and provides psychological counseling and health support resources. Employees may file confidential complaints through the Human Resources Department or internal hotline, and appropriate disciplinary measures will be taken based on investigation results.

In the maritime business, all self-operated and chartered vessels comply with the Maritime Labor Convention (MLC, 2006) to ensure minimum working and living standards, covering working hours, remuneration, rest periods, paid leave, and medical protection. All vessels are subject to port state inspections to ensure ongoing compliance.

During the Reporting Year, the Group found no instances of child labor or forced labor. Through the ongoing implementation of anti-discrimination, human rights protection, and gender equality policies, the Group has established a workplace culture of respect, inclusiveness, and safety. Moving forward, the Group will continue to enhance its labor management system to maintain compliance and further promote equality within the workplace.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

7.1.3 Employee Compensation and Benefits

The Group has established a comprehensive compensation and benefits system that complies with all applicable labor laws through the Human Resources and Salary Management Policy and the Working Regulation. The framework ensures that remuneration structures are fair, transparent, and competitive within the market.

The Employee Compensation and Benefits Operating Procedures clearly set out the principles for payroll calculation, payment, adjustment, and bonus determination. In addition to base salary, the remuneration package includes year-end bonuses, allowances, and subsidies. The Group also provides statutory social insurance and pension contributions to safeguard employees' economic stability and well-being. Salaries are calculated based on attendance records by external accounting firms and approved by the Human Resources Department, General Manager, and Chairman to ensure strict accuracy and transparency.

The Group conducts annual performance evaluations and bonus reviews, and allocates welfare funds for health examinations and employee activities. Beyond statutory leave entitlements, the Group provides additional forms of leave – including marriage leave, maternity leave, sick leave, and family care leave – to help employees maintain a healthy work-life balance.

All regional offices provide mandatory insurance coverage in accordance with local regulations. For example, employees in Taiwan are covered by labor insurance, national health insurance, and occupational accident insurance, while employees in mainland China are enrolled in pension, medical, maternity, work injury, and unemployment insurance, as well as the housing provident fund.

Through a clear compensation policy and multi-tiered benefits program, the Group fosters a fair, competitive, and caring workplace. These measures strengthen employees' sense of belonging and satisfaction, while annual activities and health programs further promote team cohesion and overall well-being.

7.2 HEALTH AND SAFETY

7.2.1 Occupational Health and Safety

We are committed to providing a safe working environment and protecting employees from occupational hazards. The Group holds ISO 45001:2018 certification and has established its Occupational Health and Safety ("**OHS**") Management System in accordance with the standard.

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.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

With the aim of standardizing the Group's occupational health and safety management, we have also established the Occupational Safety and Health Management Regulation, 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.

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 for 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.

- Workplace Misconduct Prevention Plan

The Group has established a Workplace Misconduct Prevention Plan and a Statement on the Prevention of Workplace Misconduct, explicitly prohibiting all forms of workplace violence, harassment, bullying, and discrimination. A confidential reporting channel (care@tslines.com) is available for employees to submit anonymous complaints or seek assistance.

In 2025, the Group enhanced the program by including clearer definitions of potential misconduct behaviors and flowcharts outlining reporting procedures. Regular awareness campaigns and training sessions are also conducted to reinforce employees' understanding of workplace safety and respect.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

We place strong emphasis on occupational Safety Inspections and Fire Safety and Emergency Response Drills. Dedicated safety management personnel are appointed to conduct regular workplace safety inspections. Annual health examinations and medical consultations are provided to employees, along with occupational safety audits and corresponding improvements to mitigate potential risks and prevent occupational injuries. In 2025, all office locations conducted fire safety drills and equipment inspections in accordance with local statutory requirements to strengthen employees' emergency response capability and workplace safety awareness. To prevent occupational diseases and workplace accidents, each regional office implemented various occupational health and safety measures tailored to local regulations and operating conditions.

2025 Highlights

Hong Kong Office: Maintained an "Excellent Class" indoor air quality rating; conducted quarterly fire safety inspections and pest control cleaning; completed annual air-conditioning vent cleaning and disinfection.

Taipei Office: Commissioned professional institutions in February and August 2025 to monitor indoor air quality, lighting levels, and noise, all of which met relevant occupational safety standards.

Guangzhou, Qingdao, and Ho Chi Minh City Offices: Located in LEED – or green-building-certified premises equipped with energy-efficient lighting and central air-conditioning systems, fully complying with green building standards.

We place 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 68 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.

Over the past three years (including the Reporting Year), there were no accidents in which we suffered any injuries or deaths due to work.

	2025
Number of work-related fatalities occurred	0
Rate of work-related fatalities occurred	0%
Lost days due to work-related injuries	0

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

7.2.2 Maritime Transportation and Operational Safety

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 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 outline 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 environmental pollution at sea and financial losses, and provide a decent living and working space for 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.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

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.

For navigation safety in **High-Risk Areas (HRA)**, vessels operate in accordance with the **Best Management Practices Version 5 (BMP5)** guidance. Where appropriate – based on route risk assessments – armed security personnel may be deployed (e.g., in high-risk regions such as West Africa). Each voyage includes a pre-departure risk assessment and appropriate convoy or reporting procedures.

In accordance with the ISM Code, internal annual audits of our owned 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.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

7.3 TALENT DEVELOPMENT

7.3.1 Employee Development and Training

The Group firmly believes that employees' professional growth is integral to the sustainable success of our business. We are committed to providing diverse training opportunities to enhance employees' technical competencies, knowledge of industry standards, occupational health and safety practices, and awareness of relevant laws and regulations.

Training across the Group is governed by the Training Procedure, which defines the requirements for training types, frequency, planning, implementation, and post-training evaluations. This ensures a systematic and continuous learning environment that aligns with corporate objectives and operational needs.

We have established the Training Procedure to enhance the overall training program continuously. For existing staff, the Human Resources Department formulates an annual training plan aligned with the Group's human resources strategy, departmental functions, future development priorities, and applicable regulatory requirements. Department-specific training is also provided to address operational needs and emerging business challenges. To ensure learning effectiveness, the Human Resources Department reviews the assessment and feedback results to evaluate training performance and identify areas for improvement.

All new hires are required to develop an initial training plan and complete orientation training during the onboarding process. The induction program introduces new employees to the Group's management procedures, employee handbook, occupational safety standards, information security responsibilities, and the Group's values and corporate culture. This facilitates smoother integration into the organization and ensures awareness of compliance and operational expectations.

2025 Campus Recruitment and Graduate Training Plan

The **2025 Campus Recruitment and Graduate Training** Plan focused on "rapid integration, cross-departmental exposure, and professional development." The program enabled newly recruited graduates to swiftly adapt to the Group culture and operations through rotational assignments and project-based learning, fostering collaboration and practical skills. This initiative aims to cultivate young talents aligned with the Group's long-term development goals and build a solid foundation for future leadership succession.

To uphold vessel safety and operational excellence, the Group engages professional fleet management companies to supervise crew performance and deliver tailored training programs through the Department Deputy Training Plan. These include modules on safety management, marine accident prevention, and emergency response procedures, in compliance with international maritime safety standards.

During the Reporting Year, various professional and functional training courses were organized, covering topics such as organizational management, human resources management, introduction to dispatch and container management systems, container shipping regulations and terminology, and route planning.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

A total of 503 employees participated in safety training during the Reporting Year, accumulating 769.5 hours of safety training. 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[4]	Total number of training hours	Average number of training hours[5]
By gender	Male	281	84.13%	2282.7	6.83
	Female	409	71.63%	4555	7.98
By employee category	Managers or above	160	76.56%	1784	8.54
	General employees	530	76.15%	5031.7	7.23

7.4 QUALITY MANAGEMENT

7.4.1 Product and Service Management

The Group is committed to pursuing service excellence. In accordance with the ISM Code, applicable domestic and international laws and regulations, the Group has established and implemented the Fleet Administration Manual to guide the operating procedures for each division.

In 2025, the Group optimized maintenance schedules and safety inspection items for selected vessels to enhance operational efficiency and equipment reliability. In addition, the Policy from Lead to Cash (PLC 1) clearly defines standardized procedures for order acceptance, processing, and payment, ensuring consistency, traceability, and transparency in service delivery and exception handling.

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. When service errors or defects occur, the Group promptly activates its internal reporting and corrective procedures. In cases involving cargo or equipment withdrawal, the Marine Department performs risk assessments and implements corrective actions according to established procedures.

Regular employee training sessions are held to strengthen staff awareness, communication skills, and professional sensitivity in handling customer complaints – cultivating a service culture centered on “responsiveness, continuous improvement, and customer respect.”

4 The percentage of employees trained by category is calculated as the number of employees trained in specific category divided by the total number of employees.

5 The average training hours per employee by category are calculated as the total training hours of employees in specific category divided by the total number of employees in the same category.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

The Group highly values customer rights and has established a comprehensive complaint and remediation mechanism to ensure that all feedback and requests receive prompt and appropriate responses. Multiple reporting channels – including customer service hotlines, emails, online platforms, and sales representatives – are available. For recurring or systemic issues, a Root Cause Analysis (RCA) is conducted to identify preventive actions, which are then reviewed during internal management meetings for continual improvement.

In 2025, the Group received approximately 398 customer complaints and feedback cases across global offices, mainly concerning:

- Schedule delays
- Container damage
- Inaccurate cargo tracking information
- Missing seals

The resolution rate of the above complaints reached 90%, and the overall customer satisfaction level was 90%.

Key improvement measures included:

- Enhancing cargo tracking accuracy through joint review by the Information and Marketing Departments.
- Optimizing customer notification mechanisms to ensure real-time updates on schedule delays and port congestion.
- Strengthening container inspection and maintenance routines to reduce equipment damage and seal irregularities.
- Conducting retraining for employees in high-incident regions to improve problem-solving and customer communication efficiency.

The Group will continue to enhance transparency and credibility across internal and external communication channels, ensuring that all remediation processes are fair and efficient. Continuous staff training will further strengthen the corporate culture of responsiveness and service excellence.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

7.4.2 Product and Service Quality and Safety

The Group's shipping operations, including its fleet management, have established and obtained certification for its ISO 9001 Quality Management System, consistently upholding the core values of "stable quality, excellent service, and reliable safety" as the guiding principle for enhancing product and service quality. In 2025, the Group further strengthened internal processes, improved customer experience and operational efficiency, and conducted annual customer satisfaction surveys to promptly gather feedback covering delivery timeliness, service quality, communication efficiency, and issue response, incorporating analysis results into continuous improvement plans. At the same time, through cross-departmental collaboration and regular reviews, the Group is committed to delivering safe, reliable, and sustainably valuable services, further consolidating customer trust and loyalty.

Key Initiatives and Improvements in 2025

1. Digital Operations Enhancement

The Group continued to advance process automation and system optimization to improve operational efficiency and data accuracy. Major initiatives included:

- Automated Declaration System for Dangerous Goods (DG):
  Developed an automated DG declaration module to meet updated regulatory requirements and reduce manual errors.

- Optimization of Shipping Order (SI) Interface:
  Enhanced data validation controls to improve data completeness and processing accuracy.

- Upgraded Import Charges Inquiry Platform:
  Introduced new search functionality to improve information transparency and reduce manual communications.

- Corporate Website and API Security Reinforcement:
  Strengthened data encryption and system security to enhance information protection and governance.

- Implementation of a Next-Generation ERP System:
  The system supports integrated management processes and enhances data accuracy and operational visibility.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

2. Fleet and Container Quality Upgrade and Safety Management Enhancement

To ensure safe vessel operations and high-quality containers, the Group continued to invest in fleet modernization and safety management systems. Key measures included:

- New Container Procurement Program:
  Replaced aging containers with upgraded models that meet current safety and environmental standards.

- Dangerous Goods (DG) Management and Training:
  Enhanced DG transport management and employee training in line with international regulatory requirements.

- Digital Monitoring of Vessel Energy Efficiency and CII Performance:
  Implemented digital monitoring tools to support regulatory compliance and energy efficiency management.

- Cybersecurity and Maritime Network Risk Management:
  Integrated cybersecurity measures into the Safety Management System to strengthen ship-to-shore information security.

7.5 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 Year, we had a total of 1284 suppliers, with 540 suppliers in Asia regions. Refer to the detailed breakdown of the number of suppliers by geographical location in Chapter 8.2 Environmental and Social Performance Indicators.

7.5.1 Supply Chain Management

The Group has established a comprehensive supplier management and evaluation system in accordance with the Procurement and Payment Management Policy and various internal procedures. The system covers different supplier categories, including vessels, materials, fuels, container depots, container manufacturers, and service providers, ensuring product quality, contractual compliance, and adherence to safety standards.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

Major governing procedures include:

- Procurement Management Procedure for Vessel Parts and Materials
- Procurement and Maintenance Procedure for Marine Technical Materials (Marine Department)
- Supplier Evaluation Management Procedure for Fleet and Engineering Departments
- Supplier Selection and Management Procedure for Container Manufacturers and Refrigeration Equipment Providers
- Container Depot Selection and Management Procedure
- Terminal Selection and Management Procedure
- New Vessel Procurement Operating Procedure
- Marine Fuel Procurement Procedure

These procedures clearly define supplier qualification reviews, quotation and negotiation processes, contract signing, inspection, and payment workflows to ensure that all procurement activities are transparent, compliant, and fair.

Supplier Evaluation Mechanisms

Supplier assessments are conducted annually based on the supplier's business type and operational nature:

- Vessel Parts and Maintenance Suppliers:
  An annual evaluation is carried out using the Supplier and Maintenance Contractor Evaluation Form. The results are reviewed by department heads and the Designated Person Ashore (DPA). Suppliers scoring below 70 points for two consecutive years or exhibiting major non-conformities are disqualified.
- Terminal and Depot Suppliers:
  Annual evaluations cover aspects such as operational efficiency, service quality, crisis response capability, container repair quality, AEO/C-TPAT/CSI certification status, and compliance with the ISPS Code, occupational safety, environmental protection, and ESG requirements.
- New Container and Refrigeration Equipment Suppliers:
  Evaluations are conducted annually based on the Annual Container Factory Evaluation Form or the Annual Refrigeration Equipment Supplier Evaluation Form.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

As of 2025, data on the number or percentage of suppliers assessed under the supplier code of conduct was not yet complete. The Group plans to gradually establish data collection mechanisms to enhance coverage and ensure more comprehensive disclosure in the future.

7.5.2 Green Supply Chain

In selecting and managing suppliers, the Group considers not only quality, price, and logistics conditions but also ESG-related factors to ensure sustainable supply chain operations.

Key practices include:

- Under the Terminal Selection and Management Procedure, ESG performance, codes of conduct, occupational health and safety, and environmental compliance are explicitly included in supplier contract negotiations and evaluation criteria.

- For new container and refrigeration equipment suppliers, the Group requires valid certifications such as ISO 9001 (Quality Management), ISO 45001 (Occupational Health and Safety Management), and ISO 14001 (Environmental Management). Suppliers are also encouraged to provide ESG or sustainability reports for review.

- A minimum passing score of 70 points is required in supplier evaluations, integrating sustainability and integrity principles into procurement and supplier management to ensure partners uphold environmental, social, and governance responsibilities.

- For new-building vessels, vessel maintenance, and fuel procurement, all suppliers must comply with the IMO standards, the MARPOL Convention, and the SOLAS to mitigate potential environmental risks.

The Group prioritizes environmental and sustainability considerations in procurement decisions, actively encouraging departments to select suppliers with eco-friendly certifications, energy-saving products, or green manufacturing capabilities. While a formal Green Procurement Policy has not yet been established, each department has gradually incorporated energy efficiency and waste reduction principles into daily procurement operations.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

7.6 INTELLECTUAL PROPERTY AND PRIVACY PROTECTION

7.6.1 Intellectual Property Protection

The Group fully recognizes the critical importance of intellectual property protection to business operations and brand reputation. In addition to strictly complying with relevant laws and regulations (such as the Trademark Ordinance, Fair Trading Act, and Trademark Law of the People's Republic of China), it has established internal mechanisms to strengthen IP management and enhance employees' legal compliance awareness.

In June 2025, the Group's Compliance Office issued the Announcement of Intellectual Property Protection, which clearly stipulates guidelines for employees' use of software, online resources, and multimedia materials during work. It requires all staff to install and use only company-authorized genuine software and programs, and strictly prohibits downloading or reproducing unauthorized articles, images, audio, videos, or fonts to avoid infringing copyright and trademark laws. If there are any doubts, employees must proactively consult the IT or Legal Department for confirmation to ensure the legality and security of information usage.

Additionally, the Group has implemented the internal policy Coordination Required for External Content and Material Usage, requiring branches or agents to submit content involving the Group's image or promotional materials to headquarters for review prior to publication. The guidelines explicitly prohibit the unauthorized use of online images, videos, or fonts and mandate acknowledgment of reprint sources to maintain consistency and legality in the Group's external communications.

Through policy promotion and cross-departmental collaboration, we committed to implementing IP management, mitigating infringement risks, safeguarding internal and external data and assets, continuously enhancing overall employee compliance awareness, ensuring full legal compliance in business operations and external promotional activities, and upholding the common interests of the Group and rights holders.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

7.6.2 Customer Privacy and Data Protection

The Group places great emphasis on information security and customer data protection. In accordance with the Code of Conduct for staff, IT Systems Management Policy, Information and Communications Security Management Procedures, and Data Protection Management Procedures, it has established a comprehensive information security governance framework covering policy formulation, risk assessment, incident reporting, backup and disaster recovery, training, and continuous improvement mechanisms. This framework is overseen by the Chief Information Security Officer with regular reviews of implementation effectiveness to ensure the integrity and security of operational information and customer data.

To ensure effective policy implementation, the Group executed the following key measures in 2025:

Adopted industry standards to establish an information systems security baseline (Security Baseline) with regular compliance monitoring, enabling the governance framework to flexibly address external threats and internal business changes.

Comprehensively updated email domain certificates across all regions to ensure service continuity and high security:

- NetEase email service (China region): Completed domain certificate configuration, ensuring secure and reliable email transmission connections.
- Exchange Online service (other regions) (covering Japan, Korea, Philippines, Malaysia, Taiwan, Thailand, Vietnam): Synchronized domain certificate updates, maintaining the highest standards of encrypted connection quality.

As of the end of 2025, the Group experienced no incidents involving customer data or personal data breaches. The IT Department adheres to the materiality principle, conducting regular inventories of information security incidents and potential risks while continuously validating the effectiveness of response and remediation measures. Through institutionalized risk identification and incident reporting mechanisms, the Group continuously strengthens its information security governance and defense capabilities, effectively safeguarding the shared interests of the enterprise and its customers.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

7.7 COMMUNITY ENGAGEMENT

The Group upholds the philosophy of "giving back to society and prospering together locally," viewing community engagement as a key pillar of sustainable governance. In accordance with the *ESG Activity Implementation Guidelines,* the Group encourages branches to independently promote localized initiatives focusing on environmental, educational, charitable, health, or cultural aspects based on local needs.

Implementation Framework and Key Practices

- Guidelines Development and Oversight: The Planning Department issues the *ESG Activity Implementation Guidelines,* providing activity recommendations and examples while regularly tracking progress.

- Branch Autonomy in Planning: Each branch plans suitable engagement activities according to local community characteristics and needs, with periodic reporting of outcomes.

- Guiding Principles: All activities adhere to voluntary participation and safety-first principles to protect participants' rights and ensure activity quality.

Activity outcomes are incorporated into branches' KPI assessments to incentivize active participation and strengthen enterprise-community connections. Through systematic promotion, the Group continues to fulfill its commitment that "businesses bring positive impact to society" with concrete actions, deepening local co-prosperity relationships.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

During the Reporting Year, the Group contributed a total of 790.5 employee volunteer hours, supporting 28 community programs that benefited approximately 200 people through various social investment and public welfare initiatives.

Case Study 1: *2025/06*

Japan ESG Activities: "Reefer Container Exhibition", "Tokyo Office Neighborhood Cleaning", "Osaka Rice Donation to Welfare Institutions"



TSL Japan participated in the Tokyo Port Festival and partnered with Sumitomo Corporation to showcase one of our refrigerated containers in a special public exhibition. This was the first time many residents had direct access to cold chain equipment. The two-day event attracted over a thousand visitors.

Tokyo Action-Office Neighborhood Cleaning: Staff worked together to clean the surrounding environment, contributing to a cleaner cityscape.



Osaka Action-Rice Donation: In response to rice shortages and rising prices, the Osaka team donated 100kg of rice to local children's cafeterias and welfare institutions, helping to provide nutritious meals and earning heartfelt appreciation.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

Case Study 2: *2025/07*

Shenzhen ESG Activities: "Emergency First Aid Training"



TSL Shenzhen arranged staff participation in an emergency first aid training program. The training covered common emergency care knowledge, PR, and AED usage. This initiative promoted public safety, improved health education, and strengthened community resilience to unexpected incidents.

Guangzhou ESG Activities: "Eco-Garden Experience with Building Management"



TSL Guangzhou organized an "Eco-Environmental Activity" in the rooftop garden of their office building, together with the building management. Activities included eco-knowledge sharing and a hands-on vegetable harvesting experience.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

Case Study 3: *2025/09*

WPRD ESG Activities: "Blue Action – Beach Clean-up Day"



TSL WPRD organized the "Blue Action" beach clean-up in Yangjiang. Staff collaborated to remove waste such as plastic bags, glass bottles, and discarded items. The activity strengthened teamwork, increased environmental awareness, and demonstrated the Group's CSR commitment.

Thailand ESG Activities: "Plastic Bottle and Cap Recycling to Support Temple Reuse Project"



TSL Thailand promoted plastic waste reduction and recycling. Staff collected plastic bottles and caps, donating them to Wat Chak Daeng temple, where they were transformed into clothes and cloth bags.

The initiative reflects TSL's dedication to sustainable resource management and will continue with further recycling projects.

Japan ESG Activities: "Regular Employee Participation in Street Cleaning"



TSL Japan staff in Tokyo's Chuo ward and in Osaka took part in the "Street Clean Day" street-cleaning campaign. The 30-minute morning activity before work encouraged employees to maintain a cleaner community environment. Through consistent participation, staff enhanced environmental awareness, strengthened community ties, and fostered a positive corporate culture.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

Case Study 4: *2025/10*

Hong Kong ESG Activities: "Spreading Warmth Through Acts of Kindness"



T.S. Lines Hong Kong office raised HK$2,000 to provide 100 charity lunch boxes and donated 366 pieces of baby clothing through the Kowloon Lok Sin Tong Flag Day and internal drives. The team also offered second-hand furniture and baby items to support domestic violence survivors via the Po Leung Kuk Family Crisis Support Centre. These actions demonstrate the Group's commitment to ESG values and caring for the local community.

Xiamen ESG Activities: "Protecting Our Coastline, Starting from Clean"



TSL Xiamen held its first beach cleanup at Pearl Bay, collecting 17.8 kg of waste and inspiring employees to protect the ocean and promote sustainable living.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

Haiphong ESG Activities: “Donation Campaign for Northern Vietnam Flood Relief”



TSL Hai Phong swiftly organized a donation campaign following Typhoons Bualoi and Matmo, raising VND 25 million to support flood relief and reconstruction – demonstrating the company’s commitment to community care and social responsibility.

Ningbo ESG Activities: “Green Environmental Protection Public Welfare Activity”



TSL Ningbo partnered with the Ningbo Siming Rescue Team to host a “Leave No Trace” clean-up at Zhongpo Mountain, collecting waste along hiking trails to promote environmental protection and sustainable living.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

Case Study 5: *2025/11*

Qingdao ESG Activities: "Caring for Children with Love" Donation to Mengyuan Autism Development Center



TSL Qingdao volunteers visited the Mengyuan Autism Development Center, donating essential supplies and spending time with the children – demonstrating the company's compassion and commitment to supporting children with special needs.

Thailand ESG Activities: "Bright Day for Little Ones" Community Care Initiative



T.S. Lines Thailand organized the "Bright Day for Little Ones" event at the Baannokkamin Foundation, providing care and donations for underprivileged children – embodying the team's compassion and spirit of shared social responsibility.

7. SOCIAL AND OPERATIONAL RESPONSIBILITY

Case Study 6: *2025/12*

Taipei ESG Activities: "Year-End Charity Donation Initiative Supporting Families and Children"



T.S. Lines Taipei's ESG team donated NTD 163,288 and essential supplies to the Taipei Family Support Center, supporting underprivileged families and children and reinforcing the company's commitment to social care and community partnership.

Singapore ESG Activities: "Plant-A-Tree programme enhances Singapore's greenery."



T.S. Lines Singapore organized a Plant-A-Tree Programme, combining donations and hands-on tree planting to promote urban greening and sustainability while enhancing employees' environmental awareness and team spirit.

8. ANNEX

8.1 LAWS AND REGULATIONS THAT HAVE A SIGNIFICANT IMPACT ON THE GROUP

Each regulation[6] corresponds to the content of the Environmental, Social and Governance Reporting Code.		Compliance Status of The Group
A. Environmental		
A1 Emissions		
International	International Convention for the Prevention of Pollution from Ships ("MARPOL")	During this reporting period, our Group did not violate any laws and regulations listed in Appendix I regarding exhaust gas and greenhouse gas emissions, discharges to water and land, generation of hazardous and non-hazardous waste, and noise control.
	International Safety Management Code ("ISM Code")	
	Convention on Biological Diversity	
	International Convention for the Safety of Life at Sea ("SOLAS")	
	International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention)	
	D2 Standards of the IMO Ballast Water Management Convention	
	Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships ("Hong Kong Convention")	
Mainland China	Environmental Protection Law of the People's Republic of China (2017 Amendment)	
	Environmental Impact Assessment Law of the People's Republic of China (2018 Amendment)	
	Environmental Protection Tax Law of the People's Republic of China (2018 Amendment)	
	Implementation Regulations of the Environmental Protection Tax Law of the People's Republic of China (2018)	
	Law of the People's Republic of China on Promotion of Cleaner Production (2012 Amendment)	
	Energy Conservation Law of the People's Republic of China (2018 Amendment)	
	Renewable Energy Law of the People's Republic of China (2023 Amendment)	
	Energy Law of the People's Republic of China (2024)	

6 The Group's operations are legally compliant. The laws and regulations complied with by the Group include, but are not limited to, those listed in Appendix I.

8. ANNEX

Each regulation[6] corresponds to the content of the Environmental, Social and Governance Reporting Code.		Compliance Status of The Group
A. Environmental		
	Regulations of the People's Republic of China on Nature Reserves (2017 Amendment)	
	Ports Law of the People's Republic of China (2004)	
	Rules of the People's Republic of China on the Safety Operation of Ships and Management of Pollution Prevention (NSM)	
	Atmospheric Pollution Prevention and Control Law of the People's Republic of China (2018 Amendment)	
	Water Law of the People's Republic of China (2016 Amendment)	
	Law of the People's Republic of China on the Prevention and Control of Water Pollution (2017 Amendment)	
	Law of the People's Republic of China on Marine Environment Protection (2023 Amendment)	
	Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (2020 Amendment)	
	Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution (2021)	
Hong Kong	Air Pollution Control Ordinance (Cap. 311)	
	Merchant Shipping (Local Vessels, Local Certificates of Competency) Ordinance (Cap. 313)	
	Water Pollution Control Ordinance (Cap. 358)	
	Dumping at Sea Ordinance (Cap. 466)	
	Merchant Shipping (Prevention and Control of Pollution) Ordinance (Cap. 413)	
	Waste Disposal Ordinance (Cap. 354)	
Taiwan	Ocean Pollution Prevention and Control Act	
	Sewerage Act (2014)	
	Merchant Shipping Act	
Other Region	EU Ship Recycling Regulation	
	California Ocean-Going Vessel Fuel Regulation	
	California At-Berth Regulation	
	International Safety Management Code ("ISM Code")	
	International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention)	

8. ANNEX

Each regulation[6] corresponds to the content of the Environmental, Social and Governance Reporting Code.		Compliance Status of The Group
A. Environmental		
A3 Environment and Natural Resources		
International	International Convention on the Control of Harmful Anti-fouling Systems on Ships (AFS Convention, 2001)	During this reporting period, our Group did not violate any laws and regulations listed in Appendix I regarding environment and natural resources.
	IMO Guidelines for Biofouling Management	
Other Region	Australian Biofouling Management Requirements (Australian Biofouling Regulations)	
	California At-Berth Regulation (United States)	
B. Social		
B1 Employment		
International	Maritime Labour Convention, 2006	During this reporting period, our Group did not violate any laws and regulations listed in Appendix I regarding remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, and other benefits.
Mainland China	Labor Law of the People's Republic of China[7]	
	Labor Contract Law of the People's Republic of China	
	Implementation Regulations of the Labor Contract Law of the People's Republic of China	
	Social Insurance Law of the People's Republic of China	
	Regulations on Paid Annual Leave for Employees	
	Law of the People's Republic of China on the Protection of Women's Rights and Interests[8]	
	Law of the People's Republic of China on the Protection of Minors[9]	
	Labor Dispute Mediation and Arbitration Law of the People's Republic of China	
	Regulations on the Administration of Labor Services Cooperation with Foreign Countries	
	Law of the People's Republic of China on the Protection of Persons with Disabilities	
	Regulations on the Employment of Persons with Disabilities	
Hong Kong	Sex Discrimination Ordinance Cap. 480	
	Disability Discrimination Ordinance Cap. 487	
	Family Status Discrimination Ordinance Cap. 527	
	Race Discrimination Ordinance Cap. 602	
	Employment Ordinance[10] Cap. 57	

7 To avoid repetitive description, this law and regulation also apply to Appendix sections "Aspect B2" and "Aspect B4".
8 To avoid repetitive description, this law and regulation also apply to Appendix sections "Aspect B4".
9 To avoid repetitive description, this law and regulation also apply to Appendix sections "Aspect B4".
10 To avoid repetitive description, this law and regulation also apply to Appendix sections "Aspect B4".

8. ANNEX

Each regulation[6] corresponds to the content of the Environmental, Social and Governance Reporting Code.		Compliance Status of The Group
B. Social		
	Employees' Compensation Ordinance Cap. 282	
	Minimum Wage Ordinance Cap. 608	
	Mandatory Provident Fund Schemes Ordinance Cap. 485	
Taiwan	Gender Equality in Employment Act	
	Labor Standards Act[11]	
B2 Health and Safety		
International	International Convention for the Safety of Life at Sea (SOLAS)	During this reporting period, our Group did not violate any laws and regulations listed in Appendix I regarding the provision of safe working environments and protection of employees from occupational hazards.
	International Safety Management (ISM) Code	
	International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978 (STCW Convention)	
Mainland China	Work Safety Law of the People's Republic of China	
	Provisions on Supervision and Administration of Occupational Health at Workplaces	
	Fire Protection Law of the People's Republic of China	
	Law of the People's Republic of China on Prevention and Control of Occupational Diseases	
	Regulations on Work-Related Injury Insurance	
	Labor Insurance Regulations of the People's Republic of China	
Hong Kong	Occupational Safety and Health Ordinance	
Taiwan	Occupational Safety and Health Act	
B4 Labour Standards		
International	Maritime Labour Convention, 2006	During this reporting period, our Group did not violate any laws and regulations listed in Appendix I regarding the prevention of child labor and forced labor.
Mainland China	Provisions on the Prohibition of Child Labor	
Hong Kong	Employment of Children Regulations (Cap. 57B)	

11 To avoid repetitive description, this law and regulation also apply to Appendix sections "Aspect B4".

8. ANNEX

Each regulation[6] corresponds to the content of the Environmental, Social and Governance Reporting Code.		Compliance Status of The Group
B. Social		
B6 Product Responsibility		
Mainland China	Trademark Law of the People's Republic of China	During this reporting period, our Group did not violate any laws and regulations listed in Appendix I regarding product and service responsibilities, privacy matters, and remedial measures.
	Standardization Law of the People's Republic of China	
	Implementation Regulations of the Standardization Law of the People's Republic of China	
	Tort Liability Law of the People's Republic of China	
	Patent Law of the People's Republic of China	
	Personal Information Protection Law of the People's Republic of China	
Hong Kong	Product Safety Ordinance (Cap. 456)	
	Personal Data (Privacy) Ordinance (Cap. 486)	
Taiwan	Fair Trade Act[12]	
	Trademark Act	
B7 Anti-Corruption		
International	United Nations Convention against Corruption	During this reporting period, our Group did not violate any laws and regulations listed in Appendix I regarding the prevention of bribery, extortion, fraud, and money laundering.
Mainland China	Criminal Law of the People's Republic of China (2017 Amendment)	
	Anti-Money Laundering Law of the People's Republic of China (2024 Amendment)	
	Anti-Unfair Competition Law of the People's Republic of China (2017 Amendment)	
	Anti-Monopoly Law of the People's Republic of China (2022 Amendment)	
	Law of the People's Republic of China on Invitation and Submission of Tenders (2017 Amendment)	
Hong Kong	Prevention of Bribery Ordinance Cap. 201	
Taiwan	Corruption Punishment Statute	
Other Region	Foreign Corrupt Practices Act (FCPA)	

12 To avoid repetitive description, this law and regulation also apply to Appendix sections "Aspect B7".

8. ANNEX

8.2 ENVIRONMENTAL AND SOCIAL PERFORMANCE INDICATORS

Environmental			
Environmental KPIs	**Unit**	**2025**	**2024[13]**
Air emissions[14]			
NOx emissions	000' tonne	24.88	25.62
SOx emissions	000' tonne	12.09	12.12
PM emissions	000' tonne	2.44	2.52
GHG emissions			
Total GHG emissions (Scope 1 and 2)	000' tonne CO_2e	1,044.11	1,074.07
Total GHG emissions intensity (Scope 1 and 2)	000' tonne CO_2e/revenue (US$'000)	0.00081	0.00080
Scope 1 – Direct emissions[15]	000' tonne CO_2e	1,043.81	1,073.79
Scope 2 – Energy indirect emissions[16]	000' tonne CO_2e	0.30	0.28
Scope 3- Other indirect emissions[17]	000' tonne CO_2e	392.70	238.60
Category 1 – Purchased Goods and Services[18]	000' tonne CO_2e	65.03	/
Category 2 – Capital Goods[19]	000' tonne CO_2e	95.86	/
Category 3 – Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2[20]	000' tonne CO_2e	231.81	238.60
Total GHG emissions (Scope 1, 2 and 3)	000' tonne CO_2e	1,436.81	1,312.67
Total GHG emissions intensity (Scope 1, 2 and 3)	000' tonne CO_2e/revenue (US$'000)	0.0011	/

13 2024 Data Adjustment: 1) Air pollutants and greenhouse gas emissions from marine fuel: Historical data have been revised in 2025 following updates to the emission factors. 2) Hazardous and non-hazardous waste: Due to changes in data collection scope and statistical boundaries in 2024, the 2025 reporting period includes refined statistical boundaries and improved data coverage for ship-generated and office operational waste. The 2025 data definition shall serve as the reporting baseline, and the 2024 data are not used for year-on-year comparison.

14 Refers to air emissions generated from the fuel combustion during vessel operations and motor vehicle activities. The emission data is calculated according to emission factors in the Fourth IMO GHG Study 2020, the Technical Guidelines for Compiling Emission Inventories of Air Pollutants from On road Mobile Sources (Trial) issued by the Ministry of Ecology and Environment of the People's Republic of China (MEE), and the EMEP/EEA Air Pollutant Emission Inventory Guidebook – 2023.

15 Refers to GHG emissions generated from the fuel combustion during vessel operations, motor vehicle activities, and refrigerant usage. The emission data is calculated according to emission factors in the Fourth IMO GHG Study 2020, the Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions from Land Transport Enterprises (Trial) issued by the Ministry of Ecology and Environment of the People's Republic of China (MEE), and the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Public Purposes) in Hong Kong, 2010 Edition jointly published by the Electrical and Mechanical Services Department (EMSD) and the Environmental Protection Department (EPD) of the Government of the Hong Kong Special Administrative Region. The global warming potential (GWP) values are based on the latest updates from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6, 2021).

16 Refers to GHG emissions associated with electricity purchased by the Group. The emission data is calculated according to the latest available local emission factors.

17 In 2024, the Group only quantified and disclosed emissions under Scope 3 Category 5 "Fuel – and Energy-Related Activities (Not Included in Scope 1 or Scope 2)". Starting from 2025, to further enhance the completeness and comparability of greenhouse gas inventory, emissions from Scope 3 Categories 1 "Purchased Goods and Services" and 2 "Capital Goods" have been additionally included. Therefore, the Scope 3 emissions coverage in 2025 is broader than in 2024, and the data between the two years is not directly comparable. The changes primarily reflect the expansion of Scope 3 coverage rather than actual fluctuations in emission levels.

18 Refers to GHG emissions associated with tangible and intangible goods purchased by the Group. The emission data is calculated according to the latest available emission factors from the U.S. Environmental Protection Agency (EPA). Supply Chain Greenhouse Gas Emission Factors. Derived from USEEIO models.

19 Refers to GHG emissions associated with capital goods purchased by the Group. The emission data is calculated according to the latest available emission factors from the U.S. Environmental Protection Agency (EPA). Supply Chain Greenhouse Gas Emission Factors. Derived from USEEIO models.

20 Refers to emissions related to 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 the latest available GHG conversion factors from the Department for Environment, Food & Rural Affairs of the United Kingdom, and National Grid Electricity Carbon Footprint Factor (2024), Ministry of Ecology and Environment of the People's Republic of China (MEE).

8. ANNEX

Environmental			
Environmental KPIs	**Unit**	**2025**	**2024[13]**
Waste[21]			
Total hazardous waste produced	tonne	58.44485	/
Hazardous waste intensity	tonnes / revenue (US$ million)	0.0455	/
Total non-hazardous waste produced	tonne	215.91	/
Non-hazardous waste intensity	tonnes / revenue (US$ million)	0.1681	/
Energy use			
Total energy consumption	MWh	3,684,741.22	3,791,989.34
Total energy intensity	MWh/revenue (US $'000)	2.87	2.83
Total direct energy consumption	MWh	3,684,167.97	3,791,408.86
Heavy fuel oil	MWh	2,058,423.97	1,998,049.80
Low sulphur fuel oil	MWh	1,544,423.44	1,720,127.55
Low sulphur marine gas oil	MWh	81,007.06	73,231.51
Passenger Car - Petrol	MWh	282.98	/
Passenger Car - Diesel Oil	MWh	30.53	/
Total indirect energy consumption	MWh	573.25	580.48
Purchased electricity	MWh	573.25	580.48
Other Resources			
Paper consumption	tonne	15.65	/
Other resource consumption[22]	tonne	1153.96	/
Water			
Total water consumption[23]	m^3	26,107.56	33,255.45
Water intensity	m^3/revenue (US$'000)	0.020	0.025
Freshwater generation from water desalination	m^3	61,820.82	49,849.00
Wastewater discharge			
Wastewater discharge during sailing[24]	m^3	110,265,804.38	92,425,000.82
Amount of ballast water exchange with seawater	m^3	1,604,680.55	1,810,407.14
Percentage of fleet implementing ballast water exchange	%	88.33%	100%
Percentage of fleet implementing ballast water treatment	%	100.00%	100%

21 Ship-generated waste is classified in accordance with the provisions of Annex V of the International Convention for the Prevention of Pollution from Ships (MARPOL). The classification of ship-generated waste as hazardous or non-hazardous is defined based on the Simplified overview of the discharge provisions of the revised MARPOL Annex V (IMO, 2018). For non-hazardous waste generated from office operations, the amount of wastepaper is estimated based on office paper consumption, applying a disposal rate of 40%.

22 Other resource consumption refers to non-energy raw materials used during vessel operation. This includes, but is not limited to, the use of steel, aluminum alloys and other metallic materials, coatings and protective paints, as well as composite materials applied for repair or structural reinforcement. The indicator is intended to capture the material inputs associated with vessel operational activities, not manufacturing or fuel consumption.

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

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

8. ANNEX

Social			
Social KPIs	**Unit**	**2025**	**2024**
Number of employees			
Total number of employees	Number of	905	908
Number of employees by employment type			
Full-time employees	Number of	903	908
Part-time employees	Number of	2	0
Number of employees by contract type			
Permanent	Number of	891	899
Temporary	Number of	14	9
Number of employees by gender			
Male	Number of	334	360
Female	Number of	571	548
Number of employees by age group			
Below 30	Number of	200	210
30 – 50	Number of	598	587
Above 50	Number of	107	111
Number of employees by employment category			
Managers or above	Number of	209	109
General employees	Number of	696	799
Number of employees by geographical region			
Taiwan	Number of	244	258
Mainland China	Number of	277	274
Hong Kong	Number of	67	67
Other region	Number of	317	309
Turnover			
Total number of resigned employees	Number of	101	122
Turnover rate[25] by gender			
Male	%	15.57%	15.83%
Female	%	8.58%	11.86%
Turnover rate by employee category			
Managers	%	4.78%	5.50%
General employees	%	13.07%	14.52%

25 Turnover rate by category is calculated as: the number of employees in the specified category leaving employment/ the number of employees in the specified category.

8. ANNEX

Social			
Social KPIs	**Unit**	**2025**	**2024**
Turnover rate by age group			
Below 30	%	20.00%	23.33%
30 – 50	%	9.03%	9.37%
Above 50	%	6.54%	16.22%
Turnover rate by geographical region			
Taiwan	%	15.98%	18.22%
Mainland China	%	4.69%	6.93%
Hong Kong	%	0.00%	19.40%
Other region	%	15.46%	13.92%
Health and Safety			
Number of work-related fatalities	Number of	0	0
Number of lost days due to work injury	Days	0	0
Training			
Number of trained full-time employees	Number of	690	323
Percentage of trained employees[26] by gender			
Male	%	84.13%	30.28%
Female	%	71.63%	39.05%
Percentage of trained employees by employee category			
Managers or above	%	76.56%	45.87%
General employees	%	76.15%	34.17%
Training Hours			
Average number of training hours[27] completed by employee by gender			
Male	Hours	6.83	2.48
Female	Hours	7.98	4.84
Average number of training hours completed by employee by employee category			
Managers or above	Hours	8.54	7.28
General employees	Hours	7.23	3.44
Number of suppliers by geographical region			
Taiwan	Number of	349	369
Mainland China	Number of	204	63
Hong Kong	Number of	53	211
Asia (excluding the above regions)	Number of	540	615
Other region	Number of	138	111
Products			
Total complaints received for services	Number of	398[28]	0

26 The percentage of employees trained by category is calculated as the number of employees trained in specific category divided by the total number of employees.

27 The average training hours per employee by category are calculated as the total training hours of employees in specific category divided by the total number of employees in the same category.

28 In 2025, the number of customer complaints (398 cases) increased significantly compared with the previous year (0 cases), mainly due to adjustments in statistical scope and the enhancement of management mechanisms. In 2024, only major violations or cases involving legal disputes were recorded, while general operational feedback or service-related comments were not included.
Starting from 2025, the Group established a formal Customer Feedback and Complaint Registration Mechanism, under which regional subsidiaries consolidate customer reports covering matters such as delivery delays, documentation errors, product damage, service objections, and general business communications.
Therefore, the 2025 statistics more comprehensively reflect customer interactions and routine operational feedback, and do not indicate an actual decline in customer satisfaction or an increase in complaint risk.

8. ANNEX

8.3 THE STOCK EXCHANGE ESG CODE CONTENT INDEX

Disclosure Requirements		Sections/Remarks
Mandatory Disclosure Requirements		
Governance Structure	A statement from the board containing the following elements: (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.	Our ESG Approach – ESG Governance Structure
Reporting Principles — Materiality	The ESG report should disclose: (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.	About This Report – Reporting Standards and Principles
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).	About This Report – Reporting Standards and Principles
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.	About This Report – Reporting Standards and Principles
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.	About This Report – Reporting Scope and Reporting Period
Subject Areas, Aspects, General Disclosures and KPIs		
A. Environmental		
Aspect A1: Emissions		
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 air, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Responsibility and Sustainability – Environmental Management System, Emissions Compliance Management

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Disclosure Requirements		Sections/Remarks
KPI A1.1	The types of emissions and respective emissions data.	Environmental and Social Performance Indicators
KPI A1.2	[Repealed 1 January 2025]	/
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.	Environmental Responsibility and Sustainability – Environmental Management System
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.	Environmental Responsibility and Sustainability – Environmental Management System
Aspect A2: Use of resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Responsibility and Sustainability – Resource Usage and Management
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
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Responsibility and Sustainability – Environmental Management System
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.	Environmental Responsibility and Sustainability – Environmental Management System
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.

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Disclosure Requirements		Sections/Remarks
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Environmental Responsibility and Sustainability – Environmental and Natural Resource Protection
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Responsibility and Sustainability – Environmental and Natural Resource Protection
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.	Social and Operational Responsibility – Employment and Labor Rights – Employment Management, Human Rights and Labor Rights, Employee Compensation and Benefits
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.	Social and Operational Responsibility – Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the Reporting Year.	Social and Operational Responsibility – Health and Safety Environmental and Social Performance Indicators
KPI B2.2	Lost days due to work injury.	Environmental and Social Performance Indicators

8. ANNEX

Disclosure Requirements		Sections/Remarks
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Social and Operational Responsibility – 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.	Social and Operational Responsibility – Talent Development
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.	Social and Operational Responsibility – Employment and Labor Rights – Human Rights and Labor Rights
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Social and Operational Responsibility – Employment and Labor Rights – Human Rights and Labor Rights
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Social and Operational Responsibility – Employment and Labor Rights – Human Rights and Labor Rights
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 – Supply Chain Management
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 – Green 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 – Green Supply Chain

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Disclosure Requirements		Sections/Remarks
Aspect B6: Product Responsibility		
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 health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Intellectual Property and Privacy Protection Quality Management 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.
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.	Quality Management – Product and Service Management
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property and Privacy Protection – Intellectual Property Protection
KPI B6.4	Description of quality assurance process and recall procedures.	Quality Management – Product and Service Quality and Safety
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Intellectual Property and Privacy Protection – Customer Privacy and Data Protection
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.	Anti-Corruption and Integrity

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Disclosure Requirements		Sections/Remarks
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees During the Reporting Year and the outcomes of the cases.	Anti-Corruption and Integrity
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption and Integrity
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption and Integrity
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 Engagement
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Community Engagement
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Engagement
D: Climate Related Disclosure		
(I) Governance		
19 (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities:		
i)	how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Climate Change Response – Governance
ii)	how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Climate Change Response – Governance
iii)	how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	Climate Change Response – Governance
iv)	how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see session "Climate-related targets"), including whether and how related performance metrics are included in remuneration policies (see session "Remuneration");	Climate Change Response – Governance

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Disclosure Requirements		Sections/Remarks
19 (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities:		
i)	whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Climate Change Response – Governance
ii)	whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Climate Change Response – Governance
(II) Strategy		
Climate-related risks and opportunities		
20 (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;		Climate Change Response – Strategy
20 (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;		Climate Change Response – Strategy
20 (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur;		Climate Change Response – Strategy
20 (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.		Climate Change Response – Strategy
Business model and value chain		
21 (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain;		Climate Change Response – Strategy
21 (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated.		Climate Change Response – Strategy
Strategy and decision-making		
22 (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation:		Climate Change Response – Strategy
i)	current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	
ii)	current and anticipated adaptation and mitigation efforts (whether direct or indirect);	
iii)	any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan;	

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Disclosure Requirements		Sections/Remarks
iv)	how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with 37 to 40;	
22 (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22 (a).		
23. disclose information about the progress of plans disclosed in previous reporting periods in accordance with 22 (a).		
Financial position, financial performance and cash flows		
Current financial effect		
24 (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;		Climate Change Response – Strategy
24 (b) the climate-related risks and opportunities identified in paragraph above for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.		Climate Change Response – Strategy
Anticipated financial effect		
25 (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:		Climate Change Response – Strategy
i)	its investment and disposal plans;	
ii)	its planned sources of funding to implement its strategy;	
25 (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.		
Climate resilience		
26 (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:		
i)	the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	Climate Change Response – Strategy
ii)	the significant areas of uncertainty considered in the issuer's assessment of its climate resilience;	Climate Change Response – Strategy
iii)	the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	Climate Change Response – Strategy

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Disclosure Requirements		Sections/Remarks
26 (b) how and when the climate-related scenario analysis was carried out, including:		
i)	information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	Climate Change Response – Strategy
ii)	the key assumptions the issuer made in the analysis;	Climate Change Response – Strategy
iii)	the reporting period in which the climate-related scenario analysis was carried out.	Climate Change Response – Strategy
(III) Risk Management		
27 (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:		
i)	the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	Climate Change Response – Risk Management
ii)	whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risk;	Climate Change Response – Risk Management
iii)	how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	Climate Change Response – Risk Management
iv)	whether and how the issuer prioritises climate-related risks relative to other types of risks;	Climate Change Response – Risk Management
v)	how the issuer monitors climate-related risks;	Climate Change Response – Risk Management
vi)	whether and how the issuer has changed the processes it uses compared with the previous reporting period;	Climate Change Response – Risk Management

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Disclosure Requirements		Sections/Remarks
27 (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities);		Climate Change Response – Risk Management
27 (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.		Climate Change Response – Risk Management
(IV) Metrics and Targets		
Greenhouse gas (GHG) emissions		
28. disclose its absolute gross greenhouse gas emissions generated During the Reporting Year, expressed as metric tons of CO_2 equivalent, classified as: (a) scope 1 emissions; (b) scope 2 emissions; (c) scope 3 emissions.		Climate Change Response – Metrics and Targets Environmental and Social Performance Indicators
29 (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;		Climate Change Response – Metrics and Targets Environmental and Social Performance Indicators
29 (b) disclose the approach it uses to measure its greenhouse gas emissions including:		
i)	the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	Environmental and Social Performance Indicators
ii)	the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions;	Climate Change Response – Metrics and Targets Environmental and Social Performance Indicators
iii)	any changes the issuer made to the measurement approach, inputs and assumptions During the Reporting Year and the reasons for those changes;	Climate Change Response – Metrics and Targets Environmental and Social Performance Indicators
29 (c) disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions;		Climate Change Response – Metrics and Targets Environmental and Social Performance Indicators
29 (d) disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).		Climate Change Response – Metrics and Targets Environmental and Social Performance Indicators

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Disclosure Requirements	Sections/Remarks
Climate-related transition risks	
30. disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Climate Change Response – Metrics and Targets
Climate-related physical risks	
31. disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Climate Change Response – Metrics and Targets
Climate-related opportunity	
32. disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Climate Change Response – Metrics and Targets
Capital deployment	
33. disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	Climate Change Response – Metrics and Targets
Carbon price	
34 (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis);	Climate Change Response – Metrics and Targets
34 (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions.	Climate Change Response – Metrics and Targets
Remuneration	
35. disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Climate Change Response – Metrics and Targets
Industry-based metrics	
36. encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry.	2025 Highlights – Environmental Performance
Climate-related targets	
37. disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target:	
(a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Environmental Management System

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Disclosure Requirements	Sections/Remarks
38. disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
(a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; (d) any revisions to the target and an explanation for those revisions.	We have not yet set quantitative targets and have not undergone third – party verification.
39. disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Environmental Management System
40. For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
(a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonization approach; (e) planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	We will consider setting quantitative climate targets and utilizing carbon credits in the future, but currently prioritize actual decarbonization actions.
Applicability of cross-industry metrics and industry-based metrics	
41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics and industry-based metrics.	Environmental and Social Performance Indicators