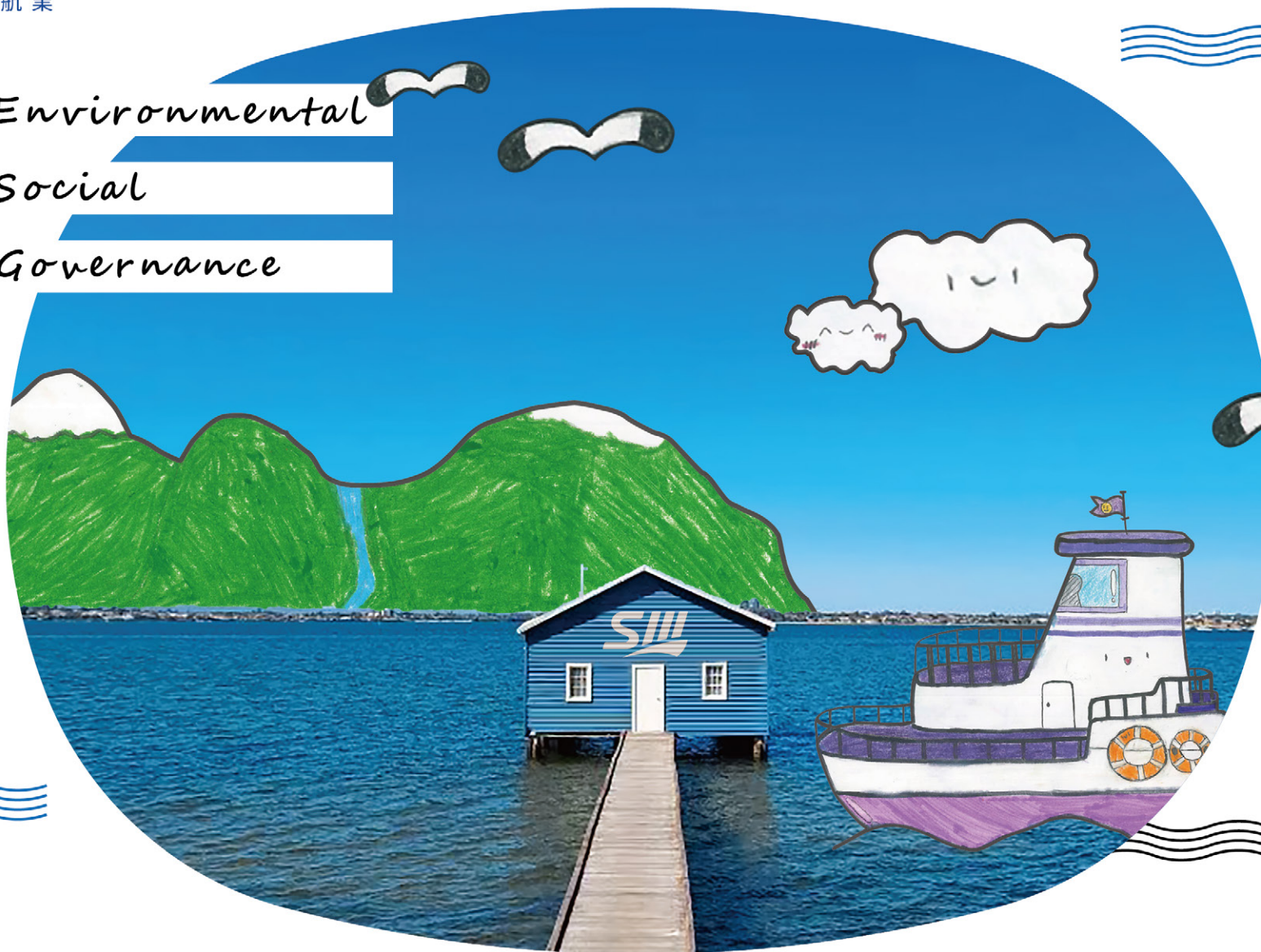


Environmental

Social

Governance



Special Thanks

The teachers and little painters from After School Association's five bases in Pingtung participated in our Company's first Little Picasso Painting Competition, along with the seafarers and their vessels who responded to the Company's Seafarer's Perspective Photography Competition. We extend our gratitude for providing the paintings and photographs, which served as the creative materials for this Report.

Thank You List

Jiadung Base

LIN,HUEI-LAN
Teacher

LIN,AI-JIN
SYUE,JHIIH-YUAN
LIN,CIN-EN
SYU,KAI-YUAN
CHEN,BO-RUEI
SIE,CHENG-KAI
SIE,YU-HONG
JHANG,YI-PEI
JHOU,MIAO-YU
SU,RUO-YU
GONG,JYUN-YI
SIE,ZONG-YOU
JHANG,YOU-JING
LI,WUN-BIN
LIAO,PEI-CI
CHEN,PEI-YU
WU,YI-SIN
LI,WEI-KAI
WANG,YU-TING
JHANG,JYUN-KAI

Donggang Base

ZENG,HONG-JHIIH
Teacher

CHEN,JIA-BAO
JHU,SIANG-FU
SYU,TIAN-SHUO
HUANG,KE-SIN
WANG,HONG-YOU
JHU,YI-SYUAN
HUANG,YUAN-YU
KANG,CHENG-WEI
JHANG,BING-HAO
SU,ZIH-CHEN
PAN,YONG-SHEN
SYU,YA-JIE
KANG,YU-WEI
HANG,YUN-FANG
GUO,TING-JYUN

And the tutoring teachers and all the
schoolchildren in Wutai Base and Gaoshu Base
*The above student names are transliterations.

Yongan Base

LIANG,LAN-SIANG
Teacher

SYU,YAN-YING
HONG,JING-FU
CHEN,YI-SHAO
CAI,TING-YU
JHANG,YUN-JHEN
JHANG JIAN,CI-SHEN
KE,JIA-ROU
JHANG JIAN,CI-YOU
JI,YI-AN
MA,ZIH-SYUAN
ZENG,JING-JING

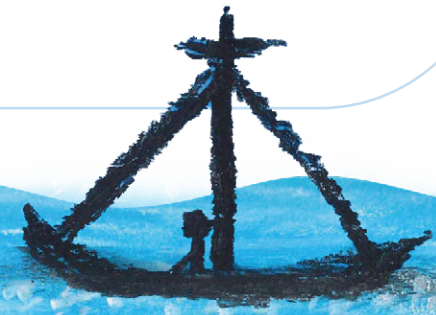
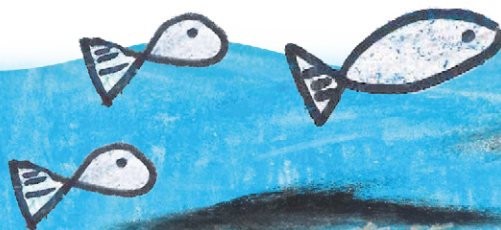
Our company fleet

Aquamarine SW
Audrey SW
Blessing SW
Danceflora SW
Dancewood SW
Direction SW
Elegant SW
Endurance SW
Eternity SW
Federal SW
Forever SW

Gaillardia SW
Genius SW
Indigo SW
Magpie SW
Margaret SW
Modest SW
Moonbright SW
Penghu SW
Pescadores SW
Skyhigh SW

Spinnaker SW
Stamina SW
Summit SW
Twinluck SW
Vigor SW
Wonderful SW

See crew members from the above fleet
participating in the competition



SHIH WEI NAVIGATION



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About this Report

Shih Wei Navigation Co., Ltd. (Stock Code : 5608, hereinafter referred to as Shih Wei Navigation) upholds its corporate policies of "Safety of Lives, Safety of Ships, Safety of Cargoes, and Safety of Environments," translating its corporate vision of sustainable management into action. The company maintains good communication with all stakeholders.

Since 2021, Shih Wei Navigation has published its Corporate Social Responsibility Report, renamed as Sustainability Report starting from 2022, disclosing impacts on the economy, environment, human rights, and various actions taken to promote green shipping and fulfill corporate social responsibility, demonstrating its commitment to sustainable corporate development. The content is compiled from contributions of various departments, approved by department heads and the general manager, and submitted for approval to the board of directors before publication. With a responsible attitude, it presents concrete actions and performance in the three dimensions of ESG to stakeholders.

In addition to the "Corporate Sustainability" corner, our official website serves up a little something extra with "Sustainable Tidbits", providing all stakeholders with timely and transparent interactive information.

Scope of Disclosure

The boundary of this Report covers the scope of information on corporate governance and social information, including the shore-based and seafaring personnel of the Headquarter, Shih Wei Navigation, and its subsidiaries' fleets. Environmental information also encompasses the fleets of the Headquarter and its subsidiaries, excluding Dancewoods Hotel & Resorts from the consolidated financial statements. Unless otherwise specified, all calculations are in New Taiwan Dollars, with exchange rates based on the company's financial statements.



Shih Wei Navigation
2023 Annual Report

Compilation Standards and Guidelines

Issued by	Standards and Guidelines followed
Global Sustainability Standard Board, GSSB	GRI Universal Standards 2021
International Sustainability Standards Board, ISSB	SASB Standards – Marine Transportation
Financial Stability Board, FSB	Task Force on Climate-related Financial Disclosures, TCFD
United Nations, UN	Sustainable Development Goals, SDGs
Taiwan Stock Exchange, TWSE	Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

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Internal Audit and Editorial Management Procedures

The data and information disclosed in this report are compiled and prepared by the Sustainable Report Editorial Team. After review by department heads, they are submitted to the Chairwoman for approval and examination, and subsequently presented for discussion at the board of directors' meeting.

External Assurance

The financial information in this Report is audited and certified by CPAs from KPMG. The data on the fleet's carbon dioxide emissions are obtained from the certification of fuel oil consumption issued by ClassNK. Additionally, various environmental protection and safety management aspects have obtained international certification, as detailed in Chapter 3 Green Shipping. This Report has undergone external verification by Bureau Veritas Certification (Taiwan), meeting the first type of moderate assurance level under the AA1000 AS v3 assurance standard.

Reporting Period

The reporting period of this Report spans from January 1, 2023, to December 31, 2023, with the publication date in August 2024. It is issued annually in both English and Chinese versions. Some topics aim to present the medium- to long-term performance and trends of action plans, covering data or content from 2020 to 2023. This Report has been verified by an external third party. Any information that has been recompiled is detailed in the respective chapter explanations.

Contact Information

For any suggestions or feedback, please feel free to provide your valuable opinions or contact us.

- SHIH WEI NAVIGATION CO., LTD. – Administration Department
- Fusing N. Road 16F, Song-Shan District, Taipei 105403, Taiwan, R.O.C.
- TEL: +886-2-8712-1888#225
- E-mail: esg@swnav.com.tw



Contact Us

<https://www.swnav.com.tw/en/contact-us>



Shih Wei Navigation official website

<https://www.swnav.com.tw/en>



Corporate sustainability

<https://www.swnav.com.tw/en/sustainability/esg/download>



Investor services

<https://www.swnav.com.tw/en/investors/revenue>



Stakeholders

<https://www.swnav.com.tw/en/stakeholders>

Message from Top Management

With the planet heating up to the 1.5° C tipping point, disasters and mishaps are running wild. Whether it is energy, social issues, or environmental concerns, the key is "action". We are all about moving forward, hoping to stir up more rigorous and feasible measures through change and preparation, constantly seeking new opportunities amid crises. In the face of various challenges ahead, every business is giving it the best shot to master risk management and be fully prepared. Daniel Kahneman, Nobel Prize Winner in economics and author of the renowned book "The Black Swan" puts it this way, "Invest in preparedness, not in prediction." Just like buildings need to be designed to withstand a once-in-a-century earthquake, risk management is simply what we do as humans. We cannot predict the future, but even without a crystal ball, we have got to stay prepared for emergencies at all times. Every effort stacks up good karma, every lesson feeds into a harvest of goodness. Think of it as pearl oysters, battling external forces, layering up fluid to create pearls. These are the gems of our experiences, sparkling with unmatched beauty.

To head toward the goal of robust and sustainable management of the Company, we are actively practicing corporate governance and formulated risk management policy and procedures as well as set up the Risk Management Team in 2023 to improve risk management effectiveness. Striving to be a game-changer in the business world, we are well aware that playing a solo game does not cut the mustard in today's business arena. That is why we continue to attach importance to industry integration and teaming up with allies, investing in sustainable development bonds to respond to sustainable investing. Furthermore, thanks to digital transformation, cloud computing and digitalization are the mainstream trend in global business operations. Whether it is in business management, market expansion, or making deals, they have become an indispensable model. Therefore, from 2021, we started the phased digital transformation and communicated with the employees and the stakeholders, aiming at accelerating platform integration and operations.

The global economy was not doing well in 2023. To strengthen the operating performance and enhance our competitiveness, we signed a contract in 2023 for three newly built environmentally-friendly ships to replace old ones for the fleet to steadily reach the goal of net-zero emissions while strengthening the competitiveness of the fleet. In addition, we are on a mission to foster a culture of sustainability, starting from raising the awareness and consciousness among our staff about sustainable development. Through the accumulation of tiny actions, we are encouraging all our employees to engage in ESG issues and actions. We believe that the key to unlocking new value in business lies in continuously boosting employees' sustainability literacy, which will gradually shape a resilient corporate culture of sustainability at Shih Wei Navigation. Our performance in corporate governance evaluations has improved year by year, and this year, we even made it to the top 5% among TPEX-listed companies for the first time, showcasing our commitment to enhancing transparency, grasping risk management, and delivering value to our stakeholders. It also signals that Shih Wei Navigation is moving toward better governance practices.

We adhere to various international environmental conventions. Safeguarding the marine environment has always been a top priority for us. In 2023, we used silicone-based anti-fouling paints on



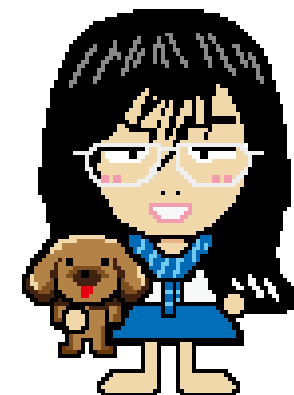
all our ships, which not only reduces fuel consumption, but is also more ocean-friendly. Our employees and stand-by ashore crew members were arranged to receive the Professional Training for the Ballast Water Treatment System in Qingdao and Weihai to enhance our associates' skills in ballast water management for environmental protection and compliance with international regulations. We also officially adopted ISO 14064-1 : 2018 organizational GHG inventories and established the GHG Inventory Team to lay a solid foundation for future carbon reduction plans. To keep a close eye on the carbon emission management of the fleet, there set the CII Team to monitor ship operating efficiency in real-time.

Embracing the idea of starting small, we continue to respond to circular economy. We cooperated with Give Circle Co. LTD. in 2023 for the "Cut Carbon, Share Stuff" campaign and gathered items our associates no longer needed to share and pass them on to charitable causes via Give Circle's website. We also collected old sheets and blankets from our coworkers and donated them to the animal shelter in Bali District of Animal Protection Association of the Republic of China, keeping our furry friends cozy through the chilly winter. We embraced the "No Food Left Behind" motto and sold the excess holiday gift boxes to our associates who needed more and all the proceeds went to charity. To answer the call of Earth Day, we kicked off the mission of "A million acts of Green" from April 2023 to do our part to safeguard the planet. As an eco-warrior, Shih Wei Navigation leads its employees in mountain and beach cleanups every year.

When we are onto something truly meaningful, we do not need a push; often, it is the vision that pulls us forward. The experience of being deeply engaged in social welfare since late 2021 has been quite profound. Especially with our partnership with After School Association of Taiwan over the past two years, Shih Wei Navigation has not only been deeply engaged, but also been gradually rooting itself further. We are no longer just a donor. Now we aspire to be the kids' wide-angle lenses, envisioning greater possibilities and helping them see further and broader horizons. Take Pingtung's Wutai Base we adopted for example, since fruits are not easy to come by in the mountains, we collaborated with "Buy Directly from Farmers" and planned a fruit delivery program so that these kids can enjoy the fruits while having a dialogue with the small-scale farmers, allowing them to understand how these farmers protect the land and create high-quality food security. We also shared resources to other bases, such as holding the painting competition and the Dream Gift campaign to fully support the 10th anniversary of the After School Association of Taiwan and responded to procuring for a cause, providing a stage for the kids while offering our associates a platform for spreading love and gaining a deeper understanding of the needs of the less fortunate. The layout of this Report features artwork from the children's drawing competition. With this creative remix, we aim to boost the kids' confidence and inspire endless imagination for the future.

We actively put human rights into action and take it to the next level with our business partners. The URL of Shih Wei Navigation's human rights policy has been added to the employees' email signature files and supplier order systems, sincerely hoping our value chain partners to be on the same page about human rights and ready to team up to uphold them. From kids to small-scale farmers, from our employees to business partners, we firmly believe that every little thing we do is subtly changing the world. Spread some love and pass on the warmth, we can literally make the world a better place.

Faith gives us strength, yet staying updated is the adventure. In the fast-paced modern world, predicting the future is like chasing shadows, where black swans and gray rhinos are becoming the norm. Coexisting with uncertainty makes engaging in foresight and getting prepared absolutely vital. Trust and teamwork are our secret weapons against change. By staying focused on future trends and staying flexible, our team can navigate challenges with speed, ensuring the business sails smoothly forward. Let us keep the momentum rolling.

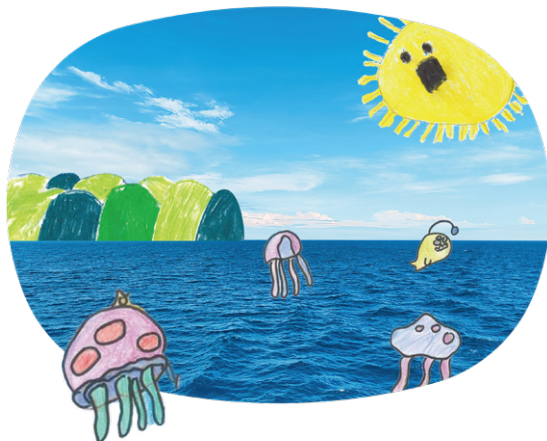


Chairwoman & President
Shin-Chyi Lan



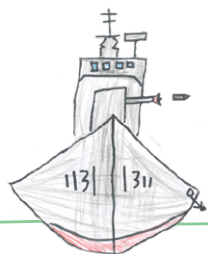
Sustainability Performance

What we have done in the previous year...



ENVIRONMENTAL

- Used eco-friendly anti-fouling paints for dock repair projects
- Organized two beach cleanup activities, inviting 136 participants including our employees and their families to participate, removing a total of 470 kg of trash



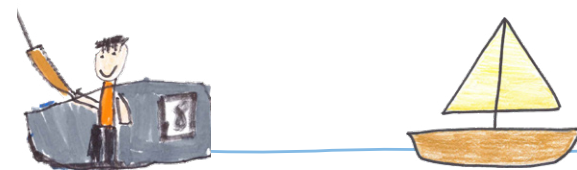
SOCIAL

- Members of the Chairty Group participated as volunteers in the 10th anniversary of the After School Association of Taiwan; sponsored the meals and setting the "tea-serving" station
- Worked with the five bases in Pingtung to hold the painting competition to encourage rural schoolchildren to be brave in their creations and unleash their creativity; continued the "Dream Gift" activity, allowing participating students to write down their wishes and our onshore personnel would claim them and help realize these wishes. The award-winning works will be used as the art editing materials of our 2023 Sustainability Report
- Our Chief Engineer, Li-Chun Chang, was recommended by National Chinese Seamen's Union and recognized as a National Model Worker in 2023



GOVERNANCE

- Ranked in the top 5% among TPEX-listed companies in 9th Corporate Governance Evaluation in 2023
- Chairwoman & President, Shin-Chyi Lan, was selected in the Top 20 Female CEOs in Taiwan



VALUE CREATION

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Performance Highlights

Sell old vessels and those whose market shrank



Management Approach		
Target Readers	Shareholders and other Investors, Competent Authorities (the Government), Employees, Customers, Public Welfare Groups/Disadvantaged Groups	
Policy Commitments	A company's financial performance is not just about balance sheets; it is the heart of sustainable growth and the top concern for the stakeholders. We are on a mission to achieve the corporate sustainable development while taking into account social harmony and environmental sustainability. Shih Wei Navigation is committed to setting up a top-notch corporate governance mechanism to steadily generate economic value.	
Material Topic	Management System and Evaluation Methods	2023 Key Results
Economic Performance	<ul style="list-style-type: none"> Interdepartmental monthly meeting Our financial statements are IFRS-compliant and audited and assured by a CPA firm. The Finance Department consistently wraps up monthly closures on schedule, conducts analyses of operational performance, and engages with managers and departments to explore improvement strategies. The Company maintains a designated contact point to communicate financial and operational status to shareholders or investors, as prescribed in Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. Our stakeholders can count on this channel to keep the lines of communication wide open 	<ul style="list-style-type: none"> Held 12 Interdepartmental monthly meetings Announced financial information in accordance with regulations Strengthened ship management performance to lower operating losses With peer companies to create economies of scale in terms of procurement and maintenance for cost reduction
	Short-Term Goals (2023–2024)	Medium and Long-Term Goals (2025–2050)
	<ul style="list-style-type: none"> ⚡ Continue to serve as the bulk cargo fleet as the business goal, replace the old fleet, optimize the operation and cargo carrying capacity of vessels, and enhance operational performance to improve the competitiveness ⚡ To strengthen the business performance of the core business in the shipping industry and that in the subsidiary, Dancewoods Hotel, for the enhancement of our industrial competitiveness 	<ul style="list-style-type: none"> To achieve stable earnings of the Company and share profits

Note : Achievement status for 2023 : " ✓ Achieved, " ⚡ Continuing Improvement



1.1 Company Profile

1.1.1 Overview of Shih Wei Navigation

Shih Wei Navigation Co., Ltd. operates as a drybulk ship owners engaging in the shipping transportation, shipping agency, ship leasing, and trading. Established in March 1985, the Company was approved to trade its stocks on Taipei Exchange (TPEX) on July 3, 2001, thereafter listed on Taiwan Stock Exchange (TWSE) on August 25, 2003.

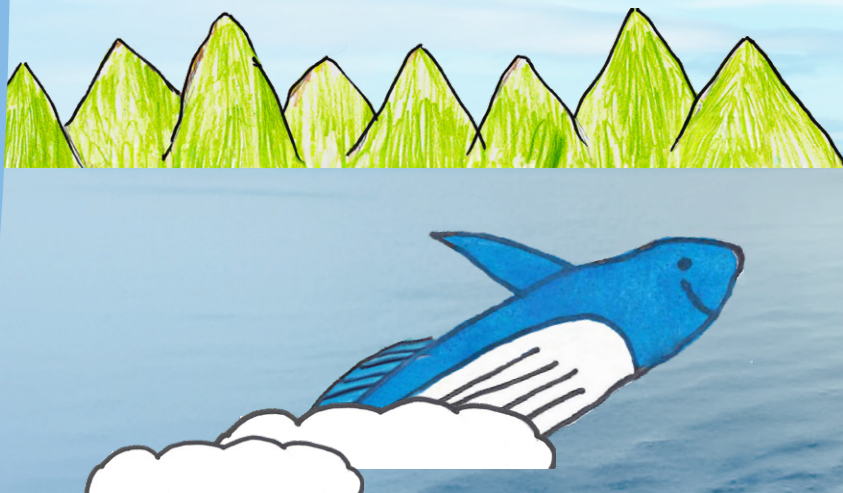
To develop a global shipping business and expand diversified operations, the Company established two wholly-owned Panamanian subsidiaries, Dong Lien Maritime S.A. Panama and Fortunate Maritime S.A. Panama in 1994 and 2006 respectively. As of the end of December 31, 2023, Shih Wei Navigation and its wholly-owned subsidiaries run a diversified fleet of 29 self-owned ships in total, with an average age of approximately 10 years. Moving forward, our focus remains on diversifying our business operations, with a commitment to enhancing overall service quality and strengthen financial structures, all geared towards maximizing value for the Company and its shareholders.

Shih Wei Navigation diversified its investments by investing in its subsidiary, Dancewoods Hotel & Resorts, which is the first Japanese garden-themed landscape hotel & resort in Taiwan, combining hotel accommodation with Japanese garden aesthetics. As of December 31, 2023, the Company's shareholding ratio was 51.65%.

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Company profile

Note: Data as of December 31, 2023

Company Name
SHIH WEI NAVIGATION CO., LTD.

Paid-in Capital
NT\$ 3,892,670,900

Industry
Marine Transportation

Address of Headquarters
Fusing N. Road 167 16F, Song-Shan District, Taipei
105403, Taiwan, R.O.C.

Shipping Product Categories
Grains, coal, steel products/ machinery equipment,
ores, timbers, fertilizers, industrial chemicals, etc.

President
Shin-Chyi Lan

Number of Employees
614
(Onshore personnel : 74; Sea crews : 540)

Date of Incorporation/ Date of Listing
March,11,1985/August,25, 2003
Stock Code : 5608

Main Business
Shipping agency Shipping transportation Wholesale/retail
trade of ships and component parts
*All business activities that are not prohibited or restricted by law, except those
that are subject to special approval.

Domestic and Overseas Operating Bases
Taipei, Taiwan (no physical operating bases were
established for overseas subsidiaries)

Chairwoman
Luo Pan Investment Corp.
(Representative: Shin-Chyi Lan)

Consolidated Reporting Entities
Please refer to the 2023 Consolidated
Financial Statements for details.
[https://www.swnav.com.tw/uploads/files/shares/
financial/EN/financial-112Q4-A-en.pdf](https://www.swnav.com.tw/uploads/files/shares/financial/EN/financial-112Q4-A-en.pdf)



Shareholders Composition Shareholding Ratio



77.22%
Individuals



19.23%
Other legal
persons



3.11%
Foreign
Institutional
Investors and
Foreigners



0.40%
Financial
Institutional
Investors



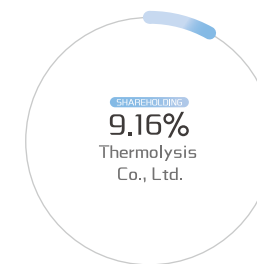
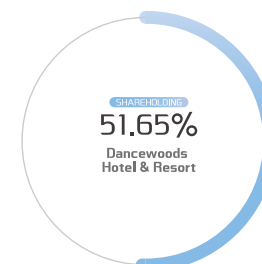
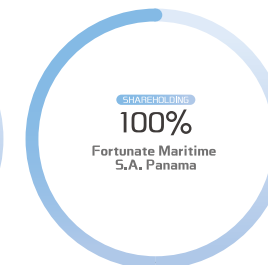
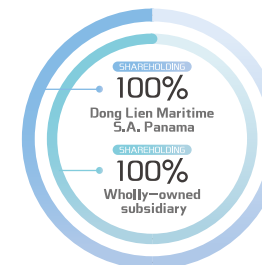
0.04%
Government

List of Top 10 Shareholders:

[https://www.swnav.com.tw/uploads/
files/shares/shareholders/2024/
shareholders-top10-113-en.pdf](https://www.swnav.com.tw/uploads/files/shares/shareholders/2024/shareholders-top10-113-en.pdf)

Note: Data as of April 27, 2024

Shareholding of affiliates



Note:

1. Please refer to the 2023 Consolidated Financial Statements at:
<https://www.swnav.com.tw/en/investors/financial>

2. See 3.3.3 Investment in Green Energy for detailed information of
Thermolysis Co., Ltd.



1.1.2 Business Model and Industry Overview

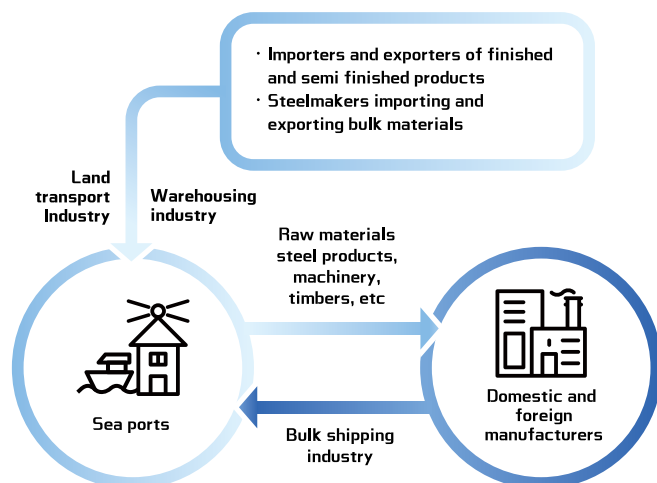
Business model

Bulk shipping refers to the shipping service of carrying bulk cargoes, including daily necessities and basic industrial materials, such as grains, steel products, coal, ores, etc. The schedules and routes depend on the places of delivery, and the lessees determine the routes and ports of call. The cargo shipping is characterized by one-way transportation and being seasonal, and it is a free market. Due to the high uncertainty of the routes, the schedules for supply and repair inspection arrangements also depend on the port information.

Shih Wei Navigation mainly provides marine transportation services. Different from general manufacturing industries, there

are no manufacturing process of general products or supply of main raw materials. Therefore, there are no obvious upstream, midstream, and downstream relationships.

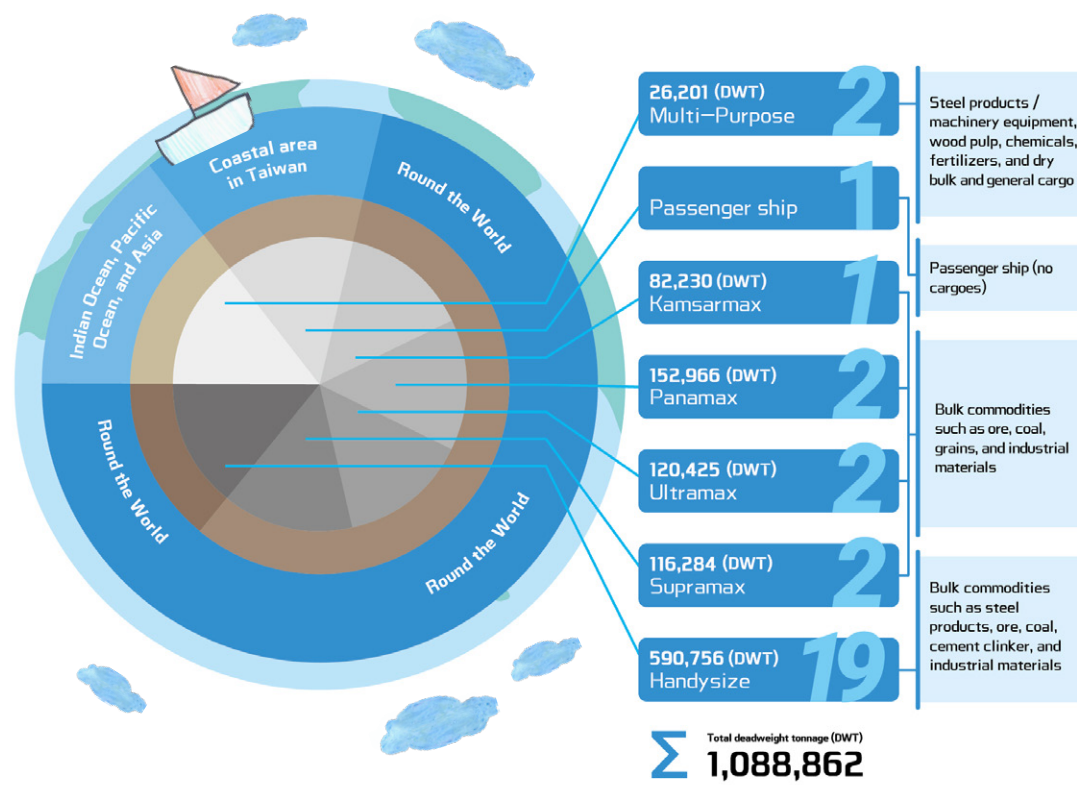
Relation map of bulk and general cargo shipping industry



1.1.3 Overview of Fleet Service

Fleet Size

As the end of 2023, the Company owns a total of 29 vessels, all dry bulk carriers except for 1 passenger ship. Compared with the previous year, the plan for old vessel replacement was conducted during the reporting year, and 1 log carrier, 2 multi-purpose, 2 handysize was sold.



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Service Regions

Shipping Line and Near-Sea Shipping Line, with the latter covering routes from Far East to the Middle East, including China, Japan, South Korea, Taiwan, Southeast Asia, India, Arabia, and the Persian Gulf and the former covering the importing and exporting countries on the five continents around the world.

Based on the corporate policies of "Safety of Lives, Safety of Ships, Safety of Cargoes, and Safety of Environments", the ships are prohibited from going to high-risk regions or countries subject to international sanctions and trade control. In addition, we pay close attention to international trends at all times to plan safe and economical routes to create the maximum benefits for both our customers and shareholders.

1.2 Business Performance

1.2.1 Financial Performance

Amidst lingering inflation and the persistent pressure of interest rate hikes, coupled with the deadlock in the Russo-Ukrainian War and the China's economic slowdown, Shih Wei Navigation experienced a downturn in revenue in 2023, standing at NT\$ 3.4 billion. Moving forward, we will continue to upgrade our fleet by phasing out old vessels, optimizing vessel operation and cargo capacity, enhancing operational efficiency and amping up our competitive edge.

Shih Wei Navigation's Consolidated Financial Statements for 2021-2023 are shown in the following table.

Unit : NT\$: thousand

Item		2021	2022	2023
Operating performance and profitability	Direct economic value generated	Operating revenues	5,532,719	6,715,813
		Non-operating revenues	324,485	250,567
	N/A	Operating margin	2,582,940	3,170,529
		Net operating profit	2,271,144	2,828,743
		Net profit before tax	2,311,674	2,430,997
		Net profit for the current period	1,913,311	1,933,972
		EPS	7.16	6.08
		Total assets	24,322,297	25,083,031
		Total liabilities	17,302,442	14,883,150
		Total equity	7,019,855	10,199,881
Value distribution	Economic value distributed	Operating costs	2,949,779	3,545,284
		Compensation and benefits of employees	1,117,758	1,358,575
		Payment to sponsors	926,475	959,880
		Income tax	0	123,606
		Government penalties	130	302
		Social participation and engagement	0	2,111
		Political donations	0	0

Note :

- Income tax does not include deferred tax
- Payment to sponsors includes the distribution of shareholder dividends and the interest payment to lender
- For the sake of maintaining information accuracy and comparability, this table underwent information reorganization. As statistical errors in employee salary and benefits from the year 2022 were revised, and the calculation of allocation of social engagement investment amount has been modified for cross-year distribution, data for 2021-2022 was revised accordingly




Dividend Policy

In response to the competitive shipping market, the dividend policy of Shih Wei Navigation is based on the principle of maintaining the soundness of the Company's long-term financial structure and the growth and expansion for future operations. The Company shall prioritize the retention of funding necessary for operations and expansion before distributing the remaining earnings in the form of cash dividends or stock dividends, among which, cash dividends shall not be lower than 10% of total dividends.

The 2022 Earning Distribution Proposal was approved by the board of directors on March 30, 2022, with the cash dividend being NT\$ 1.5 to create value for our investors.

Financial Grants from the Government

In 2023, the financial grants from the government reached NT\$405,830, as detailed in the following table.



Item	Granted by	Amount granted
Subsidy for the Youth Employment Ultimate Plan	Taipei-Keelung-Yilan-Hualien-Kinmen-Matsu Regional Branch, Workforce Development Agency, Ministry of Labor	1,140,800

Unit : NT\$



Financial Report

[https : //www.swnav.com.tw/en/investors/financial](https://www.swnav.com.tw/en/investors/financial)



Investor Conference

[https : //www.swnav.com.tw/en/investors/law-meeting](https://www.swnav.com.tw/en/investors/law-meeting)

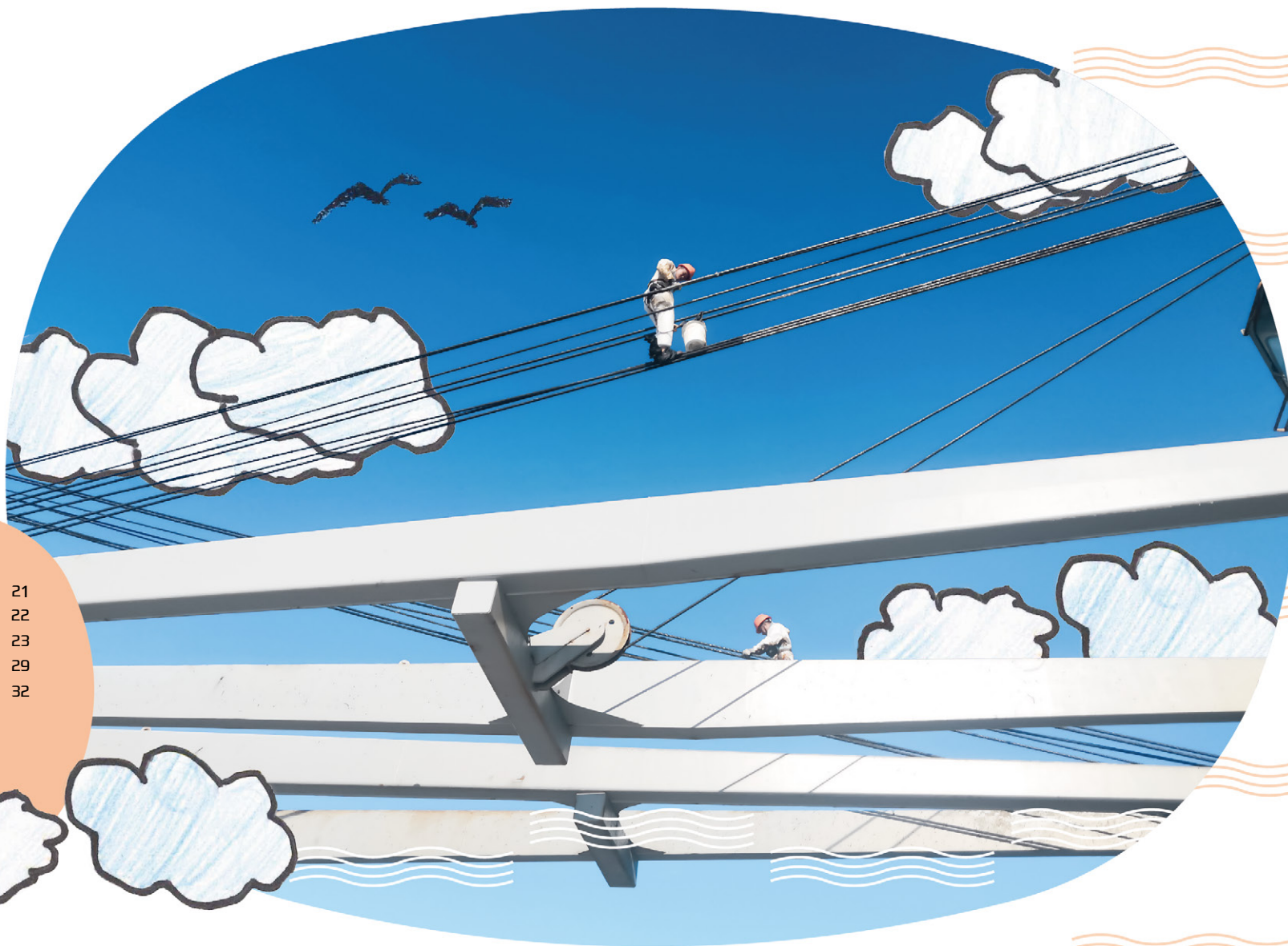
1.2.2 Tax Policy

Audits of Shi Wei Navigation's tax (accounting) policy, internal control system, and regulatory compliance are in place. The external audit is reviewed by a CPA firm on a quarterly basis, and the annual auditing is also carried out. The Audit Office follows the annual audit plan and conducts monthly audit operations as scheduled. Shih Wei Navigation operates in accordance with the local tax regulations, adheres to compliance with laws and regulations, implements corporate sustainable development, and enhances shareholder value to fulfill its corporate social responsibility. The related-party transactions of the Company conform to the transfer pricing regulations and Arm's length Principle. When preparing financial statements, the management of the Company shall be responsible for the assessment of the Company's operating capability, the ability to continue as a going concern, and the information disclosure. Shih Wei Navigation has established the Audit Committee to be responsible for the supervision of the financial reporting process. Transparency of the tax information disclosed in financial reports has been improved in accordance with relevant regulations and the requirements of the IFRSs, and it is ensured that there is no major misrepresentation of fraud or error in the content.

As a taxpayer, Shih Wei Navigation has always declared its tax in an honest manner and maintained continuous and effective communication with the tax collection authorities to support the government in the promotion of sustainable development. Moreover, education and training are conducted from time to time to strengthen the professional knowledge of our tax personnel so as to equip them with the abilities to handle various tax-related issues. A total of 8 sessions of tax-related education and training were organized in 2023, with 9 participants and a total of 51 hours.

SUSTAINABLE MANAGEMENT

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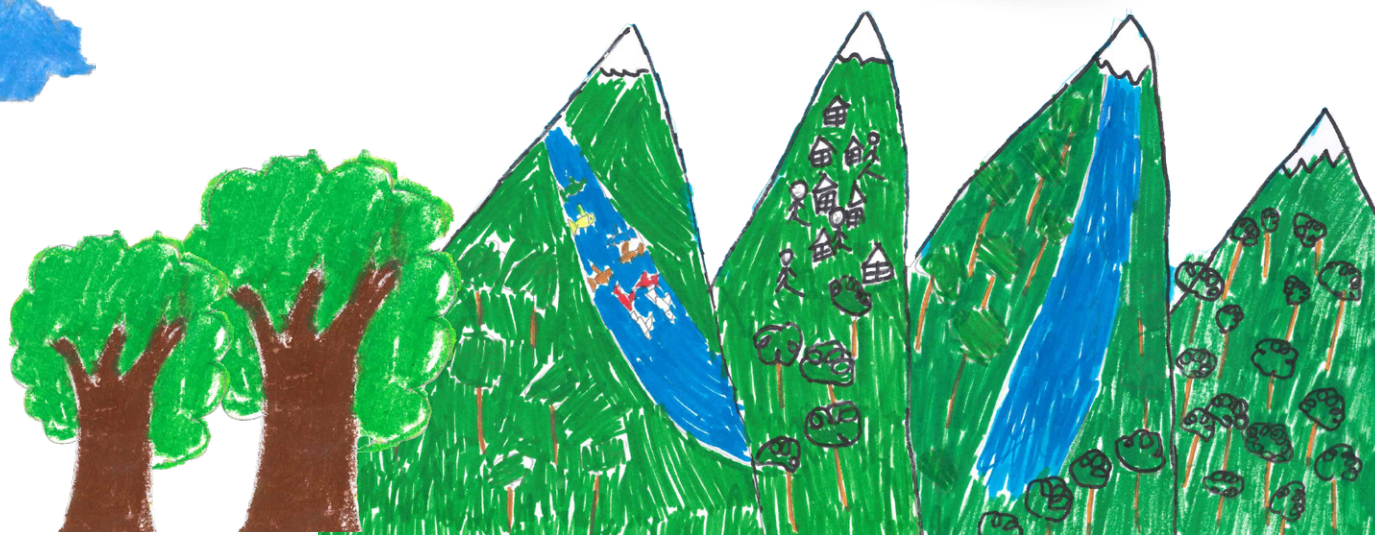
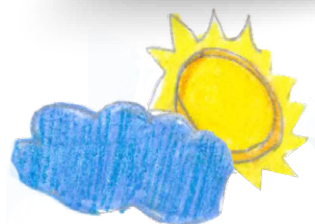


Performance Highlights



- Participated in the Corporate Governance Evaluation of TWSE Listed companies and was ranked Top 5%
- Published the first sustainability report verified by a third party in 2023

Management Approach	
Target Readers	This chapter is a must-read for all stakeholders.
Policy Commitments	<p>As awareness of sustainability rises at home and abroad, all stakeholders gradually attach importance to the sustainable development strategies of the Company. To ensure effective connection between the sustainable development strategies and the Company's operational goals, Shih Wei Navigation will make stepwise plans as well as adjust and revise various sustainability goals to align with international standards</p> <ol style="list-style-type: none"> 1. Implement compliance, strengthen corporate governance and disclose ESG information as required by competent authorities 2. Implement practices for environmental sustainability, strictly comply with domestic and foreign environmental regulations, and promote GHG inventory and actions for energy conservation and carbon reduction 3. Attach importance to human rights issues, care about employee rights and interests, and ensure the provision of a healthy and safe, discrimination-free, and fair workplace 4. Fulfill the corporate responsibility, take part in social welfare, promote social inclusion, and improve the quality of education for schoolchildren in remote areas
Management System and Evaluation Methods	
<ul style="list-style-type: none"> • Participate in the Corporate Governance Evaluation conducted by TWSE every year. • Progressively implement sustainable strategies and the status of related initiatives according to the "Corporate Governance 3.0 – Sustainable Development Roadmap", and report them to the board of directors for discussion. • Prepare sustainability reports according to the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports", and obtain third-party verification (Type 1 Moderate Assurance under the AA1000 Assurance Standard Version 3) 	



2.1 Sustainable Management Structure

The Administration Department is responsible for coordinating projects related to sustainable development and setting up a cross-departmental Corporate Social Responsibility Promotion Task Force convened by the Chairwoman to coordinate environmental, social, and corporate governance issues related to corporate operations to meet the legal requirement and international trends. In addition, relevant working groups are set up based on relevant issues for the promotion of sustainability action plans, information reports and disclosure, external assessment of sustainability and so on. This task force reports the implementation status to the board of directors on a regular basis to reach the effect of supervision.

Workgroup	Members	Responsibilities	Description	Reporting Frequency to the Board
Sustainable Report Editorial Team	The President serves as the convener, and the members comprise the department heads and their crew from across the company.	Prepare and compile Sustainability Reports in accordance with sustainability standards at home and abroad	<ul style="list-style-type: none"> Collect ESG-related data in accordance with disclosure indicators Organize ESG-related education and training Prepare sustainability reports and carry out internal and external verifications Report to and discuss with the board of directors Publish sustainability reports 	At least once a year
GHG Inventory Team		Carry out organizational GHG inventory in accordance with ISO 14064-1	<ul style="list-style-type: none"> Collect GHG activity data from the parent company and its subsidiaries' fleets, compile activity inventories and emission reports, and conduct internal and external verification Plan and organize educational training related to GHG audits 	Quarterly
Risk Management Team		Implement risk management projects	<ul style="list-style-type: none"> Collect fleet GHG activity data for the parent company and subsidiaries, prepare activity inventories and emission reports, and carry out internal and external verification Plan and conduct GHG inventory-related education and training Analyze and identify sources and categories of company risks, and periodically review the applicability Assist and supervise the implementation of risk management activities across departments Implement risk management decisions for the board of directors and Audit Committee Plan risk management-related training 	At least once a year
Public Welfare Team		Organize social welfare activities	<ul style="list-style-type: none"> Plan and carry out charitable initiatives that benefit the community based on the company's philanthropic strategy, and regularly evaluate their effectiveness Occasionally share updates on our charitable activities with the public Send occasional updates on charitable activities to the employees 	At least once a year






The compiled work items are presented to the board for discussion, formulation, or revision of sustainability strategies. Updates on sustainability goals and strategy implementation were presented to the board on February 23 and July 11, 2023, including discussions on ESG strategy goals, philanthropic investment strategy, participation in corporate governance assessments, TCFD identification, ESG information disclosure, and execution of sustainability report compilation. Please see section 5.1.1 Board Operations— Summary of ESG-related proposals submitted to Shih Wei Navigation Board of Directors in 2023 for details.

GRI

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2.2 Sustainability Visions and SDGs

Our company has integrated the United Nations Sustainable Development Goals (SDGs) and proposed the "2030 Sustainable Development Vision Blueprint". Based on five major dimensions, we address various sustainability topics and establish ESG goals and action plans as guiding principles to drive the company's sustainable development. We continuously adjust according to trends and actively promote specific action plans.

5 Major Dimensions	SAFETY	WISDOM	NAVIGATION	ACCOUNTABILITY	VALUES
Significance to Shih Wei	Safety of lives Safety of ships Safety of cargoes Safety of environments Compliance with safety policies.	Invest in talent development through diversified education and training to boost employee capabilities and strengthen operational resilience	Actively respond to climate change and set carbon reduction of ships and environmental protection as the primary goals	No one is an outsider in the face of net zero emissions. Shih Wei Navigation will create a corporate culture of accountability stepwise to fulfil the commitment to sustainability.	Make stable profits and pay attention to the impacts of stakeholders on society and the environment for the creation of sustainable value.
Corresponding sustainability topics <small>*Material Topics for 2023 are highlighted in red</small>	<ul style="list-style-type: none"> Ship Safety Occupational Safety and Health Risk Management Human Rights Management 	<ul style="list-style-type: none"> Climate Change Management Customer Privacy and Cyber Security Sustainable Development Strategies Risk Management Integrity Management 	<ul style="list-style-type: none"> Climate Change Management GHG Emissions and Energy Management Air Pollutant Management Waste Management 	<ul style="list-style-type: none"> Sustainable Development Strategies Integrity Management 	<ul style="list-style-type: none"> Economic Performance Social Engagement Customer Service and Satisfaction
Corresponding SDGs					
Goals and Specific Actions	2030 Sustainable Goals and Actions				
	Governance <ul style="list-style-type: none"> Continue to publish Sustainability Reports and make stepwise improvement of data quality. Prepare and compile Sustainability Reports and strengthen information disclosure in accordance with the international standards of GRI, TCFD, and SASB. Strengthen corporate governance and optimize as well as refine the measures. 	Environmental <ul style="list-style-type: none"> Implement ISO 14064-1 organizational GHG inventory and obtain external verification. Carry out climate actions for active energy conservation and carbon reduction. 	Social <ul style="list-style-type: none"> Fulfill corporate social responsibility Care for employees and attach great importance to Occupational Safety and Health. Continue to adopt the Wutai Base in Pingtung, promote various social welfare actions, and implement local procurement. 		

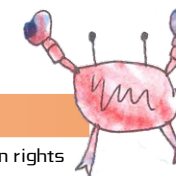


2.3 Material Topics Analysis

We followed the GRI Universal Standards 2021 : GRI 3 : Material Topics 2021 and readjusted the assessment process of material topics. The assessment principle was changed to consider "the actual or potential level of impact of the economic activities of the Company on the external economy, environment, and people (human rights). In addition, "the level of possible impact on the sustainable management of the Company" was also assessed to respond to the Double Materiality proposed by the EU to enable the stakeholders and readers to better understand the substantial external and internal impact Shih Wei Navigation causes in the process of economic activities.

2.3.1 Steps

Steps	Description																	
1.Understand the organization’s context	Build on stakeholder identification results from 2022, assess relationships with subsidiaries and related enterprises, and address economic, environmental, and human rights challenges in business operations. Please refer to 2.4 Stakeholder Engagement for details.																	
2.Identify actual and potential impacts	<ul style="list-style-type: none">• Collection of sustainability topics By referring to the international sustainability standards and related guidelines and norms (GRI guidelines, SASB, SDGs), sustainability rankings at home and abroad (TCSA, CSA), and cases in the same trade, more than 40 sustainability topics were collected, and the editorial team summarized them an listed a total of 21 sustainability topics.• Analysis of business impact Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, industrial norms and standards, and advice from sustainability consultants are all referred to for the assessment of business impact.																	
3.Assess the significance of the impacts	<p>We conducted a survey to gather stakeholders’ level of concern on 21 sustainability topics, with 123 returned questionnaires. The top 10 sustainability topics of concern to stakeholders and 8 material topics of 2022 were chosen. After removing duplicate ones, a total of 14 sustainability topics entered the material topic identification meeting for discussion, which was attended by the management team, including the chairwoman, 8 high—level executives, representatives from all units, and external consultants, with a total of 26 participants, assessing positive and negative impacts of the 14 sustainability topics internally and externally and the stakeholders impacted.</p> <table><tr><th colspan="3">Impact Assessment</th></tr><tr><td rowspan="5">External impact</td><td colspan="2">Evaluate the impact (or potential impact) of each sustainability topic on the economy, environment, and people (including their human rights), and assign higher scores to topics involving human rights.</td></tr><tr><td>• Evaluate the Level of negative impact</td><td>Severity (scale, scope, and difficulty of remediation), likelihood</td></tr><tr><td>• Evaluate the Level of positive impact</td><td>Significance (scale and scope), likelihood</td></tr><tr><td>• Actual impact</td><td>Explanation and assessment of actual impact events in 2023</td></tr><tr><td>• Potential impact</td><td>Explanation and estimation of potential impact events in the future</td></tr><tr><td>Internal impact</td><td colspan="2">Assess the possible positive and negative impact of each topic on the company.</td></tr></table>	Impact Assessment			External impact	Evaluate the impact (or potential impact) of each sustainability topic on the economy, environment, and people (including their human rights), and assign higher scores to topics involving human rights.		• Evaluate the Level of negative impact	Severity (scale, scope, and difficulty of remediation), likelihood	• Evaluate the Level of positive impact	Significance (scale and scope), likelihood	• Actual impact	Explanation and assessment of actual impact events in 2023	• Potential impact	Explanation and estimation of potential impact events in the future	Internal impact	Assess the possible positive and negative impact of each topic on the company.	
Impact Assessment																		
External impact	Evaluate the impact (or potential impact) of each sustainability topic on the economy, environment, and people (including their human rights), and assign higher scores to topics involving human rights.																	
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	• Actual impact	Explanation and assessment of actual impact events in 2023																
	• Potential impact	Explanation and estimation of potential impact events in the future																
Internal impact	Assess the possible positive and negative impact of each topic on the company.																	
4.Prioritize the most significant impacts for reporting	<p>Prioritize 8 material topics for reporting based on the positive and negative impact ranking of 14 sustainability topics, and consider operational strategies, stakeholder’s level of concern, external consultant opinions, and actual operational conditions.</p> <p>The management team determines the material topics to be covered and conducts inspection in accordance with the requirements of reporting topics.</p> <p>Refer to the GRI standards and guidelines to determine what to report on each material topic.</p>																	



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Significance	Impact Aspect	Sustainability Topics	Economic,	Environmental	People (Human Rights)	Impact Explanation
Material Topics	Positive	Economic Performance	●		●	Our steadfast commitment to operational excellence, performance, and profitability is aimed at delivering favorable financial outcomes for shareholders, employees, and other stakeholders. Despite that the 2023 loss led to reduced benefits distributed to related stakeholders, our support for non-profit organizations and marginalized communities remained unabated.
		GHG Emissions and Energy Management	●	●	●	We strive to lessen our environmental footprint by improving energy efficiency and cutting down on GHG emissions. Guaranteeing superior environmental performance will open up new market opportunities and help us become the sustainable bulk shipping company of choice for our customers.
		Risk Management	●	●	●	Inadequate framework and implementation of enterprise risk management, coupled with failure to foresee emerging risks, may result in the need of substantial subsequent investment in remedial measures. On the flip side, anticipating the impacts of associated risks in advance helps maintain stable operations.
		Social Engagement			●	By leveraging corporate resources and collaborating with external partners, we carry out charitable endeavors to support vulnerable population in society, such as rural schoolchildren, thereby fulfilling our corporate social responsibility.
		Customer Privacy and Cyber Security	●		●	By safeguarding business secrets, transaction security, information security management, and the protection of customer and employee privacy, the Company can enhance its digital transformation efforts. This approach supports effective operational strategies in cybersecurity resilience, regulatory compliance, privacy protection, and corporate governance.
	Negative	Climate Change Management		●		Regulatory authorities are tightening their policies, which may require ships to meet declaration standards or face carbon taxes and fees. Failing to proactively reduce carbon emissions and propose mitigation strategies could adversely impact corporate benefits.
		Occupational Safety and Health			●	Poor working environments and labor conditions could lead to occupational accidents or pose risks to employee health.
		Ship Safety	●			In case of maritime incidents such as ship grounding, collisions, or natural disasters, the incurring huge repair costs and compensation could potentially compromise the safety of crew members, indirectly affecting cargo and the environment. The delayed shipping schedule or violation of environmental regulations that happen accordingly could lead to operational disruptions for the company, resulting in economic and reputational damage.

Significance	Impact Aspect	Sustainability Topics	Economic,	Environmental	People (Human Rights)	Impact Explanation
Material Topics	Negative	Sustainable Development Strategies	●	●	●	The company conducts a review of its business operation to identify potential economic, environmental, or human rights challenges or adverse impacts. Through the formulation or adjustment of comprehensive sustainability strategies, it aims to address the issues and leverage them as opportunities for innovation.
		Human Rights Management	●		●	Paying attention to and committing to human rights protection and management related to the company can attract and retain talents and help sustain mutually beneficial relationships with employees and the stakeholders. This also enhances corporate reputation and brand value, mitigates risks associated with operational conflicts and legal disputes due to human rights violations, thereby appealing to investors prioritizing corporate sustainability.
		Integrity Management	●			By placing high value on integrity in business practices, the company can build trust with stakeholders (such as customers), which boosts their willingness to engage. It also opens up opportunities for favorable loan conditions from banks and attracts institutional investors for cost-effective funding. Minimizing dishonest behavior reduces the risks and costs of corporate losses, mitigates legal liabilities, and demonstrates proactive measures to prevent unethical behavior.
		Waste Management		●	●	When the company engages in transparent disclosure and reduces the use or production of harmful substances, it not only lessens impacts on the environment and worker health and safety, but also manages and reduces waste, minimizing impacts on natural ecosystems and human health.
		Customer Service and Satisfaction	●		●	Delivering great customer service and quality enhances corporate reputation and brand value, attracting and retaining talent, and enhancing operational performance.
		Air Pollutant Management		●	●	Managing and reducing emissions can improve air quality. Besides reducing risks of respiratory diseases, cutting down on sulfur oxides and nitrogen oxides emissions into the air helps reduce their interaction with the natural environment. This lowers risks of acid rain, soil acidification, and impacts on plant growth, promoting environmental and health protection.

*Topics are arranged in accordance with the scores of significance.

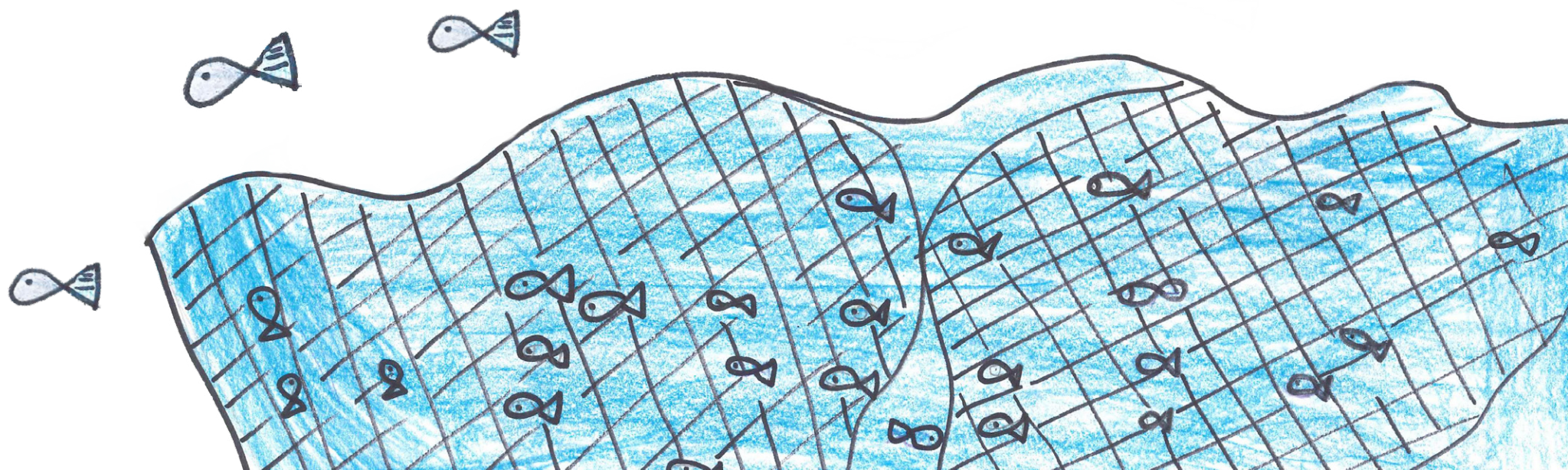


Explanation of material topics from the previous year that are no longer with materiality in this current reporting year is provided below.

Deleted Material Topics	Explanation
Sustainable Development Strategies	The Company established the Sustainable Development Roadmap : Vision 2030 in 2022, and has been taking stepwise actions.
Human Rights Management	The Company established its Human Rights Policy in 2022, and has been progressively implementing, tracking, and reviewing the progress.

Explanation of newly added material topics in this current year is as follows.

Added Material Topics	Explanation
Risk Management	The company completed the introduction of the risk management project in 2023. After the material topic analysis, this topic was included as "material topic".
Customer Privacy and Cyber Security	The company appointed a dedicated director of cybersecurity and personnel. This topic is also included as "material topic" after material topic analysis.



2.3.3 Material Topics Management Strategies and Plans



Material Topics	GRI Topic-Specific Standards	Strategies and Actions		Corresponding SDGs	Corresponding Chapter
Climate Change Management	GRI 201 Economic Performance 2016 (201-2)	<ul style="list-style-type: none"> Initiate ISO 14064-1 : 2018 Organizational GHG Inventory Project and obtain external verification Follow the carbon reduction strategies outlined by the International Maritime Organization (IMO), set carbon reduction goals, and gradually adjust company policies to actively respond to the impacts of climate change Actively implement various energy-saving and carbon-reduction measures to reduce GHG emissions 		13, 14, 15	Chapter
GHG Emissions and Energy Management	GRI 302 Energy 2016 (302-1、302-3) GRI 304 Biodiversity 2016 (304-1、304-2、304-3) GRI 305 Emissions 2016 (305-1、305-2)				
Occupational Safety and Health	GRI 403 Occupational Safety and Health 2018 (403-1、403-2、403-3、403-4、403-5、403-6、403-7、403-8、403-9、403-10)	Onshore Personnel	We adhere to regulations and safety management standards, conducting regular safety-related education, training and drills.	3, 6, 8, 10, 12	Chapter 4
		Sea Crews	In accordance with our company's Safety Management System Manual and the Maritime Labor Convention (MLC) Compliance Manual, we manage all personnel and activities on board ships.	3, 6, 8, 10, 12	
Social Engagement	GRI 203: Indirect Economic Impacts 2016 (203-1、203-2) GRI 413 Local Communities 2016 (413-1)	Each year, we allocate budget for public welfare projects and conduct regular reviews, with adjustments overseen by the board of directors.		3, 4, 5, 10, 11, 13, 14, 15	Chapter 4
Economic Performance	GRI 201 Economic Performance 2016 (201-1、201-4)	<ul style="list-style-type: none"> Implement corporate governance and provide high-quality services on the premise of maintaining the environment and promoting social inclusion to achieve stable earnings and share profits Comply with relevant financial laws and regulations and maintain good economic performance management for continuous improvement of the Company's operating performance strategic cooperation with peers on the cost side to generate economies of scale for cost reduction Increase the vessel utilization : Renew the contract of the leasing business model at an appropriate timing to reduce the ballast distance and the lay-up status of ships to achieve the highest operating efficiency Increase fundraising and reduce the ratio of borrowing 		8, 9, 11	Chapter 1
Ship Safety	Custom Topics of Shih Wei Navigation	Following our company's four safety policies, which prioritize personnel safety, ship safety, cargo safety, and environmental safety, we ensure the safety of our operations.		3, 6, 8, 10, 12	Chapter 5
Risk Management	Custom Topics of Shih Wei Navigation	We are setting up a robust risk management system to steer our business toward the goal of sustainable development.		3, 8, 12, 13	Chapter 5
Customer Privacy and Cyber Security	GRI 418 Customer Privacy 2016 (418-1)	We adhere to company standards such as "Information Operation Cycle Procedure Manual", "Cyber Security Organization and Management Measures", "Information Business Operation Continuity Plan", and "Personal Data Protection and Management Measures" when carrying out operations to safeguard data, systems, equipment, and cybersecurity.		8,9,12	Chapter 5


2.4 Stakeholder Engagement

2.4.1 Identification of Stakeholders

In 2022, following the guidelines of the GRI Material Topics Assessment, we assessed material topics and impacted stakeholders, identifying seven major stakeholders : Employees, Competent Authorities, Customers, Public Associations, Suppliers/Contractors, Shareholders and other Investors, and Public Welfare Groups/Disadvantaged Groups. In the 2023 Material Topics Identification Meeting, we reassessed the material topics and impacted stakeholders and confirmed the same seven major stakeholders.

2.4.2 Stakeholder Communication Results

To actively understand stakeholders' needs and the topics of their concern, the Company has set up a corresponding unit in charge of immediate communication, response, review, and improvement. After the publication of the annual Sustainable Report, the stakeholders' communication status will be reported to the board of directors at least once a year.

Stakeholder	Significance	Annual key issues	Communication channels/ frequency	2023 communication performance
Employees 	Employees are the vital assets for Shih Wei Navigation in enhancing its competitiveness, and they are also the most crucial cornerstone for the company's sustainable management.	<ul style="list-style-type: none"> Occupational Safety and Health* Talent Development and Cultivation GHG Emissions and Energy Management* Employee Rights and Benefits Sustainable Development Strategies 	<ul style="list-style-type: none"> Annual performance appraisal and employee interview (Annual) Labor-Management Conferences (Quarterly) Employee Welfare Committee Meetings (Quarterly) Sexual harassment complaint hotline and mailbox (Immediate) Contact phone number and email of Administration Department (Immediate) Contact information of HR on the Company website (Immediate) Stakeholder Questionnaire (Annual) 	<ul style="list-style-type: none"> Onshore Personnel <ul style="list-style-type: none"> A total of 147 sessions of education and training were held A total of 4 sessions of labor-management Conferences were held A total of 4 sessions of Employee Welfare Committee meetings were held One session of Team Building event Received 1 email for sexual harassment complaint, which turned out to be a complaint case drill conducted for the internal Sexual Harassment Complaint Committee after looking into it. A meeting of Sexual Harassment Committee was held. Sea Crews <ul style="list-style-type: none"> Organized and participated 12 sessions of educational training
Competent Authorities (the Government)	We adhere strictly to government laws, regulations, and policies and cooperate with inspections and supervision, aiming to achieve the goal of sustainable development through collaboration between the public and private sectors.	<ul style="list-style-type: none"> Ship Safety* Risk Management* Sustainable Development Strategies GHG Emissions and Energy Management* Water Stewardship 	<ul style="list-style-type: none"> Official documents exchanges (Irregular) Decree briefing, publicity meetings, or symposiums (Irregular) Foreign authorities, such as the port states (Irregular) Stakeholder Questionnaire (Annual) 	<ul style="list-style-type: none"> Responded 22 times to TWSE e-questionnaires Participated in 19 Taiwan government decree briefings, resulting in 1 inspection or deficiency improvement. Participated in 37 seminars and educational training sessions organized by regulatory authorities There were total of 115 inspections from Port State Control (PSC), 270 items of deficiencies, and 3 ship arrests. There were 49 instances with no deficiencies found Received a total of 24 inspections from flag states, with 4 deficiencies identified. There were 21 instances with no deficiencies found

Material topics are marked with *

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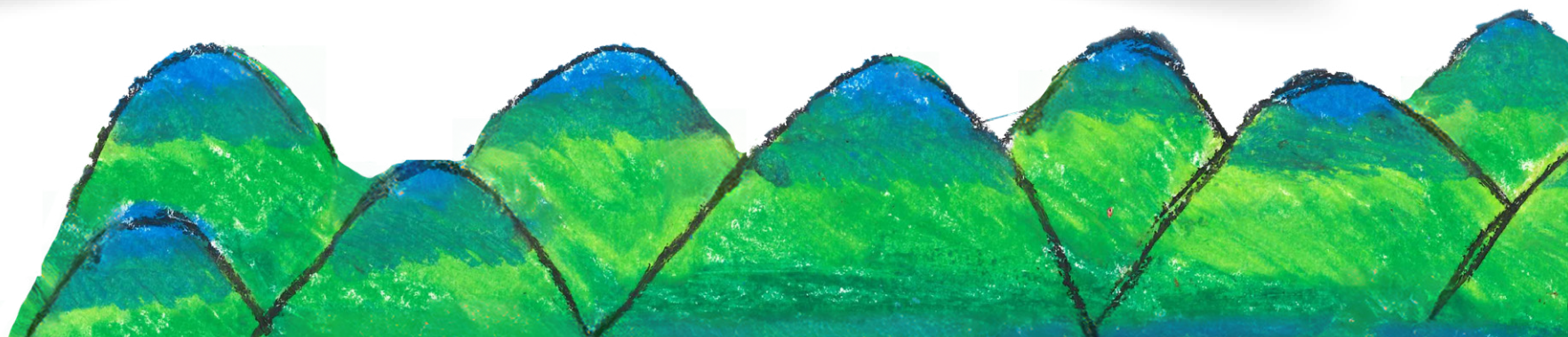
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Stakeholder	Significance	Annual key issues	Communication channels/ frequency	2023 communication performance
Customers	We are committed to providing high-quality shipping services, aiming to better meet the needs and expectations of our customers. We aspire to be an indispensable partner in their business development, working together to create value.	<ul style="list-style-type: none"> • Ship Safety* • Integrity Management • Risk Management* • Sustainable Development Strategies • Customer Service and Satisfaction 	<ul style="list-style-type: none"> • Telephone (Immediate) • EMAIL (Immediate) • Face-to-face communication with customers (Irregular) • Customer satisfaction (Irregular) • Stakeholder Questionnaire (Annual) 	<ul style="list-style-type: none"> • No complaints from customers were received in 2023 • Visited clients and had face-to-face interactions 78 times
Public associations	Public associations related to shipping provide regulatory information. Through the examination, we aim to maintain the ship seaworthiness and safety, striving to achieve green shipping and facilitate human rights for sea crews and ensure the goal of safety of ships.	<ul style="list-style-type: none"> • Ship Safety* • GHG Emissions and Energy Management* • Air Pollutant Management • Occupational Safety and Health* • Economic Performance* 	<ul style="list-style-type: none"> • Telephone (Immediate) • EMAIL (Immediate) • Meetings (Irregular) • Questionnaire (Irregular) • Stakeholder Questionnaire (Annual) 	<ul style="list-style-type: none"> • A total of 11 sessions of meetings were held with Classification Society and Gallagher Marine Systems • A total of 52 times of deficiencies were issued by the Classification Society • Participated in 47 educational training sessions organized by classification societies, seafarers' unions, and other public associations • Participated in a total of 8 exchange meetings organized by shipping agents' associations, seafarers' unions, classification societies, shipowners' associations, and port authorities.
Suppliers/ Contractors	Suppliers/Contractors are the long-term and important partners for Shih Wei Navigation. Through close cooperation, we will jointly pursue the goal of corporate sustainable management.	<ul style="list-style-type: none"> • Ship Safety* • Integrity Management • Supply Chain Management • Customer Privacy and Cyber Security* • Occupational Safety and Health* 	<ul style="list-style-type: none"> • Telephone (Immediate) • EMAIL (Immediate) • Supplier evaluation (Twice a year) • Stakeholder Questionnaire (Annual) 	<ul style="list-style-type: none"> • Two times of supplier evaluation were conducted. • Participated in a total of 34 training sessions organized by suppliers/contractors

Material topics are marked with *



Stakeholder	Significance	Annual key issues	Communication channels/ frequency	2023 communication performance
Shareholders and other Investors	It is because of the support of the shareholders and investors can Shih Wei Navigation continue its various development and improvement. They are the strong support for the sustainable management of the Company.	Economic Performance* Sustainable Development Strategies Risk Management* Climate Change Management* GHG Emissions and Energy Management* Diversity and Inclusion	<ul style="list-style-type: none"> Investor Conference (Annual) Shareholders' meeting (Annual) TWSE MOPS (Immediate) Mega Securities Register & Transfer Agency (Immediate) Contact number and email on the Company website (Immediate) Stakeholder Questionnaire (Annual) 	<ul style="list-style-type: none"> 4 Investor Conferences were held 1 shareholders' meeting was held.
Public Welfare Groups/ Disadvantaged Groups	Engaging in social welfare depends on professional helpers. Therefore, Shih Wei has developed long-term partnership with public welfare groups, which helps Shih Wei Navigation enhance its social influence and provide substantial help to the groups in need, maximizing the benefits of the resources invested.	Social Engagement* GHG Emissions and Energy Management* Waste Management Biodiversity Human Rights Management	<ul style="list-style-type: none"> Telephone (Immediate) EMAIL (Immediate) Meetings (Irregular) Stakeholder Questionnaire (Annual) 	<ul style="list-style-type: none"> Organized 12 public welfare activities, including 2 beach cleanups and 4 material recycling events Members of the Public Welfare Team participated in the 10th anniversary event of the After School Association of Taiwan as volunteers In response to Earth Day, we encouraged our employees to participate in the Million Green Actions campaign, with onshore personnel and sea crews collectively achieving 6,586 green actions

Material topics are marked with *

2.5 Participation in Public Associations

Shih Wei Navigation not only is dedicated to the development of its core business but also expects to make contributions to the sustainable development of shipping-related industries in Taiwan. Therefore, the Chairwoman and high-level executives actively participate in public affairs and hold positions in public associations, hoping to gather industry consensus and resources through exchanges and cooperation.

Name of Association	Position
CR Classification Society	Director, Committee member
Log Carriers Group Foundation, Association of Shipping Services, R.O. C.	Chairman
Association of Shipping Services, R. O. C.	Executive director, Director, Committee member
Taipei Shipowners' Association	Member representative
Taipei Shipping Agencies Association	Member representative
Taiwan Entrepreneurs Association	Member
NTOU Alumni Association	Executive director, Director
Bureau Veritas Asia & Australia Committee	Committee member
ClassNK Taiwan Committee	Committee member, Technical committee
The Britannia Steam Ship Insurance Association (Britannia P&I Club)	Director, Chair of Nomination Committee, Committee member
The Master Mariners Association	Director



ENVIRONMENTAL

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Performance Highlights

- Kickstart the ISO 14064-1 Organizational GHG Inventory
- Use organic silicone-based anti-fouling paint in the hull anti-fouling system

Management Approach					
Target Readers	Employees, Shareholders and other Investors, Competent Authorities (the Government), Suppliers/ Contractors, Customers				
Policy Commitments	<ul style="list-style-type: none"> • To cope with the carbon reduction trends at home and abroad and to meet the changes in market demands, Shih Wei Navigation makes strengthened management of GHG and energy, and has actively promoted energy-saving and carbon-reducing measures and assessed risks and opportunities brought by climate change so as to incorporate these conditions into considerations for business operation • To follow the carbon reduction strategies of the International Maritime Organization (IMO), set carbon reduction targets, and gradually adjust company policies 				
Material Topic	Management System and Evaluation Methods	2023 Key Results	Short-Term Goals	Mid-term Goals	Long-term Goals
Climate Change Management	Head Office <ul style="list-style-type: none"> • According to the ISO 14064-1 Organizational GHG Inventory, third-party verification will be introduced to enhance credibility • Follow the Company's Risk Management Policy and Procedures and introduce TCFD • Take inventory of the energy sources in the Head Office and assess effective ways to reduce energy use effectively Fleet <ul style="list-style-type: none"> • By adopting the StormGeo s-Insight Decision Support System, we can monitor and grasp the latest status of the fleet in real time. Supplemented with weather routing information, we can timely adjust the voyage operation plans of the vessels, enhancing the carbon intensity performance of each ship 	Head Office <ul style="list-style-type: none"> • Kickstart ISO 14064-1 organizational GHG inventory, and quarterly GHG inventory reports are submitted to the board for oversight and management. • Introduce the mechanism of Enterprise Risk Management (ERM), which also integrates climate-related risks • Conduct training to boost staff knowledge and ensure they grasp international regulations like the UN Climate Convention and EU Emissions Trading System (EU ETS) • Following the replacement of the Head Office's air conditioning chiller unit two years ago, we switched out vertical blinds for fire-resistant thermal roller blinds. We also installed ceiling-mounted circulating fans to cut down on purchased electricity usage effectively. Fleet <ul style="list-style-type: none"> • The fleet adopts the StormGeos-Insight system to monitor the Carbon Intensity Indicator (CII) of the ship 	2023-2025 <ul style="list-style-type: none"> ⚡ Implement ISO 14064-1 and obtain an external verification statement ✓ The fleet complies with the requirements of the Ship Energy Efficiency Management Plan (SEEMP) Part III. 	2030 <p>To strive for the maintenance of the environment on earth and reduce negative impact on the environment caused by business activities.</p>	2050 Achieve Net-zero Emissions.
GHG Emissions and Energy Management	<ul style="list-style-type: none"> • Evaluate the effectiveness of carbon emissions management according to the Ship Energy Efficiency Management Plan (SEEMP) Part III, and submit it for review by the verification body annually • According to the International Convention for the Prevention of Pollution from Ships (MARPOL Annex VI), the total energy consumption of ships is certified annually by the classification society ClassNK, obtaining a compliance certificate • Obtain the annual carbon intensity rating for the ships from the flag state. If the rating performance is poor, a corrective plan will be developed and incorporated into the Ship Energy Efficiency Management Plan 	<ul style="list-style-type: none"> • Reduce the GHG emissions of ships to meet EEXI requirements, and conduct verification of CII of the ship as well as obtain the certificate while improving CII rating. • Ships slow down when entering and leaving ports, reducing GHG emissions and improving port air quality • Use organic silicone-based anti-fouling paint in the hull anti-fouling system to reduce navigation resistance, increase fuel efficiency and protect marine biodiversity 	2030 <p>Annual reduction of 20% of the total carbon emission</p>	2040 <p>Annual reduction of 70% of the total carbon emission</p>	

Note : 2023 target achievement status : " ✓ : achieved, " ⚡ : continuous improvement

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3.1 Green Shipping

The global maritime industry emits approximately 1 billion metric tons of GHG annually, accounting for around 3% of total global emissions, which significantly impacts the environment. Since the Conference of the Parties 27 (COP27) in 2022, the Green Shipping Challenge has been launched to encourage governments, ports, businesses, and stakeholders throughout the shipping value chain to commit to specific actions. This initiative aims to catalyze global efforts and further achieve decarbonization goals within the maritime sector.

Shih Wei Navigation has established an environmental management system suitable for the industry characteristics and in accordance with the safe operations of ships and environmental protection regulations stipulated by the International Maritime Organization (IMO) for the management of the safe operation of the fleet and environmental protection. The effectiveness of the management system is audited by the third-party inspection organization ClassNK Consulting Service Co., Ltd. (NKCS) on a yearly basis.

The international environmental protection and safety management certificates possessed by the fleet of Shih Wei Navigation:

Safety Management Certificate	International Ship Security Certificate	Cargo Ship Safety Construction Certificate
International Sewage Pollution Prevention Certificate	International Air Pollution Prevention Certificate	International Oil Pollution Prevention Certificate
Cargo Ship Safety Equipment Certificate	Statement of Garbage Pollution Prevention From Ship	International Ballast Water Management Certificate
International Energy Efficiency Certificate	International Anti-Fouling System Certificate	Statement of Compliance on Inventory of Hazardous Materials
Confirmation of Compliance-SEEMP Part III	Document of Compliance	Statement of Compliance – Fuel Oil Consumption Reporting and Operational Carbon Intensity Rating

3.2 Climate Change Adaptation and Climate Risk Management



3.2.1 Climate Risk Management Framework

The EU Emissions Trading System (EU ETS), expanding to include the maritime industry from 2024 onwards, and the International Maritime Organization adjusting its carbon reduction strategies in 2023, have already impacted corporate operations. To understand the potential risks of climate change and align with the international sustainable trend of disclosing climate-related financial information, we refer to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) issued by the Financial Stability Board (FSB). Following the disclosure frameworks of Governance, Strategy, Risk Management, and Metrics and Targets, we conduct analysis of risks and opportunities to develop corresponding response measures.

Governance

The board of directors of Shih Wei Navigation serves as the highest governance unit for sustainable development issues. Supervised directly by the chairperson, the company has established a cross-departmental "Risk Management Team" and "Greenhouse Gas Inventory Team" to coordinate corporate operational risks (including climate change) and GHG inventory execution. The identification results of the Task Force on Climate-Related Financial Disclosures (TCFD) are approved by the chairperson, who reports and discusses climate change risk issues with the board of directors before publishing the sustainability report to ensure effective oversight. Additionally, each year, the TCFD content is continuously refined and adjusted to align with operational realities and meet stakeholder needs. Quarterly reports on GHG management initiatives are also submitted to the board of directors.


Strategy

The Company's Risk Management Team assesses how likely various risks and opportunity factors are to happen, reviews and adjusts strategies and goals based on progress, and corrects adaptation actions on a rolling basis in the quarterly meeting. In response to climate risks, Shih Wei Navigation selects Net-Zero Emissions by 2050 Scenario (NZE) to analyze future transition risks such as carbon pricing, policy and regulations, technology, and innovation based on the international maritime climate change strategies initiated by IMO and our commitment to Net-Zero emissions. For physical risks, we refer to the Sixth Assessment Reports (AR6) by IPCC and adopt the highest SSP5-8.5 emission scenarios of Shared Socioeconomic Pathway (SSP) for analysis and identification to strengthen our climate strategy resilience to tackle the future impacts of climate change on our business operations.

Risk Management

In accordance with the Company's Risk Management Policy and Procedures, we introduced the corporate risk management mechanism in 2023 and integrated climate change risk factors to understand the relationship with the top 10 corporate risks. In addition, we also assessed their financial impacts on company operations and take stock of response strategies. Please see 5.3 Risk Management for details.

The climate risks are integrated in the following table based on the top 10 risk identification results.



Top 10 corporate risks		Climate risk factors	Risk/Opportunity Type
Rank	Item		
2	Asset acquisition and disposal	Replacement of existing ship equipment	Transition Risks—Technology and Innovation Risks
5	Damage to goods/assets/equipment		
3	Ship inspection and rating	Rapidly changing customer trends	Market opportunity
9	Regulation and Compliance	Carbon tax/carbon fee, cap and trade	Transition Risks—Policy and Legal Risks
10	Environmental Risks	Extreme climate change aggravates the impacts of weather and ocean phenomena on Earth	Physical Risks—Acute

Metrics & Targets

Shih Wei Navigation is committed to achieving Net-Zero Emissions by 2050, with established management strategies in place and regular tracking of their effectiveness. In terms of carbon reduction targets, we currently adhere to the International Maritime Organization's GHG reduction strategy, setting medium to long-term GHG emission targets and indicators. We will adjust our strategies dynamically in response to international trends and new technologies, aiming to achieve the goal of Net-Zero Emissions.

Shih Wei Navigation's short-, medium-, and long-term carbon reduction goals

Year	2030	2040	2050
Description	The year to achieve the Short-term goal	The year to achieve the Medium-term goal	The year to achieve the Long-term goal
Target value	Annual reduction of 20% of the total carbon emission	Annual reduction of 70% of the total carbon emission	Achieve Net-Zero Emissions
Strategies and Measures	<ol style="list-style-type: none"> 1. Sell old vessels and those whose market shrank to build a new fleet of young, eco-friendly, and fuel-efficient vessels 2. Plan and carry out carbon-cutting projects, install energy-saving devices and check the effectiveness, such as the installation of Propeller Boss Cap Fins (PBCF) and the use of more effective anti-fouling paint or high-performance paint to reduce fuel consumption and improve energy efficiency. 3. In accordance with MARPOL ANNEX VI and Resolution MEPC.213(63), we entrust a third-party verification unit to verify the EEXI (Energy Efficiency Existing Ship Index) of each ship. Necessary energy-saving and carbon-reducing measures are then taken accordingly to meet the requirements of SEEMP Part III. We then conduct GHG inventory annually, set carbon reduction goals, review goal attainment rates, and adjust carbon reduction efforts on the go to prepare for future impacts of carbon taxes, fees, or trading systems. 4. Reduce the speed of ships when entering or leaving the port area to reduce air pollution 5. In addition to using the circulating water management system to recycle precious water resources, we also reduce the generation of wastewater and waste from the source. 	<ol style="list-style-type: none"> 1. Continue to seek low-carbon innovative technologies and assess various carbon reduction projects to achieve the goal of GHG emission reduction 2. Cooperate with the aspects of shipbuilding technology, new fuel, and policies to achieve the goal of green shipbuilding and green shipping 	Look for economical green alternative energy.

Note: :

1. Our company implemented the ISO 14064-1 : 2018 Organizational GHG Inventory in 2023, updating the current year as the new base year

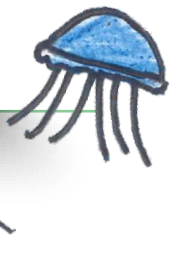
2. Starting from the base year, our goal is to achieve an annual reduction of at least 2.9% to reach a 20% reduction in GHG emissions by 2030

3.2.2 Climate Risk and Opportunities & Responses

We are actively working on solutions to lower the operational and financial impacts of climate change, aiming to enhance climate resilience. We plan climate actions to address high-risk climate factors, evaluate financial impacts, and prepare measures to address related risks and opportunities.

Response to TCFD Risks and Opportunities

Risk/ Opportunity Type	Risk content	Description of risk impact	Management approach/ Countermeasures	Potential financial impact	Future opportunities
Transition Risks— Policy and Legal Risks	Carbon tax/carbon fee, cap and trade	1. Failure to crack down on GHG may cause the ships to be sidelined, and chances for business collaborations may be lowered while carbon tax/costs may be increased due to port regulations, global eco-laws, and market trends.	Short-term 1. Out with the old, in with the new strategy— gradually change to silicone-based antifouling paint or high-efficiency paint to maintain a young fleet with eco-friendliness and energy conservation. Keep an eye on the trends in green energy and new tech while cutting down the cost of carbon taxes or carbon fees. 2. Embracing big data to manage operational information, reduce vacancy rate, improve fuel efficiency, and thereby optimizing the carbon intensity rating.	Increased operating costs	Achieving green transition successfully will help boost business growth, and reduce costs associated with carbon fees/taxes
Transition Risks— Market Opportunities	The rapidly changing customer trends indicate an increasing use of ships powered by green low-carbon technologies and renewable energy resources.	2. Failure to effectively manage toxic gases or waste may cause environmental pollution and ecological impact.	Medium-term Build eco-friendly and energy-saving new ships, develop low-carbon services, modify ship equipment, and arrange ship bottom cleaning to achieve the effect of carbon reduction. Long-term R&D of high-efficiency equipment and green energy	Increased capital spending	



Risk/ Opportunity Type	Risk content	Description of risk impact	Management approach/ Countermeasures	Potential financial impact	Future opportunities
Transition Risks— Technology and Innovation Risks	Replacement of existing ship equipment	IMO's emission reduction strategies the Energy Efficiency Existing Ship Index (EEXI) and the Carbon Intensity Indicator (CII) took effect on November 1, 2022, requiring all ships of 5,000GT or above be applicable to EEDI complete EEXI verification and collect ship data before the first IAPP statutory survey after January 1, 2023, and that calculation of the annual CII value should be made and reported from 2024 for annual rating.	<ul style="list-style-type: none"> Replace energy-consuming equipment and install energy-saving devices to reduce fuel consumption while increasing energy efficiency Introduce backup satellites to ensure seamless communication by automatically switching from the main satellite when there is no signal. Use data analysis to tailor inventory strategies for individual parts and prevent failures and unexpected events. Establish a technical database and compile results of the original factory's education and training as well as past events into relevant teaching plans and materials. 	Increased operating costs Increased capital spending	Achieving green transition successfully will help boost business growth, and improve corporate operational resilience
Transition Risks— Technology Use	Apply new technology to ships	<ul style="list-style-type: none"> Provide ships with stable satellite network for real-time weather and navigation information Adopting and using new technology can avoid climate change-related impacts and bring opportunities. 		Increased operating costs	
Physical Risks— Acute	Extreme climate change aggravates the impacts of weather and ocean phenomena on Earth	Frequent storms and typhoons may increase additional fuel costs or affect ship routes.	Employment of new technology to avoid climate change impacts. See explanation in the Technology Use	Increased operating costs Increased capital spending	Improve ship operation resilience and reduce risks

Shih Wei Navigation started investing in Thermolysis Co., Ltd. in 2022. The external industry environment currently favors the development of Thermolysis Co., Ltd. due to the advancement of the circular economy and the policy requirements for Net-Zero emissions. These factors constitute the primary reasons for our company's investment.

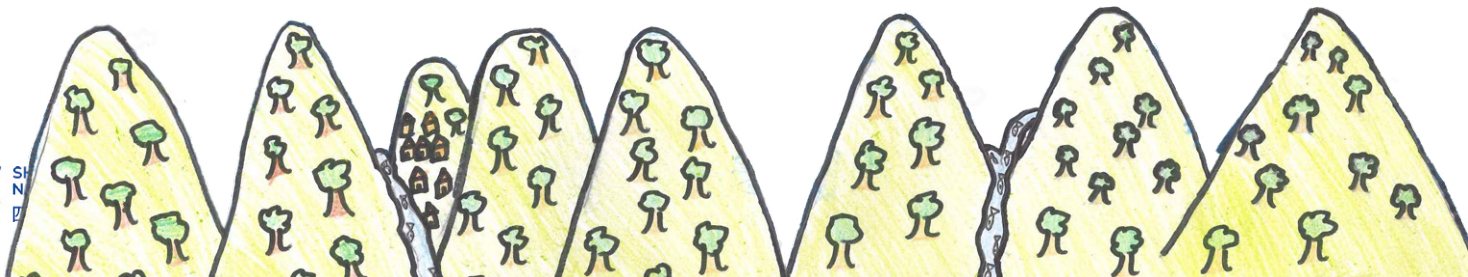
Additionally, we are investing in sustainable development bonds to play our part in the sustainable investment wave. We invested in Chile government bonds— global bonds (Short name: P21CHILE1, Bond Code: F17301), with the settlement amount of approximately USD 155,000. See our official website for details.



Thermolysis official website
<https://www.thermolysis-asia.com/>



Shih Wei Navigation invests in sustainable development bonds, supporting sustainable investment
https://www.swnav.com.tw/uploads/files/shares/ESG_REPORT/operational-overview/20231221.pdf





3.3 Climate Change Mitigation

3.3.1 GHG Management

To effectively control GHG emissions and comply with government initiatives promoting GHG inventory and verification information disclosure, Shih Wei Navigation is gradually establishing capabilities for carbon inventory and management. Currently, we have autonomously inventoried GHG emissions from the Head Office (Parent company) and the fleet (Subsidiaries) for the years 2019 to 2022. We plan to formally adopt the ISO 14064-1 : 2018 Organizational GHG Inventory Standard in 2023, and facilities within the operational control scope will be included in the boundary. The goal is to obtain external verification for the parent company by 2024 and for the ship operating subsidiaries by 2025. Starting from 2022, quarterly schedules and execution progress are reported to the board of directors.

Schedule for GHG Inventory Implementation			
2021-2022	2023	2024	2025-
Voluntary inventory of the fleet of the parent company and subsidiaries in accordance with the Greenhouse Gas Protocol standards	Introduce ISO 14064-1 : 2018 and complete the inventory of the fleet of the parent company and subsidiaries	<ul style="list-style-type: none"> Promote the parent company to obtain external verification Stepwise completion of the inventory of subsidiaries' fleet 	Promote the subsidiaries' fleet to obtain external verification

To make effective management of the GHG and energy of the fleet, we have imported the StormGeo s-Insight system to every vessel for the reporting of relevant data daily. Through the data platform, the latest status can be grasped to ensure the ships' compliance with EU-MRV, IMO DCS, EEXI, CII, and other regulatory requirements.

GHG Emissions Statistics for 2023

Unit: Metric tons (t) CO₂e

Category of Emissions		2023 Emissions				
Scope 1	Category 1 : Direct GHG emissions	Parent company	27.3875			363,991.792
		Passenger ship	14.1512			
		The fleet	CO ₂	CH ₄	N ₂ O	
			358,152.474	160.046	5,637.734	
			Total 363,950.253			
Scope 2	Category 2 : Indirect GHG emissions from imported energy	Parent company	Purchased electricity			88.986
			86.1799			
		Passenger ship	Shore power			
		2.8059				
Total emissions from Scope 1 and Scope 2		364,080.778				
Scope 3	Category 3 : Indirect GHG emissions from transportation	26.684				
	Category 4 : Indirect GHG emissions from products used by an organization	19.727				
Total emissions from Scope 3		46.411				
Total GHG emissions		364,127.189				

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GHG emissions statistics of Shih Wei navigation in the past four years

Unit: Metric tons (t) CO₂e

Source of emission		Year	2020	2021	2022	2023
Parent company	Scope 1		N/A	N/A	N/A	41.539
	Scope 2		95.898	90.905	93.590	88.986
	Scope 3		N/A	N/A	N/A	46.411
The fleet (Subsidiaries)	Scope 1		455,591.284	398,878.599	380,858.756	363,950.253
	Number of vessels in total shipping fleet		40	34	33	33
	Ton-nautical Mile/Ton-mile		571,429,580,468	508,515,951,237	395,132,066,870	398,541,712,578
	Total distance traveled by vessels (nm)		2,013,250	1,588,670	1,578,730	1,545,048
	GHG emission intensity (Metric tons (t) CO ₂ e / Ton-nautical Mile/Ton-mile)		0.000000797	0.000000784	0.000000964	0.000000913
Total GHG emissions	Scope 1		455,591.284	398,878.599	380,858.756	363,991.792
	Scope 2		95.898	90.905	93.590	88.986
	Scope 3		N/A	N/A	N/A	46.411
	Total		455,687.182	398,969.504	380,952.346	364,127.189

Note :

1. The GWP Value was from the Sixth Assessment Reports (AR6) by IPCC

2. Due to the introduction of ISO14064-1 in 2023, for the fleet's Scope 1 emissions, the fuel usage is based on ClassNK fuel consumption certification as the activity data, and the emission factors in the Fourth IMO GHG Study and IMO DOCS are adopted for calculation (Emission factor for Diesel : 3.206; HFO emission factor : 3.114; LFO emission factor : 3.151). For the Head Office and the passenger ships' Scope 2 emissions, electricity usage is based on the electricity bills as the activity data, and the annual power coefficient announced by Bureau of Energy, MOEA is adopted for calculation.

3. From what is detailed in Note 2, to make the data comparable, CH₄ and N₂O are included. Hence, the calculation of GHG emissions of ships from 2020-2022 were revised (previous data only included CO₂), and the information is restated.

4. From 2022, the parent company's data covers the original Head Office and the passenger ship, Dancewoods No.1 was also added. However, the passenger ship did not operate in 2022, so there were no emission data. From 2023, the emission data of the subsidiaries' fleet cover that of the 28 ships they hold and the emission data of the ships (5 ships) sold in that year during the holding period.

5. Ton-nautical Mile / Ton-mile is calculated by multiplying the weight of the cargo in tons by the distance traveled by the vessel in nautical miles

GHG Reduction Actions

Shih Wei Navigation's carbon reduction actions are detailed in the following table.

Type of operating base	Countermeasures
The fleet	• Sell five old vessels and newly contract to build three new energy-saving vessel types to establish a fleet of young, eco-friendly, and fuel-efficient vessels
	• Energy conservation requirements are given in terms of ship design efficiency on the premise of accomplishing a certain amount of transportation task while making the most efficient use of fuel. Ships not meeting the emission standards or causing pollution will be restricted or have to make adjustment or improvement. After the calculation by the third-party certification agency, ClassNK Consulting Service Co., Ltd. (NKCS), some vessels of the fleet have to be equipped with Engine Power Limitation (EPL) to reduce the GHG emissions to meet the requirements of EEXI
	• Use organic silicone-based anti-fouling paint in the hull anti-fouling system to reduce navigation resistance, increase fuel efficiency and protect marine biodiversity
	• The installation of Propeller Boss Cap Fins (PBCF) on vessels effectively reduces fuel consumption.
Head Office	• Following the replacement of the Head Office's air conditioning chiller unit two years ago, we switched out vertical blinds for fire-resistant thermal roller blinds and also installed ceiling-mounted circulating fans to cut down on purchased electricity usage effectively.
	• To reduce GHG emissions from official vehicles, the gasoline vehicles are gradually phased out, reducing approximately 29.71% of carbon dioxide equivalent compared with two years ago.

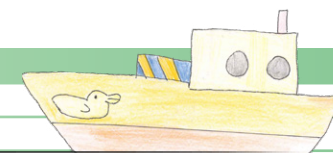


3.3.2 Energy Management

Shih Wei Navigation has established the Energy Management Policy in accordance with the ARPOL ANNEX VI and Resolution MEPC.213 (63) for the Ship Energy Efficiency Management Plan (SEEMP) to manage fuel consumption and reduce GHG emissions from ship operation. All the offshore and onshore personnel have to follow the Company's energy management policy to implement SEEMP, and integrate record-keeping, monitoring, analysis, and improvement to pave the way for continuous improvement cycles for the next project. Through SEEMP, the Company as well as the ships have to establish the PDCA cycle (Planning, Doing, Checking and Assessment).

Marine fuel is the main source of energy for the company's ships. To work in line with the IMO 2020 Global Sulfur Cap regulation, the fleet has completely changed to use low-sulfur fuel oil (0.5%), and when entering the so-called Emission Control Areas, the ships use low-sulfur fuel with 0.1% maximum sulfur content, and only distillate fuels (e.g. MGO or MDO) with 0.1% sulfur content limit are allowed when ships are within 24 nautical miles of the California coastline. We reduce the proportion of sulfur oxides (SOx) released into the atmosphere from the source, reduce air pollution, and improve the Air Quality Index (AQI).

Type of operating base	Power source
The fleet	The main type of energy is fuel used in ship engines, generators, and auxiliary equipment, etc.
Head Office	Purchased electricity



Statistics of energy consumption in the past three years

Item		Year	2021	2022	2023
The fleet (Subsidiaries)	Diesel (metric tons)		8,736	9,019	7,766
	Heavy oil (metric tons)		117,054	111,071	106,962
	Total (metric tons)		125,790	120,090	114,728
	Diesel (GJ)		357,099.237	368,667.356	317,448.795
	Heavy oil (GJ)		5,001,547.967	4,746,087.462	4,566,272.546
	Total fuel consumption (GJ)		5,358,647.204	5,114,754.818	4,883,721.342
	Ton-nautical Mile		508,515,951.237	395,132,066.870	398,541,712.578
	Energy intensity (GJ/ ton-nautical mile)		0.0000105378	0.0000129444	0.0000122540
Parent company (Head Office and passenger ships)	Purchased electricity- Independent power consumption (kWh)		140,674.220	144,126.110	133,447.356
	Purchased electricity- Public power consumption (kWh)		40,606.555	40,826.081	41,005.876
	Purchased electricity- Shore power for passenger ships (kWh)		N/A	N/A	5,680.000
	Total electricity consumption (GJ)		652.611	665.828	648.480
	Number of employees (people)		69	74	74
	Energy intensity (GJ/number of employees)		9.458	8.998	8.763
Total energy consumption (GJ)			5,359,299.815	5,115,420.646	4,884,369.821
Percentage of heavy fuel oil			93.32%	92.78%	93.49%

Note :

- The Company does not use renewable energy currently.
- The electricity consumption of the Head Office is calculated based on the kWh listed on the monthly electricity bill and then based on the data range of each year. Because of the consolidation of relevant calculation boundaries and methods, external power consumption data from relevant organizations cannot be obtained. The fleet energy use comes from the ClassNK fuel oil consumption certification, and the calorific value coefficient referred to the annual energy statistics report of the Bureau of Energy, MOEA, where diesel is 8,400 Kcal/L and heavy fuel oil 9,600 Kcal/L. According to the unit conversion table, 1 kilowatt hour (kWh) = 3.6×10^6 joules (J), 1 megacaloric (Gcal) = 4.185 megajoules (GJ).
- From 2023, the energy statistics of the parent company include the passenger ship, Dancewoods No.1. However, the passenger ship did not operate in 2022, so there were no relevant emission data.
- To make the historical data comparable, the calculation method was revised and the information is restated.

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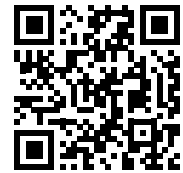
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Energy Efficiency Design Index (EEDI)

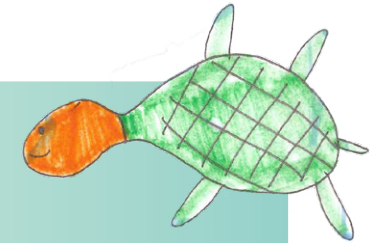
Energy Efficiency Design Index (EEDI) is the carbon emission calculated based on the fuel oil consumed by the ship at a certain speed under the status of design maximum payload, and the unit is g CO₂/t·nm. The smaller the value of EEDI, the higher the energy efficiency of the ship design. Currently, the calculation of the EEDI applies to 2 vessels at Shih Wei Navigation, which has also been verified. The average EEDI of the vessels is 5.585 g CO₂/t·nm.

3.4 Water Stewardship

Although the Head Office of Shih Wei Navigation is in the area with low to medium risk level (Medium 1–2) according to World Resources Institute (WRI) Aqueduct Tools, Taiwan's steep terrain that makes it difficult to retain water and the impact of climate change often force it to face severe water shortage. Therefore, effective water stewardship will help with water conservation, reducing the environmental footprint, costs, and operational risks of enterprises.



WRI Aqueduct Tools
<https://www.wri.org/aqueduct>



There are two sources of freshwater for ships, one from the ocean and is obtained from an evaporator system that uses distillation, and the other is from the shore that is provided by water suppliers. There is no use of surface water, ground water or other water sources. Statistics of the freshwater made by the freshwater maker on the ships are difficult to obtain; therefore, the water consumption of the fleet is based on water intake data on the shore.

100% of the tap water used in the Head Office is from Taiwan Water Corporation. There is no use of surface water, ground water or other water sources. Water is only used by employees and visitors, which has no significant impact on the water sources. Water is mainly used for drinking water, air-conditioning system, cleaning, and so on. Part of the water is for cleaning tableware and the restrooms. To follow the policy of cherishing water resources, our employees are encouraged to adjust water flow to small flow to save water resources. In addition, to protect the health of employees, we commission the manufacturers to test the drinking water quality to ensure the safety and quality of drinking water.

Water Consumption in the past three years

Unit : Megaliter(s)

Operating activities	Source of water	2021	2022	2023
The fleet	Third party water	16.429	17.497	11.033
	Seawater (produced freshwater)	N/A	N/A	N/A
Head Office	Third party water	1.201	1.428	1.711

Note :

1. 1 Megaliter = 1,000 m³

2. 1 metric ton = 1,000 liters

3. From 2023, the Head Office statistics are consolidated based on the allocation of shared water consumption in the building. To make the data comparable, 2021–2022 data is adjusted to accommodate calculations spanning across the years, so the information is restated.

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3.5 Waste Management

3.5.1 Waste Management Policies and Practices

Shih Wei Navigation updated its Waste Management Plan in accordance with the IMO MEPC.277(70), regulating the waste collection, treatment, storage, and discharge procedures to commonly maintain the marine environment. For waste generated during the ship's voyage, including domestic waste, cooking oil, food waste, plastic products, and electronic waste, we require all the ships of the Company to strictly abide by the Waste Management Plan in accordance with the requirements stipulated in IMO's Guidelines for the Development of Garbage Management Plans, and actual implementation is required to achieve the purpose of waste reduction and environmental pollution prevention.

Head Office belongs to general office environment, and the waste generated is domestic waste of the employees. In accordance with the Company's environmental policy and relevant environmental laws and regulations set by the government, waste is classified into general waste, recyclable resources (paper, PET bottles, cans), which is disposed of by a commissioned third-party waste disposal operator. After proper recycling of reusable and recyclable materials, unrecyclable waste is eventually disposed of by means of incineration or landfill.

Starting from 2023, we promote the use of 100% recyclable lunch boxes and banning disposable tableware at meetings, encourage our employees to bring eco-friendly lunch boxes to the meetings and partner with nearby restaurants for customized eco-friendly catering to reduce waste from our daily lives.

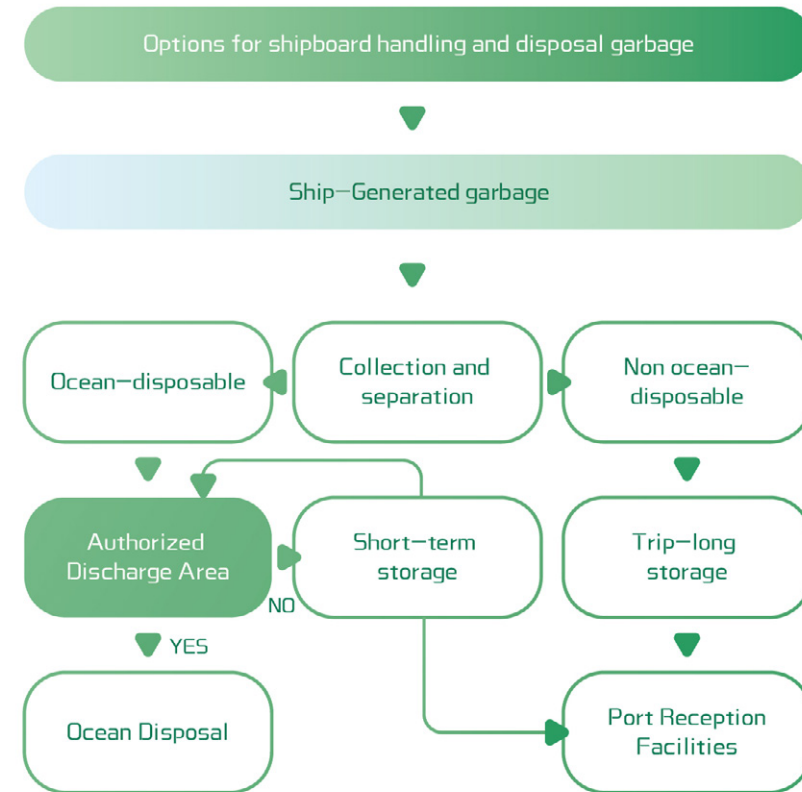
3.5.2 Ship Waste Management Process

Shih Wei Navigation's Waste Management Plan came into effect on March 1, 2018, strictly requiring all ships to make effective management of waste in accordance with this plan to prevent environmental pollution. Crew members are also required to actually fill in the Garbage Record Book when carrying out the waste disposal work.

Handling garbage from ships must start from the source. Garbage from ships refers to various food wastes, domestic wastes, operating wastes, all plastic products, cargo residues, cooking oil, fishing gear, and animal remains, you name it. Because ships have limited storage space, besides sorting garbage properly, waste reduction is also a must. To reduce the generation of ship garbage, the fleet requires all crew members to pack light on the ship, avoid stuff that turns into garbage easily, and go for reusable things and containers in accordance with the garbage management principles and measures stipulated in the Waste Management Plan. Waste is also cut down by burning burnable trash within the ship incinerator's design and legal guidelines. When docked, we will apply for waste disposal contractors to transport the garbage ashore for recycling or processing based on the current waste storage status to reduce garbage dumping into the sea that can contribute to environmental protection.

The most common ship garbage is food waste that is generated every single day. The main treatment method follows the regulations of Annex V of MARPOL 73/78, requiring that the garbage can only be dumped into the sea within the Authorized Discharge Area after treatment. Other waste disposal methods include onboard incineration (such as for domestic waste) and transportation ashore for recycling and processing. See the waste disposal statistics of the fleet over the past three years for details.

Ship garbage disposal process is as follows:



Shih Wei Navigation makes regular collection of the statistics of waste generated by the entire fleet from the Garbage Record Book of each vessel and the organized data is shown in the following table :

Statistics of different types of waste treated by the fleet in the past three years

Unit: Metric ton(s)

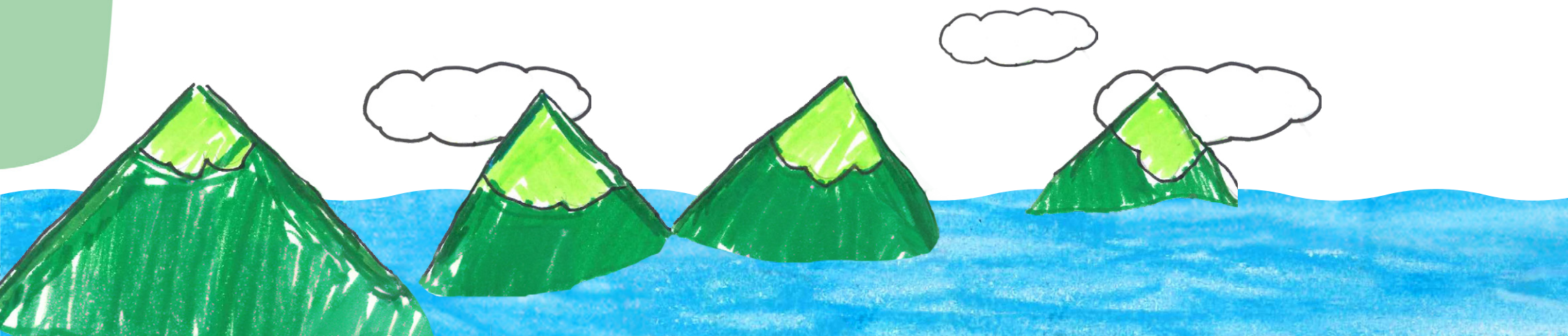
Waste classification	2021	2022	2023	Disposal method(s)
A. Plastic	5.837	9.280	7.219	Incineration, onshore collection
B. Food wastes	107.943	137.898	105.346	Ocean dumping, incineration, onshore collection
C. Domestic wastes	13.490	28.142	18.483	Incineration, onshore collection
D. Cooking oil	2.136	1.970	2.572	Incineration, onshore collection
E. Incinerator ashes	5.539	5.297	7.226	Onshore collection
F. Operational wastes	54.770	42.635	31.254	Onshore collection
G. Animal carcasses	0.000	0.000	0	Ocean dumping
H. Fishing gear	0.000	0.000	0	Onshore collection
I. Electronic waste	1.031	6.059	2.413	Onshore collection
J. Cargo residues (free from harm to the marine environment)	431.493	151.784	236.292	Ocean dumping, onshore collection
K. Cargo residues (harmful to the marine environment)	0.000	0.000	0	Onshore collection
Total	622.238	383.063	410.805	

Note :

1. Incineration refers to the method of using the ship's incinerator to reduce the subsequent waste disposal amount

2. Onshore collection refers to waste being transported by qualified vendors approved by port authorities, as arranged by the port agent. All waste is treated in accordance with local regulations. Therefore, the final disposal method of onshore collected waste cannot be trace

3. Ship waste is measured in cubic meters (m³) and converted into metric tons using conversion factors for various types of waste, the total data is summed using actual conversion values rounded to three decimal places



3.6 Air Pollutant Management

The management and control of the nitrogen oxide (NO_x) and sulfur oxide (SO_x) emissions of Shih Wei Navigation's fleet is implemented in the stages of ship building, equipment replacement, and voyage process to ensure complete implementation and control so as to reduce the emissions of air pollutants.

To work in line with the IMO 2020 Global Sulfur Cap regulation, the fleet has completely changed to use low-sulfur fuel oil (0.5%), and when entering the so-called Emission Control Areas, the ships use low-sulfur fuel with 0.1% maximum sulfur content, and only distillate fuels (e.g. MGO or MDO) with 0.1% sulfur content limit are allowed when ships are within 24 nautical miles of the California coastline. To comply with the requirements of the regulations on nitrogen emissions from marine engines, we have actively adjusted the marine engines to meet the Tier I or Tier II nitrogen emission restrictions.

In 2023, Shih Wei Navigation did not emit any ozone-depleting substances (ODS) during ship operation.

Statistics of air pollutant emissions from ships of Shih Wei Navigation in the past three years

Unit: Metric ton(s)

Category \ Year	2021	2022	2023
NO _x	9,379.817	8,941.756	8,558.826
SO _x	1,161.317	1,103.385	1,060.769
PM ₁₀	552.378	525.000	504.499

Note :

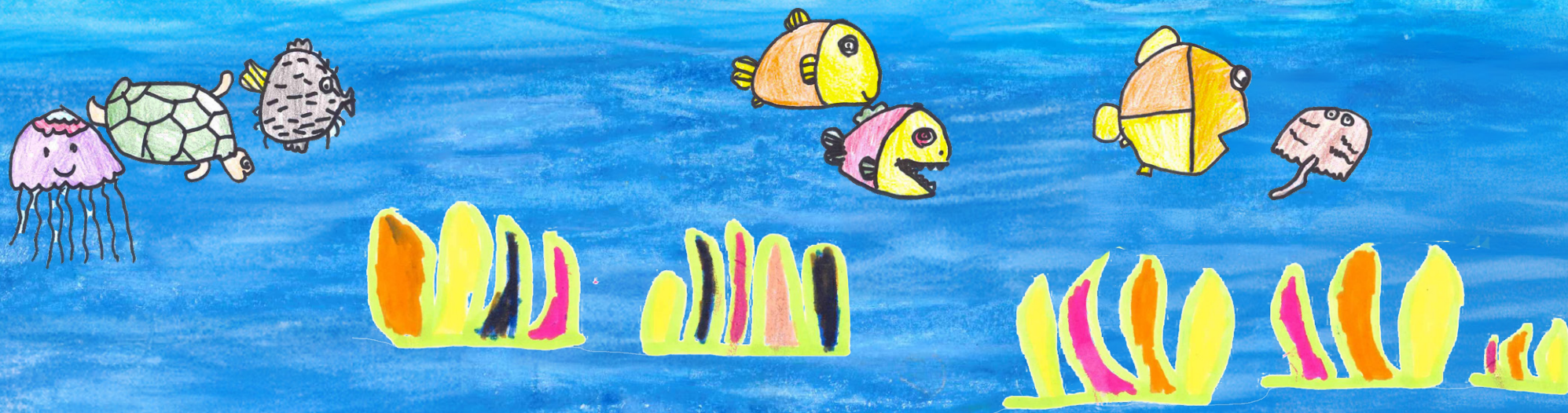
This table undergoes the following information reconfiguration to ensure comparability of historical data :

- 1.Utilize the activity data from ClassNK fuel oil consumption certification
- 2.Calculate using the emission factors and formulas provided in the fourth IMO GHG Study 2020
- 3.Recalculate the data for the years 2021 to 2022 using the above-mentioned methods

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3.7 Protection of Marine Ecology

Our planet has amazing variety of habitats, which shapes the tight bond between humans and the ecosystem. With more people on the planet and the rapidly growing global economy, shipping and trade across long distance are becoming the new normal. Over 80% of global trade volume is transported by ocean. Invasive species and pathogens can enter new environments beyond their natural range through ballast water or by adhering to vessel structures, posing negative impacts on local ecosystems.

3.7.1 Commitment to Comply with International Regulations or Conventions for the Protection of Marine Environment

In 2023, the sailing-time of the Company's fleet in Marine Protected Areas or Protected Areas totaled 620.815 days.

North Atlantic right whales, a species of baleen whale, are currently classified as Critically Endangered by the International Union for Conservation of Nature (IUCN). Despite whaling being explicitly prohibited, their survival remains under serious threat due to accidental ship strikes, entanglement in fishing gear, and the impacts of climate change, which drive them to search for food outside protected areas.

To protect the North Atlantic right whales, we adhere to the requirements of the National Oceanic and Atmospheric Administration (NOAA) of the United States. Ships sailing in Seasonal Management Areas (SMAs) are required to limit their speed to 10 knots or lower.

During the reporting period, an incident of ship refueling oil spill occurred in our fleet, with a total of 0.001 m³ of fuel spilling from the drainage hole onto the sea surface.

Immediately after the incident, the crew took emergency measures in accordance with the Shipboard Oil Pollution Emergency Plan (SOPEP) and the Company's Safety Management System Procedures (SMSP). Refueling was immediately stopped, and approximately 0.1 m³ of fuel that had overflowed onto the deck was fully recovered. With the assistance of local service providers, all fuel spilled onto the sea surface was also recovered, and departure was permitted by the port authorities.

After an investigation, it was found that the accident was caused by the crew's careless operation, specifically their failure to properly close the valve, resulting in fuel overflowing from the vent cap of the oil tank onto the main deck.

Following this incident, the Company has not only notified the fleet of the case analysis, but has also strengthened the management of pre-refueling preparations, including refueling plans, oil pollution prevention, and pre-refueling training and inspections, to ensure that all pre-refueling tasks are thoroughly executed to prevent future oil spill incidents during refueling operations.

Shih Wei Navigation operates in compliance with the following international laws and regulations, and is committed to the maintenance of ocean sustainability to do our part for the earth.

International Acts on Marine Environment Protection

- International Convention for the Prevention of Pollution from Ships, MARPOL
- International Convention for the Control and Management of Ships Ballast Water and Sediments, Ballast Water Management Convention
- International Convention on the Control of Harmful Anti-fouling Systems on Ships
- International Safety Management Code, ISM Code

Local Regulations of Ports of Call in Different Countries

- IMO SOx Emission Control Areas
- US Vessel General Permit, VGP
- Marine Invasive Species Program, MISP
- EU Regulation No. 2015/757 on the Monitoring, Reporting and Verification of carbon dioxide emissions from maritime transport, EU-MRV

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3.7.2 Ballast Water Management

Ballast water is pumped into ballast tanks from the sea to add weight when the ship unloads its cargo and pumped out when it is taking on cargo to balance the weight of the ship during a voyage. However, during transoceanic transportation and the ballast water discharge process, the water source containing viruses, bacteria, and non-indigenous species enters the waters of different countries through ballast water or ship hulls. Once invasive species spread, they are often difficult and costly to eradicate. Moreover, they may establish large breeding populations in new environments, posing threats to the survival environment of native species and impacting coastal ecosystems and industries worldwide.

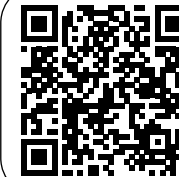
Shih Wei Navigation values the marine environment and fulfills its responsibility to preserve biodiversity. Except for passenger ships, which are exempt due to their characteristics, our company has implemented ballast water management across all vessels in accordance with the International Convention for the Control and Management of Ships' Ballast Water and Sediments established by IMO in 2004. All vessels have been certified for ballast water management.

Key performance (excluding passenger ships)

Percentage of ships that have implemented ballast water exchange : 45%

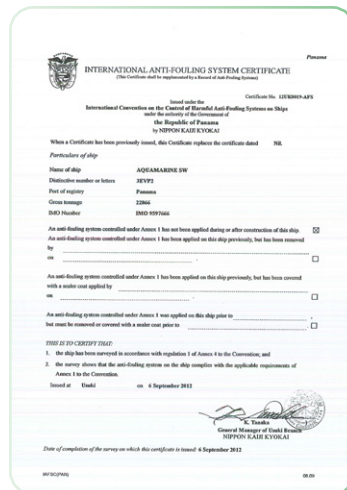
Percentage of ships that have implemented ballast water treatment : 85%

We are sending our crew to receive relevant education and training so that they are equipped with necessary knowledge and skills to improve ship safety management efficiency. In 2023, a delegation led by the Deputy Manager (with senior chief engineer qualification) of the Marine Department received Ballast Water Management System Training in Qingdao and Weihai. There were 120 trainees, with a total of 20 hours of training per person. The content covered relevant conventions, operating procedures, maintenance, and common equipment troubleshooting. During the training period, practical system operations and technical exchanges under the guidance of professionals not only helped overcome technical challenges for equipment managers, but also further enhance their mastery of ballast water treatment systems. This will help reduce inspection deficiencies and enhance ship safety. See the report on our official website for details.



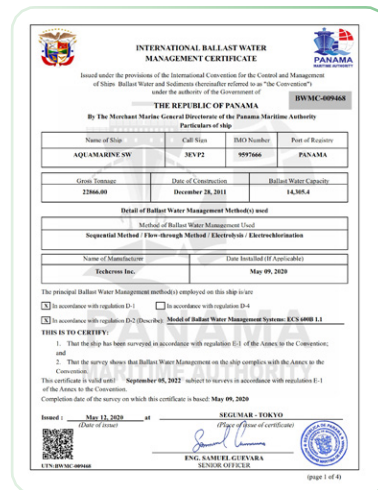
Shih Wei Navigation led a delegation to Qingdao and Weihai for the Ballast Water Management System Training, with fruitful results achieved.

<https://www.swnav.com.tw/news/64b64798296d7/detail>



IAFS Certificate

Shih Wei Navigation's fleet obtained the International Anti-fouling System (IAFS) Certificate issued by Classification Societies



BWMC

Shih Wei Navigation's fleet obtained the International Ballast Water Management Certificate (BWMC) issued by Flag State



SOCIAL

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Special Column Report – Environmental Protection Creates a Green Christmas	72



Performance Highlights

- Continue to adopt **19** schoolchildren in Wutai Base in Pingtung County, and the invested NT\$ **620,729** in the after-school tutoring.
- Members of the Public Welfare Team participated as volunteers in the 10th anniversary of the After School Association of Taiwan, serving more than **1,500** people. We even sponsored **300** McDonald meals and cooperated with the 'Hong Te Water Station Project' to set up additional drinking water stations in the event area.
- Organized **Two** beach cleanup activities, removing a total of **470** kg of garbage.
- Organized the "Decluttering, Sharing for Carbon Reduction" material recycling activity, donated **183** gifts with a total of **89** kilograms, reducing carbon by **183** kilograms, and benefiting **8** charity/schools and **1,433** people.
- Answered the call of Earth Day and kicked off the mission of "A million acts of Green", and a total of **6,586** acts of green were raised by our onshore personnel and sea crews.

Management Approach					
Target Readers	Public Welfare Groups/Disadvantaged Groups, Employees, Public associations, Competent Authorities (the Government)				
Policy Commitment	<p>To create a workplace that is equal, safe, and healthy, everyone— employees and our associates alike— has to stick to the rules, and that is how we deliver top-notch service our customers can rely on.</p> <ul style="list-style-type: none"> We have developed procedural manuals and management handbooks to regulate workers, activities, and workplaces. Regular onboard inspections and occasional visits by professionals are conducted to ensure compliance with safety management requirements We adhere to regulations and safety management standards, conducting regular safety-related education, training, and drill We create and maintain a diverse, inclusive, anti-discrimination, anti-harassment, gender-equal, and friendly workplace to practice freedom and equal treatment in employment and protect women's rights. Plan and invest budgets in public welfare projects on a yearly basis and work with partners to create a friendly and inclusive community through mutual cooperation. 				
Material Topic	Management System and Evaluation Methods	2023 Key Results	Short-Term Goals	Mid-term Goals	Long-term Goals
Occupational Safety and Health	<p>personnel</p> <ul style="list-style-type: none"> Implement workplace safety and health management to ensure employee safety and health in accordance with Occupational Safety and Health Management Plan and Safety and Health Work Rules. Use PDCA cycle and continuous audit system to identify problems. 	<ul style="list-style-type: none"> No occurrence of occupational accidents or diseases. Hold firefighting experience activity in Taipei City Disaster Prevention Science Education Center to promote fire prevention knowledge, smoke escape experience, use of fire extinguishers, and operation of slow descent escape tool. Organize human factors hazard education training. Organize training for illegal infringement hazard prevention and communication skills. Implement employee health check-ups to understand their physical health status. Add a new yoga ball to the small meeting room and optimize the environment, promote health awareness among employees, and held the second ice hockey competition to encourage healthy competition and relieve stress. The public areas of the building are disinfected once a month. Upgrade water dispensers to RO (Reverse Osmosis) filtration systems to maintain employee health. 	<p>2023-2024</p> <p>Hold at least one occupational safety and health-related education and training every year and the participants shall reach 90% or more among the total employees.</p> <p>Carry out at least one health promotion activity yearly according to actual needs.</p> <p>Promote disaster prevention education and training and conduct publicity activities at least once a year.</p> <p>Comply with legal regulations and continue to implement on-the-job labor education and training.</p>	<p>2025-2027</p> <ul style="list-style-type: none"> Train willing employees to obtain occupational health and safety related certification. Two "Class-2 managers of Occupational safety and health affairs" complete retraining as prescribed by law. Follow the PDCA cycle to continue the implementation of safety and health work rules 	<p>2027-2030</p> <p>Implement the company's policy and strive to create a safe and healthy work environment with zero occupational accidents.</p>

Note : Achievement status for 2023 : "  Achieved, "  Continuing Improvement



Material Topic	Management System and Evaluation Methods		2023 Key Results	Short-Term Goals	Mid-term Goals	Long-term Goals
Occupational Safety and Health	Sea crews	<ul style="list-style-type: none"> To comply with the requirements of the Maritime Labour Convention (MLC), International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW), we implement risk management in accordance with the International Safety Management Code (ISM Code), including hazard identification, risk assessment and accident investigation. All workers and activities on the ship are regulated in accordance with the International Safety Management Code (ISM Code), the Company's Safety Management System Manual (SMS Manual), and MLC Compliance Manual. There are also professionals (internal qualified auditors and third-party verification agencies) to conduct regular inspections onboard and irregular visits to ensure the compliance with the safety management system requirements. Onboard Safety Meetings" and "Onboard Safety and Health Committee Meetings" are held regularly every month according to the safety management system, and the meeting minutes are reported to the Head Office on time to implement and track safety management requirements. Conduct monthly tracking of crew rest and working hours in accordance with the "Rest Time Record Form" of the safety management system manual, the Maritime Labor Convention (MLC) and other relevant regulations. 	<ul style="list-style-type: none"> Arrange ship management-related courses for department heads and staff for the latest knowledge of occupational safety and health to crew members. Fully subsidize some maritime staff to attend ship-related professional education and training. No crew members suffer from occupational diseases. Seafarers' Perspective Photo Competition is regularly held to allow seafarers to relieve their physical and mental stress through photography, and generous rewards are also provided to encourage participation. 	<p>2023-2025</p> <ul style="list-style-type: none"> ⚡ We provide new health information to the ship from time to time to enhance the crew's awareness of self-health management, and also sign a telemedicine healthcare cooperation agreement with a medical institution to provide crew members with better quality physical and mental medical services. ⚡ Arrange for the head and staff of the Crew Management Department to attend ship management related training courses at least 5 times a year to enrich their professional knowledge so that they can pass it on to the crew agencies and crew members. ✓ Make more rigorous assessment of maritime staff, especially new recruits. We need to ensure their physical and mental well-being through interviews and make sure they fully understand the occupational health and safety system after training before they are sent to the ship. ⚡ Introduce a cloud-based maritime personnel system to control the crew status of the entire fleet in a digital and timely manner. 	<p>2026-2029</p> <ul style="list-style-type: none"> In addition to various incentives bonuses to encourage seafarers familiar with Shih Wei Navigation to return, subsidies are provided to seafarers on shore leave to participate in company or international seminars on issues of concern to accumulate their practical experience and professionalism so as to further reduce crew casualties. We conduct on-site safety and health care visits to ships calling at convenient ports for layovers and provide timely assistance. 	<p>2030-</p> <p>Keep to boost education, training, and legal promotion to enhance the crew's awareness of occupational safety and health while strengthening the hardware overhaul of the ship to create a safe workplace that is both hardware and software-ready.</p>
	Social Engagement	<ul style="list-style-type: none"> The Public Welfare Team members gather now and then to brainstorm and discuss charity plans and collect feedback from our associates. They also adjust plans based on interviews with partners and charitable organizations. Supervised by the board of directors, regular reports are carried out to track implementation results and adjust future plans. 	<ul style="list-style-type: none"> Continue to cooperate with After School Association of Taiwan and adopt Wutai Base in Pingtung. Organized two beach cleanup activities <p>See 4.5.2 Public Welfare Achievements for details.</p>	<p>2023-2029</p> <ul style="list-style-type: none"> ✓ To cooperate with After School Association of Taiwan and adopt Wutai Base in Pingtung. ✓ We blend our sea business know-how to spark kids' interest in career exploration with some cool activities. ✓ Carry out one mountain or beach cleanup event every year. 	<p>2030-2050</p> <p>Engaging in partnerships with various stakeholders, and actively participating in society, we strive to create a beautiful home for the "Common Good" where everyone can prosper together</p>	

Note : Achievement status for 2023 : " ✓ Achieved, " ⚡ Continuing Improvement



4.1 Happy Workplace

4.1.1 Manpower Structure

Due to the characteristics of the industry, the employees of the Company are divided into "onshore personnel" and "sea crews", and all the employees are important assets for the Company to maintain stable operation. Onshore personnel are recruited and managed by the Administration Department while sea crews by the Crew Management Department. We comply with domestic and foreign laws and regulations, attach importance to labor rights, and establish appropriate management policies, performance appraisal, compensation and benefits measures, and the education & training and continuing education measures to achieve the goal of sustainable management.

Number of employees: 614 (Onshore personnel: 74; Sea crews: 540)

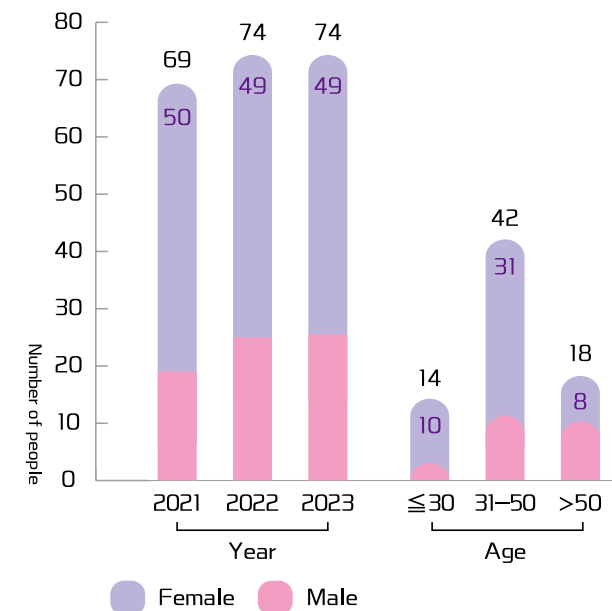
Onshore Personnel

The company's operations are based in the Head Office in Taipei, with a total of 74 onshore personnel, including top management, all of whom are Taiwanese.

The Company is subject to Taiwan laws and regulations. In terms of protecting and providing equal employment opportunities for disadvantaged groups, in 2023, we employed one person with disabilities. In the event of significant operational changes that impact employees' labor rights, we comply with the "Labor Standards Act" and other relevant regulations, providing advance notice based on employees' years of service to allow them sufficient time for psychological adjustment and preparation.

Note: All the Company's employees are full-time personnel. The Company does not involve worker dispatching of employees, part-time students, interns, volunteers, and non-employee workers, nor does it hire employees with no guaranteed hours or temporary employees.

Number and Structure of Onshore Employees in the Past Three Years



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Year	2021				2022				2023			
Age/ Gender	Male (people)	Employment rate for males (%)	Female (people)	Employment rate for females (%)	Male (people)	Employment rate for males (%)	Female (people)	Employment rate for females (%)	Male (people)	Employment rate for males (%)	Female (people)	Employment rate for females (%)
≤30	3	100	7	58.3	4	100	4	40	5	100	1	10
31-50	1	12.5	0	0	4	36.4	3	9.1	2	18.2	2	6.5
>50	0	0	0	0	0	0	0	0	0	0	0	0
Age/ Gender	Male (people)	Turnover rate for males (%)	Female (people)	Turnover rate for females (%)	Male (people)	Turnover rate for males (%)	Female (people)	Turnover rate for females (%)	Male (people)	Turnover rate for males (%)	Female (people)	Turnover rate for females (%)
≤30	3	100	1	8.3	1	25	4	40	4	100	1	10
31-50	0	0	3	8.8	1	9.1	4	12.1	3	27.3	2	6.5
>50	2	20	1	25	0	0	0	0	0	0	0	0

Note :

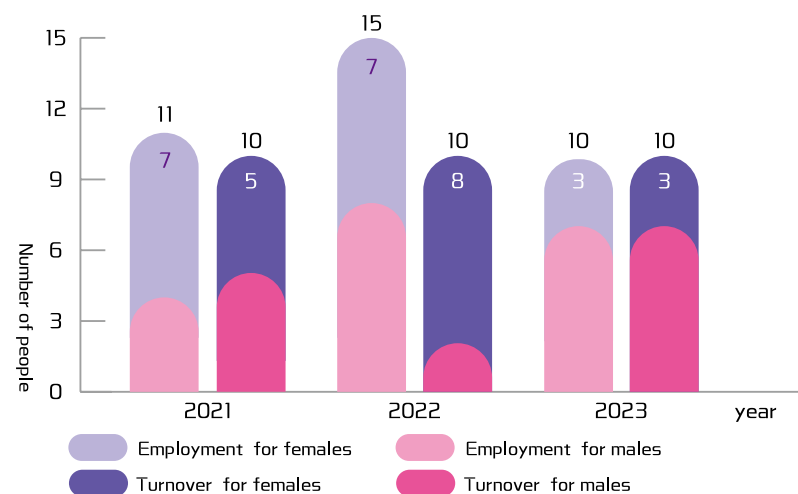
1. Employment rate (%)= The number of new recruits in the category in the current year/the total number of employees in the category at the end of the year

2. New recruits also include those who leave the Company midway

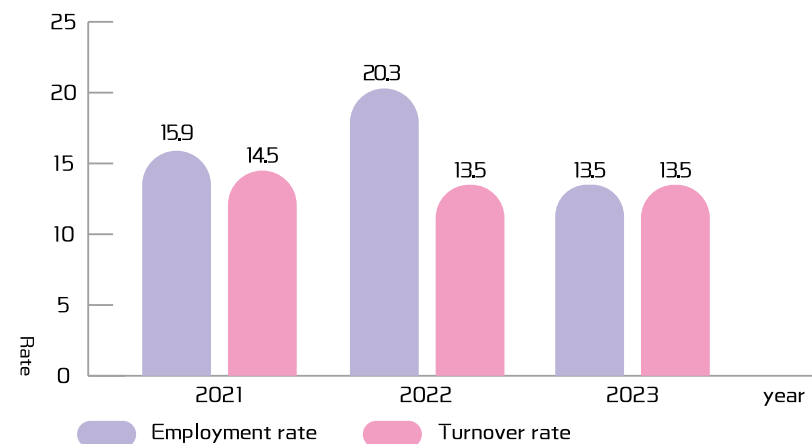
3. Turnover rate (%) = The number of employees in the category who leave the Company in the current year/ the total number of employees in the category at the end of the year

4. The number of employee turnover includes employees who resigned voluntarily, were dismissed, or retired

The number of new recruits of onshore personnel in the past three years



Employee turnover of onshore personnel in the past three years



Workplace Diversity and Equality

In the Company, the employees' compensations and positions do not differ due to difference in gender, age, nationality, or ethnic groups, realizing the equal pay for equal work and equal promotion opportunities for both male and female employees. The ratio of females holding senior management positions (assistant manager or higher) is as high as **75%** in the Company.

The Company has established the Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace to maintain gender equality and personal dignity.

Onshore personnel structure in the past two years

Employee Category	2022			
	Male	Percentage	Female	Percentage
Senior management	5	6.8	5	6.8
Management	10	13.5	13	17.6
Grassroots personnel	10	13.5	31	41.8
Employee Category	2023			
	Male	Percentage	Female	Percentage
Senior management	5	6.8	7	9.5
Management	9	12.2	16	21.6
Grassroots personnel	11	14.9	26	35.0

Note :

- 1.Senior management : Top manager of a department and assistant manager or above.
- 2.Management : Supervisors excluding grassroots personnel and senior management
- 3.Grassroots personnel : personnel holding the position under deputy section chief (exclusive)
- 4.The table involves restatement of information due to the adjustment in the definition of senior management starting this fiscal year. To ensure comparability, the data for 2022 is recalculated.

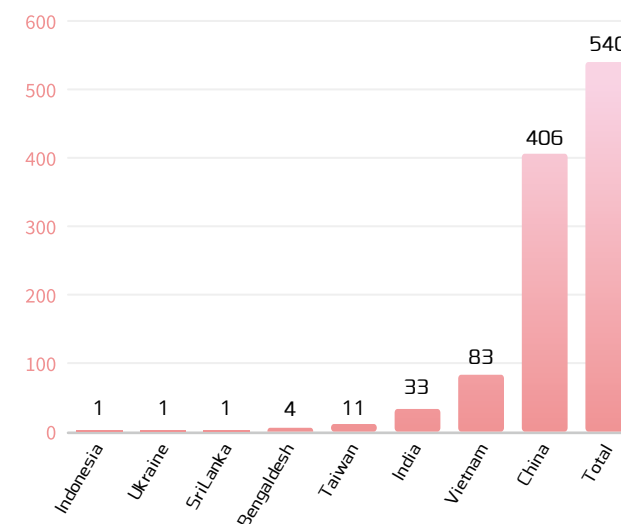
Sea Crews

Sea crews refer to the seafarers. Most of the seafarers of Shih Wei Navigation are assigned by the crew agency to perform relevant obligations, and corresponding insurance is also arranged. The average contract period per person is about 10 months, and when the contract expires, the seafarers are arranged to disembark. Therefore, the sea crews do not have direct contractual relationship with Shih Wei Navigation. As for whether to return to work for Shih Wei Navigation again after the expiry of the contract depends on the arrangement of the crew agency company. Therefore, it is unlikely to calculate the number of new recruits and turnover rate of sea crews. However, there is a fixed-term contractual relationship between the Taiwanese seafarers serving for the marine flag carriers in Taiwan*note and Shih Wei Navigation, which applies to the regulations of the Seafarer Act and the Labor Standards Act, stipulating the employer to allocate the pension to the dedicated pension account on a monthly basis while their compensations are allocated to their individual personal accounts.

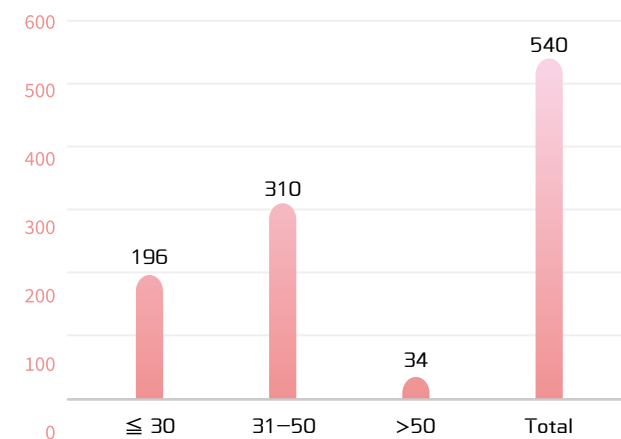
Seafarers holding a license that is compliant with the regulations, passing the medical examination, and at least 18 years old can arrange appointments with Shih Wei Navigation regardless of the gender. In 2023, the seafarers assigned were mostly Chinese, followed by Vietnamese, Indian, and Taiwanese, with a total of 540 people. Among all the seafarers, 2 are Chinese females, and the other crew members are all males.

Note : Flag carriers in Taiwan refer to ships hanging the flag of Taiwan.

Nationality distribution of sea crews in 2023



Age structure of sea crews in 2023



4.1.2 Employee Care

4.1.2.1 Employee Compensations

Onshore Personnel

Shih Wei Navigation provides fair and market-competitive compensation to attract, retain, and motivate outstanding talents. We carry out an annual performance appraisal of all employees as the basis for bonuses distribution. The compensation of employees includes the salary (including the basic salary and meal allowance), performance bonus, festival bonus, and the employee compensation.

Business Performance and Employee Compensation

As prescribed in Article 32 of the Company's Articles of Incorporation, "If the Company has earnings in the year (earnings distributed to employees and directors as compensations shall be deducted from the profit before tax), the earnings distributed as compensation to its employees shall not be less than 2% and no more than 5% to its directors; provided, however, that the Company shall have reserved a sufficient amount to offset its accumulated losses. The Company may issue profit sharing bonuses to employees of an affiliated company meeting certain conditions.

Equal Pay for Equal Work

Full-time employees of the Company, males and females, receive equal pay for equal work, regardless of gender, age, ethnic group, religion, political affiliation, and marital status.

Employee Category	Basic salary		Compensation	
	Male	Female	Male	Female
Senior management	1	0.88	1	0.92
Management	1	0.77	1	0.81
Grassroots personnel	1	0.88	1	0.94

Note :

1. Basic salary : The regular monthly payment comprising base salary and meal allowances.
2. Compensation : Annual total compensation includes performance bonuses, holiday bonuses, and employee remuneration.
3. Those still on the job in the Company as of December 31 of the current year are all included in the statistics regardless of the seniority, professional skills, job content, and other factors
4. Calculated based on the fixed salary of the 12 months of the year

The compensation of new recruits will be reviewed based on the employee's previous work experience, competence, and the market condition of the applied position, which exceeds the basic wage stipulated in the Labor Standards Act.

The average wage of the female and male grassroots personnel in Shih Wei Navigation is 1.73 times the local minimum wage in Taiwan.

The ratio of the highest individual's annual total compensation to the median annual total compensation of employees for the year 2023

Annual total compensation ratio ^{*Note1}	3.54
Change in the annual total compensation ratio ^{*Note2}	1.09

Note :

1. The annual total compensation ratio = Annual total compensation for the organization's highest paid-individual / Median annual total compensation for all of the organization's employees excluding the highest-paid individual
2. The change in the annual total compensation ratio = Percentage increase in annual total compensation for the organization's highest-paid individual / Median percentage increase in annual total compensation for all of the organization's employees excluding the highest-paid individual
3. Based on the disclosure requirements of the Taiwan Stock Exchange Corporation (TWSE), the company reports the "Information about salary of full-time employees who are not in a managerial position" as the statistical basis, revealing the annual total compensation of the highest-paid individual and the median salary of full-time employees. "All employees" include but not exclude new recruits and resigned employees in the current year. The annual salary of such employees is estimated based on the annualized total salary.

Sea Crews

The salaries are reviewed with the spirit of equal pay for equal work based on the job content, work experience, competence and certificates obtained. The calculation basis of the seafarers' salaries is based on the standards of the International Transport Workers' Federation (ITF), and will not differ due to difference in gender, age, ethnic group, religion, political affiliation, and marital status.

Each sea crew is entitled to various bonuses depending on different situations, such as the seniority/reinstatement bonus, bonus for cleaning/opening and closing the cabin, deck/engine maintenance bonuses or bonuses for special achievement, and additional incentive bonuses approved by the Company's Rewards and Disciplinary Committee.



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4.1.2.2 Employee Benefit System

Onshore Personnel Benefits

To provide employees with great working environment, in addition to regulatory items, Shih Wei Navigation also provides many benefit items superior to regulatory ones, such as the 7-hour working hours a day, focusing on the physical and mental balance of the employees so that they can give play to their abilities. In addition, to take care of employees with special needs, flexible adjustment of remote work and working in the office can be made so that they can take care of both their families and work. Please see the Table– Overview of Benefits Superior to Legal Regulations for details.

Benefit items	Category
Labor insurance, national health insurance, various types of leave, pension	Government regulations
Group insurance, festival gifts, scholarship, wedding/funeral/sick leave subsidies and emergency relief, group recreational activities, year-end party, employee trip subsidies, pandemic-prevention welfare measures, flexible shifts, reuse of electronic devices, health examination, blood donation in exchange of compensatory leave, typhoon leave	Superior to legal regulations

Overview of Benefits Superior to Legal Regulations

Item	Description	Amount (NT\$)/ Description
Festival bonuses and performance bonuses	Handled in accordance with Employee Work Rules and Methods for Distributing Performance Bonuses	The Company adopts a secret salary system, so this part is not disclosed.
Working hours	Superior to the statutory weekly working hours, those of the Company are 35 hours/week	N/A
Group insurance	The group insurance plan is purchased to insure every single employee, and the content includes accident insurance, medical insurance, hospitalizations and injury hospitalizations, etc.	273,483
Festival gifts	Gift vouchers or gifts for Dragon Boat Festival, Mid-Autumn Festival, and Lunar New Year holidays	194,491
Scholarship	Scholarship is issued to qualified children of the employees' based on the transcripts of every semester	54,500
Wedding/funeral/sick leave subsidies and emergency relief	Employees can apply for relevant subsidies by submitting the required supporting documents in accordance with the regulations	54,100
Group recreational activities	Group activities and competitions are arranged based on the background of holidays or festivals to enhance team spirit and sense of honor of the departments	286,084
Year-end party	Hold the year-end party and provide cash prizes and raffle prizes	468,000
Employee travel subsidies	The employee trip is held from time to time, and the employees and one family member of theirs are fully subsidized	684,203
Movie Appreciation	We encourage our employees and their relatives as well as friends to participate in arts and cultural activities to refine character and support local arts, collectively fostering sustainable cultural development.	29,210
Flexible shifts	Survey is conducted to know the employees' needs for the adjustment of the commuting time. Currently, there are three shifts available, which is a normal policy and not limited to the pandemic period	N/A
Reuse of electronic devices	The Company mobile phones are refurbished and offered to the employees at preferential prices after being replaced	Replacement of mobile phones from time to time
Health examination	Care for middle-aged and senior employees by subsidizing health check-ups that adhere to occupational safety and health regulations.	156,100
Blood donation in exchange of compensatory leave	Our employees can provide proof of blood donation of the current year in exchange of 4 hours/per donation of compensatory leave (up to 12 hours per year per person). Proof of employees' family members' blood donation can also exchange compensatory leave at 2 hours/per donation, and applications of up to 4 family members per employee are taken	In 2023, a total of 32 family members of the employees applied for the exchange program, with 118 hours of compensatory leave in total
Typhoon leave	Implementation of typhoon leave, and no salary or leave will be deducted	173,480 (One-day wage for employees on 2023/8/3)

Working Hours and Leave System

The working hours of the Company are 7 hours a day, five days a week. The working hours are fixed and in a non-shift system. Supervisors will grant leave when employees need to take care of their families. Employees can also take their annual leave, family care leave and so on to strike a balance between work and family life.

We also cooperate with government policies and provide childcare subsidies for parents to make use of childcare services so as to work at ease. In addition, the Employee Welfare Committee also provides a one-time maternity allowance.

Statistics of Application for Parental Leave without Pay and Reinstatement

Item	Year	2021			2022			2023		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Gender/Total										
Number of employees eligible to apply for parental leave without pay A		0	7	7	1	5	6	3	7	10
Number of employees actually applied for parental leave without pay B		0	1	1	0	1	1	0	1	1
Number of employees who should be reinstated after parental leave of the year C		0	0	0	0	2	2	0	0	0
Number of employees actually reinstated of the year D		0	0	0	0	2	2	0	0	0
Number of employees actually reinstated in the previous year E		0	0	0	0	0	0	0	2	2
Number of employees reinstated after parental leave without pay in the previous year and have been reinstated for a year F		0	0	0	0	0	0	0	2	2
Reinstatement rate of the year % (D/C)		0	0	0	0	100	100	0	0	0
Retention rate of the year (F/E)		0	0	0	0	0	0	0	100	100

Benefits for Sea Crews

Provide excellent working conditions exceeding regulatory requirements	Promote physical and mental well-being and create a work-life balanced environment
<ul style="list-style-type: none"> Sea crews enjoy the "seniority/reinstatement bonus", "extra food allowances on three festivals", "fees for newspapers and magazines" and "bonus for entering dangerous areas" When a ship sails into a pirate affected area (such as the Gulf of Aden), the Company will send armed security to board the ship, follow the escort warship, and provide anti-theft facilities (such as the roll gation) If the crew member disembarks at any port for treatment due to injury or diseases, in addition to the disease benefit stipulated in the contract, if permanent damage is caused in the accident that leads to the loss of working ability, graded disability compensation is also provided as stipulated in the agreement Taiwanese crew members are contracted in accordance with the Fixed Term Employment Contract for Employing Seafarers stipulated by Maritime Port Bureau of MOEA, in accordance with Article 13 of Seafarer Act and signed the collective agreement with the National Chinese Seamen's Union Chinese seafarer labor service agencies provide their seafarers with five insurances and one fund, and the main policies include endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, childbirth insurance and housing accumulation funds. Due to the particularity of this occupation, the social insurance fee is generally 100% covered by the seafarer labor service agencies, and the payment cannot be stopped at will no matter the seafarers are on the ship or at home on vacation, the social insurance fee shall be paid in full amount every month Strictly comply with the working and rest hours prescribed in MLC, and provide overtime pay to crew members for working overtime. The fixed-term contract period for sea crews is 10 months. If a crew has served on the ship for 7 months and is willing to take an early leave when the ship happens to call at a convenient and economic port, he/she may be eligible for contract-compliant benefits. 	<ul style="list-style-type: none"> Ensure that the sea crews are provided with proper living quarters and entertainment equipment onboard Ensure the crew members are served with meals meeting hygiene regulations; hire trained and certified chefs, and provide excellent cooking equipment. Provide epidemic prevention materials to effectively lower the risk of infection for sea crews. Offer 2 hours of free Wi-Fi for sea crews to contact their families and friends using communication apps. We offer remittance services to assist sea crews in transferring accumulated cash safely, conveniently, and at a low cost through legitimate cross-border remittance methods. Seafarers' Perspective Photo Competition is regularly held to allow seafarers to relieve their physical and mental stress through photography, and generous rewards are also provided. <p>See 4.3.2 Health Promotion for more information.</p>

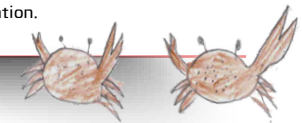
4.1.2.3 Retirement System and Implementation Status

In accordance with the pension plan stipulated in the Labor Standard Act and relevant regulations, the payment of the employees' pensions is calculated based on the years of service and the recurring salary before retirement. For the contribution to the pension fund of the old pension system, the Company contributes 5.2% of the total monthly salaries of the employees to the laborers' pension fund accounts in Bank of Taiwan. From July 1, 2005, with the implementation of the Labor Pension Act (hereinafter referred to as the "new system"), if the in-service employees choose the "new system", the defined contribution plan is applied to the years of service, and no lower than 6% of the monthly salary shall be provided to individual pension accounts for employees by month.

Old pension system appropriation : The Company contributes 5.2% of the total salaries of the employees applying to the old systems by month. In 2023, the total amount contributed amounted to NT\$1,004,570.

The contribution percentage of the New System accounts for 6% of the salaries (In 2023, the employer contributed NT\$3,628,106/ total annual insured amount reached NT\$ 61,262,800.

By the end of 2023, the labor pension reserve was sufficient to pay the pension to those eligible for retirement within the following year.



4.1.3 Talent Cultivation

4.1.3.1 Performance Development

Onshore Personnel

To attract and retain excellent talents, promote talent development, and encourage employees to work attentively while enhancing their cohesion so as to create the maximum benefits, the annual performance bonus distribution standards have been established in accordance with the regulations in the Employee Work Rules, which is implemented on a yearly basis.

Implementation status of the onshore personnel performance appraisal

	Gender	Male	Female
Male/Female ratio of employees receiving appraisal		100%	100%

Note :

1. The appraisal period was until December 31, 2023
2. The scope of appraisal applies to all formal employees below the President
3. The chairwoman of the Company concurrently serves as the President, whose performance appraisal is conducted by the board of directors, and is included in the female employees receiving performance appraisal
4. One employee was not included in the appraisal in 2023 due to the nature of the job, and that the terms of the employment contract explicitly state that the work is not subject to appraisal, hence not applicable.

Sea Crews

During the reporting year, 100% of the sea crews in Shih Wei Navigation, regardless of gender or rank, were all subject to quarterly work appraisal that covers everything from work attitude, technical ability, conduct, knowledge, etc.

Objects	Appraisal time	Person in charge of the appraisal	Description
Deck Department Employees	<ul style="list-style-type: none"> Quarterly When disembarking 	Chief Officer	<ul style="list-style-type: none"> The Chief Officer and Chief Engineer shall conduct the performance appraisal of the crew members of the department they manage in a fair, impartial, and objective manner. The results are filled in the crew evaluation form and submitted to the Master for review and signature.
Engine Department Employees		Chief Engineer	<ul style="list-style-type: none"> After the Master completes the performance appraisal of the Chief Officer and Chief Engineer, the results together with the above-mentioned evaluation forms are emailed to the manager in charge of the Crew Management Department for review and filing for management to serve as a basis for future employment and dispatch.
Chief Officer, Chief Engineer		Master	<ul style="list-style-type: none"> If a crew member is regarded unqualified after the appraisal, the Chief Officer and Chief Engineer should report to the Master and also provide such crew member retraining for an opportunity to improve, and the results of the retraining is also included in the evaluation form. If the crew member cannot be re-educated, the Master will report to the Crew Management Department to arrange crew change.
Master	After resignation from the position	The supervisors of various departments at the Head Office	After the Master's contract expires and resign from the position, the assessment of the Master will be conducted by the Crew Management Department, and the results are further evaluated by the managers of the Risk Management Department, Business Department, and the Marine Department, which will then be submitted to the President for review, and finally archived for future reference.

4.1.3.2 Education and Training

Onshore Personnel

- The Company has established the "Management Measures for On-the-job Training for Employees" to encourage the employees to make improvement, enrich their professional knowledge and skills and improve their work efficiency
- To make our employees to understand the newly added (revised) maritime-related regulations and improve safety management of the fleet, we will assign the employees to participate in external training courses from time to time, such as the International Safety Management Code (ISM Code), International Ship and Port Facility Security Code (ISPS Code), etc
- To cope with internationalization and improve the employees' foreign language abilities, the Company provides subsidies for foreign language training courses
- In addition to provide orientation for new recruits, we also arrange continuing education for the accounting supervisor (personnel), audit supervisor (personnel), and the corporate governance senior officer every year, and the training costs are covered by the Company. In 2023, our employees participated in **147** classes of various professional function and education and training courses, with a total of **2,996.97** course hours (man-hour), a total of **1,343** participants, and the total cost amounted to **NT\$178,878**

Employee training statistics in the past three years

Year		2021			2022			2023		
Employee category		Total number	Total training hours	Average training hours (hour/person)	Total number	Total training hours	Average training hours (hour/person)	Total number	Total training hours	Average training hours (hour/person)
Senior management	Male	5	143.5	28.70	5	207.33	41.47	5	281.67	56.33
	Female	4	111.5	27.88	5	246.54	49.31	7	441.72	63.10
Full-time	Male	19	275.5	14.50	25	631.15	25.25	25	1,211.25	48.45
	Female	50	560.5	11.21	49	1,449.02	29.57	49	1,785.72	36.44
Total hours (man-hours)				836			2,080.17			2,996.97

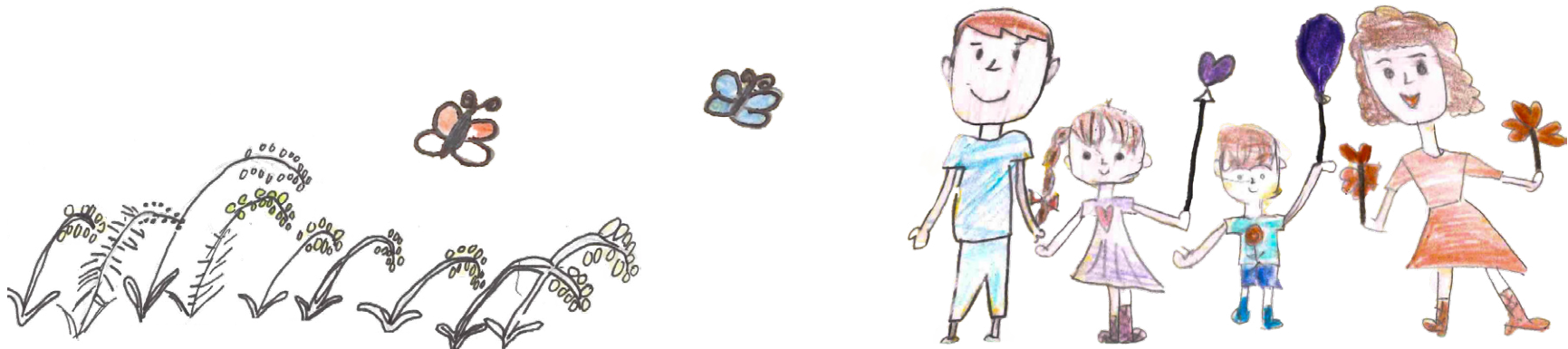
Note :

1.Senior management : Top manager of a department and assistant manager or above.

2.Full-time employees include all employees.

3.The average training hours of males (or females) = the total training hours of males (or females) in the category / the total number of males (or females) in the category at the end of the year

4.The table involves restatement of information due to the adjustment in the definition of senior management starting this fiscal year. To ensure comparability, the data for 2022 female management training is recalculated.



The total amount of investment in education and training and the average training costs in the past three years

Unit : NT\$

Year	2021	2022	2023
Total amount of education and training	41,500	245,900	178,878
Average training amount per person	601	3,323	2,417

Note : The average training amount per person = Total training amount / total number of onshore personnel

2023 Education and training statistics by category— By training type

Unit : Hours (man-hour)

Type of training	Training hours
Internal education and training	1,253.87
Seminar / Explanation session	1,080
Professional training institution	570.1
Professional training institution (On-the-job subsidy)	93
Total	2,996.97

2023 Education and training statistics by category— By courses

Unit : Hours (man-hour)

Type of courses	Training hours
Sustainable Development	888.53
Business Management	63.34
Risk Management	690.5
Financial Management	80
Ship Management	554.5
Labor and Human Rights Management	196
Integrity Management	83
Information Security and Management	308.1
Occupational Safety and Health	133
Total	2,996.97

Sea Crews

Regardless of gender and rank, sea crews averagely received 77 hours of onboard drills and relevant education and training in 2023. Together with the joint ship-shore interactive drill, quarterly drills and relevant education and training, the average training hours were more than 88 hours per person.

To improve the seafarers' functions, we subsidize fees and provide classes in accordance with the needs of different ranks to help the crews obtain relevant certificates.



4.1.4 Diversified Communication Channels

The Company has established various internal communication channels, including the labor-management conference, Employee Welfare Committee, the executive board meetings, and others. Over the years, the labor and the management have been able to operate satisfactorily under the respect of the labor-management ethics. In 2023, there were no major labor disputes.

Communication and Grievance Mechanism

Onshore personnel

Internal Communication

The employees are important assets of the Company, and a harmonious labor-management relationship is also the solid cornerstone of the Company to step toward sustainable management. We are dedicated to creating a safe, healthy, physically and mentally balanced working environment where human rights are respected, and employees are free from discrimination and harassment. We also provide diversified communication channels to listen to the employees' voice.

Labor-management Conferences

The Company does not have trade union. Labor-management conferences are held on a quarterly basis as prescribed by law. Each conference consists of three management representatives and three labor representatives to ensure smooth progress of the meeting so as to protect the employees' legitimate rights and interests, facilitate employees' understanding of the Company's operating and important policies, and further to coordinate labor relations for strengthened cooperation.

Employee Welfare Committee

To promote the labor-management relations, provide employees with additional benefits and subsidies when encountered with special circumstances, Shih Wei Navigation has set up the Employee Welfare Committee in accordance with law to provide employees with wedding/funeral/maternity allowance, injury, and illness subsidy, scholarship, etc., and hold birthday parties regularly with birthday cash gifts. In addition, on special holidays, group activities and competitions are arranged based on the background of holidays or festivals to enhance team spirit and e-cards are sent to improve the bond among employees so as to strengthen the spirit of cooperation.

Exchanges of Opinions

We encourage our employees to communicate more often with the management via various methods and channels. Designated hotlines and communication mailboxes are set up for different matters so that employees' voice can be heard and responded to.

Hotline	Email
Human Resources (02)8712-1888 ext.213	Employee Communication hr@swnav.com.tw
Occupational Safety and Health (02)8712-1888 ext.210、226	Board of Directors director@swnav.com.tw
Sustainability Development (02)8712-1888 ext.225	Independent Director independent_director@swnav.com.tw

Grievance Mechanism

To create a working environment free from sexual harassment, the Measures of Prevention, Complaint and Punishment of Sexual Harassment have been established. When the employees or job applicants encounter sexual harassment incidents in the workplace, they can file a complaint via the dedicated mailbox and hotline.

Hotline : 886-2-8712-6686

Email : posh@swnav.com.tw

The Company will handle relevant incidents in accordance with the handling procedures of the measures mentioned above. The investigation results will be sent to the complainant, and the case will be properly handled and closed.

We received 1 complaint in 2023, and after processing, it was turned out to be an internal audit test case.

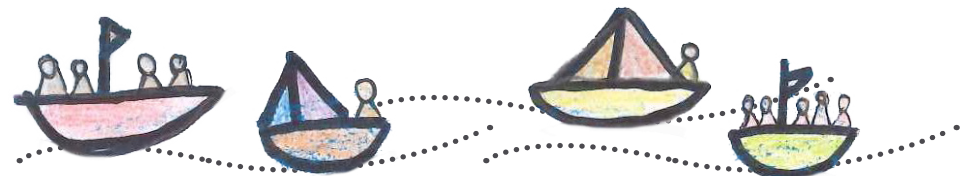


Measures of Prevention, Complaint and Punishment of Sexual Harassment

<https://www.swnav.com.tw/public/files/sexual-harassment-prevention-measures.pdf>

Sea crews

To ensure fair, effective, and prompt handling of complaints against seafarers who are accused of violating the requirements of the Maritime Labour Convention, 2006 (MLC) that may infringe upon the rights of seafarers, Shih Wei Navigation has established the "On-board Complaint Procedures" to comply with the MLC and the laws of Taiwan (Republic of China, R.O.C.) (applied for R.O.C.-registered ships) and Panama (applied for Panama-registered ships). There were no seafarers' complaints in the year 2023.



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4.2 Human Rights Management

Shih Wei Navigation Co., Ltd. believes that protecting human rights is essential for sustainable business operations. To ensure that each and every employee is treated fairly and with respect at the workplace, we follow internationally recognized human rights conventions and put our commitments and policies concerning human rights in place.

We respect employees' freedom of association or acts of collective bargaining. Crew members can freely decide to join the Seamen's Union or the Master Mariner's Association without any interference.

During the reporting period, the Company had
discrimination incident, 0 forced labor, and 0 use of child labor

In 2023, the website of Shih Wei Navigation's human rights policy is added to the email signature. We keep improving our outreach and communication efforts, and hope our partners in the value chain share our commitment to uphold human rights.

In 2023, no incidents of use of child labor or forced labor were found among our major suppliers.



Shih Wei Navigation – Human Rights Management
<https://www.swnav.com.tw/en/sustainability/social/Human-Rights-Management>

4.3 Occupational Safety and Health Management

To ensure work safety of onshore personnel and the crew members on board, the Administration Department, the Crew Management Department and the Risk Management Department are in place to take charge of providing all employees with a safe and healthy work environment. In addition, training and publicity are given to reduce the occurrence of occupational accidents.

If employees spot immediate danger in the workplace, they can stop working on their own and move to a safe place.

Workers can participate in the establishment or implementation of the Company's workplace safety and health management through the following methods.

1. The company establishes the Safety and Health Work Rules with labor representatives in accordance with the law.
2. In the prevention of illegal infringement, hazard identification and risk assessment are carried out by the selected personnel from each department as assessors and reviewers.
3. Provide dedicated hotlines and emails for labor opinion and complaints.
4. Collect employees' opinions through the labor-management meetings to provide timely feedback for various safety and health promotions, such as the replacement of RO reverse osmosis water dispensers, provision of disinfectant alcohol in restrooms, and the survey on the toil paper quality.

Safety Management System of Shih Wei Navigation

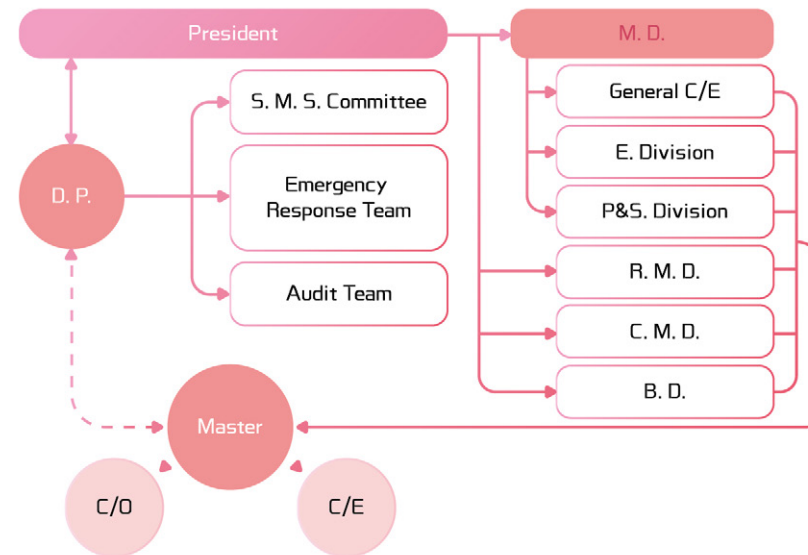
To ensure effective management and implementation of safety and environmental protection policies, the Company has established the Safety Management System Manual of Shih Wei Navigation in accordance with the International Convention for the Safety of Life at Sea (SOLAS) and the International Safety Management Code (ISM Code). Actual implementation is carried out to achieve the goal of safety and health management.

The Safety Management Committee of the Company is an organization established upon the approval of the President, whose responsibility is to formulate and revise the Safety Management System Manual, review and manage the procedures, analyze and investigate deficiencies, disasters and accidents. The chairperson of the committee is responsible for the final decision of the above items.

When an accident occurs, an emergency response team shall be immediately established, and the member of this team shall include supervisors and professionals in the Risk Management Department, Marine Department, Crew Management Department, and Business Department, so that when an emergency occurs on board, professionals needed can be gathered immediately to provide professional judgement and consultation, and the Master will be advised of actions to be taken so as to make the rapidest and appropriate handling of the emergency.

The audit team (composed of personnel with qualifications of appropriate training in the Risk Management Department or qualified external personnel) should conduct internal audits of the company and the ships at least once a year.

We define the types of potential hazards for management in accordance with the working environment and the characteristics of operational hazards, and we learn from the accidents or near misses that have occurred to make improvement of the deficiencies of the management system so as to avoid the same or similar accidents from happening again.



4.3.1 Occupational Safety and Health (OSH) Policy

The Fleet	<p>To comply with the requirements of the Maritime Labour Convention (MLC) and International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) , we implement risk management in accordance with the International Safety Management Code (ISM Code), including hazard identification, risk assessment and accident investigation.</p> <p>The Company has established the Safety Management System Manual (SMSM) and MLC Compliance Manual to regulate all workers and activities on the ship. In addition, there are also professionals (internal qualified auditors and third-party verification agencies) to conduct regular inspections on board and irregular visits to ensure the compliance with the Safety Management System requirements.</p>
Head Office	<p>The Head Office is a general office space, and there is no production line or mechanical equipment. The number of employees in the Head Office does not meet the criteria to introduce an occupational safety and health management system required by the Occupational Safety and Health Act. However, the Company still established the Occupational Safety and Health Management Plan and the Safety and Health Work Rules in accordance with the Occupational Safety and Health Act to implement the safety and health management in the workplace to ensure the safety and health of our employees. Through the PDCA Cycle (Plan-Do-Check-Action Cycle) and the constant auditing system, problems can be found, and corrective and preventive measures can be taken immediately to improve the performance of occupational safety and health management for the effective prevention of occupational accidents.</p> <p>The Company refers to the Guidelines for preventing illegal infringements in the performance of duties established by the Occupational Safety and Health Administration, Ministry of Labor to carry out the hazard identification and risk assessment (Hazard Identification and Risk Assessment Form for Prevention of Illegal Infringement in the Workplace), takes corresponding control measures, and reviews whether there are measures that should be added or improved based on the current situation while checking whether the measures taken are effective and reviewing relevant deficiencies in the implementation process as a reference for future improvement.</p>

Statistics of Occupational Accidents

Year		2023
Total working hours of onshore personnel		129,904
Total working hours of sea crews		1,235,520
Total Person—work Hours		1,365,424
Number of occupational injuries for onshore personnel		0
Number of occupational injuries for sea crews		10
Total number of occupational injuries		10
Number of death for onshore personnel		0
Number of death for sea crews		1
Total number of death		1
Number of very serious casualty		1
Lost time incident rate, LTIR	Onshore personnel	0
	Sea crews	8.094
	All employees	7.324

Note :

- There are no non-employee workers in the Company, such as part-time workers, interns and volunteers
- A very serious (marine) casualty, in accordance with the definition of the Resolution of the Maritime Safety Committee MSC.255 (84) issued by IMO, refers to a marine casualty involving the total loss of the ship or a death or severe damage to the environment
- LTIR = Lost time incidents / Total Person-work Hours*1,000,000 hours

Handling and Responding to Accidents

There were 2 cases of seafarers claiming insurance due to occupational injuries in 2023. Relevant emergency responses and improvement measures are explained as follows.

NO.	Incident	Emergency response	Follow-up improvement measures
1	On April, 2023, three crew members of M.V. Vigor SW entered the confined space of the cargo hold, and one died while the other two with minor and serious injuries due to hydrogen sulfide poisoning.	After receiving the report on the bridge, the Master immediately broadcast and notified all crew members to participate in the rescue. The rescue team was formed to initiate rescue operations. They opened the hatch for ventilation, and entered the cargo hold with gas masks and oxygen tanks. Three people were found unconscious and collapsed. CPR was immediately performed and emergency oxygen inhalation and other rescue measures were immediately implemented until they reached the shore and were sent to hospital for treatment.	<ol style="list-style-type: none"> Regularly conduct occupational safety and health training for crew members, and irregularly issue announcement sharing real-life cases to enhance safety awareness. Look into causes of accidents and formulate preventive measures.
2	On August 4, 2023, a crew member of M.V. Genius SW accidentally sprayed chemicals onto another crew member's shoe when handling the remaining chemicals, resulting in burns to his right foot.	Immediately rinsed the wound with water, disinfected it, and applied burn ointment and bandaged it. Although the wound improved a few days later, redness and swelling still remained. The crew member felt soreness when standing, so he was arranged to go ashore for treatment.	<ol style="list-style-type: none"> Urge labor service companies to strengthen pre-employment safety training for seafarers. Assist families of injured crew members to obtain favorable insurance claims.



Routine Training and Promotion of Fleet Safety Management

Type of training	Content
General training	Lifesaving and firefighting, refueling, work on and below the deck and in places where machinery is located (including operation of anchors, anchor chains, and mooring lines but not limited to training for hazardous activities), confined space training, high risk work, emergency towing drills
Training for hazardous activities	Confined space training, high risk work, emergency towing drills
Training for hazardous situations	Accident and emergency response, drills of crew overboard rescue
Health training	Regular safety and health training and guidance are provided to crew members, including special hazard information, audio-visual materials for the enhancement of crew safety and health awareness, such as the DVD training manual of Programme of Personal Safety (POPS), the E-Circular of real cases of the fleet, etc.
Safety promotion for non-crew members	For safety promotion for non-crew members, a Toolbox Meeting is held before commencing work. Promotion content includes work plans and tasks, safety standards and procedures, accidents and accident prevention, emergency response plans, etc.

Identification of Hazards and Process of Accident Investigation

The fleet compares the possibility and consequences of the event in accordance with the Risk Assessment Worksheet of the Safety Management System Procedures (SMSP) to obtain the scores of risk levels based on which the corresponding measures are determined.

To ensure effective management and implementation of safety and environmental protection policies, the Company has set up and implemented the Safety Management System Manual (SMSM) in accordance with SOLAS and ISM Code to achieve ship safety and health management goals.

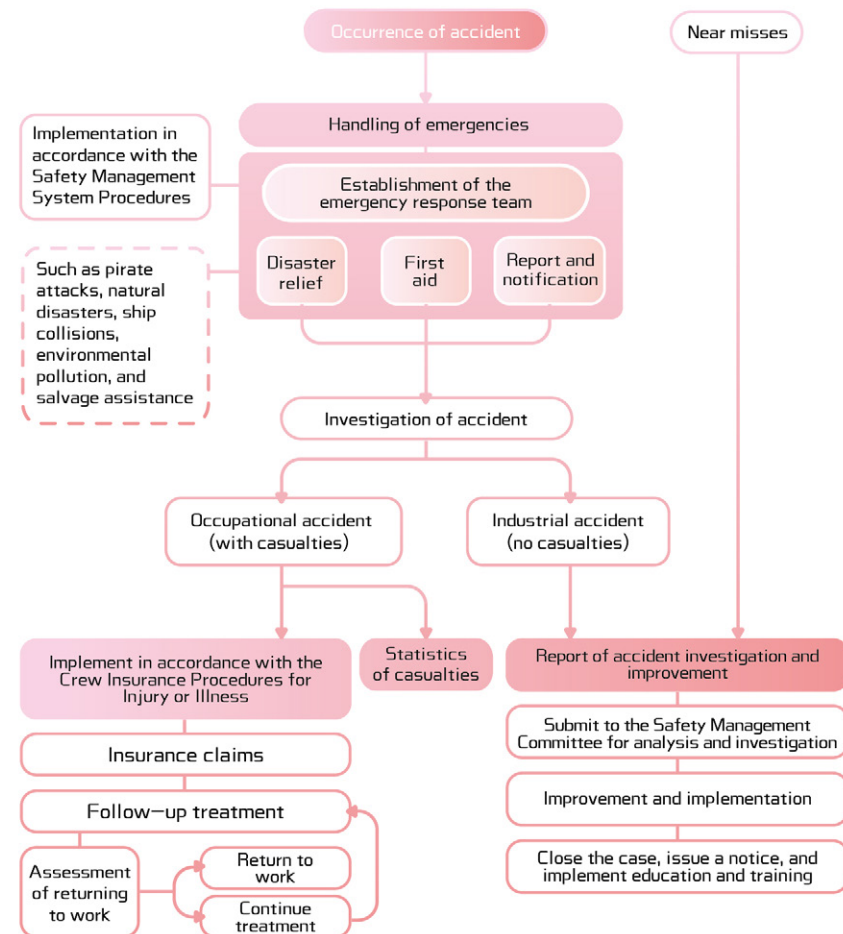
Likelihood (L)	Consequence (H)		
	Low	Medium	High
Very Unlikely	1	2	3
Unlikely	2	3	4
Likely	3	4	5
Very Likely	4	5	6

Risk factor score	2	3	4	5	6
Hazard Severity	Trivial	Tolerable	Moderate	Substantial	Intolerable



Risk factor score	Hazard severity	Suggestion of measures to be taken
2	Trivial	No action is required and no documentary record to be kept.
3	Tolerable	No additional controls are required. Consideration may be given to a more cost-effective solution or improvement that imposes no additional cost burden. Monitoring is required to ensure that the controls are maintained.
4	Moderate	Efforts should be made to reduce the risk, but the costs of preventive should be carefully measured and limited. Risk reduction measures should be implemented within a defined time period. Where the moderate risk is associated with extremely harmful consequences, further assessment be necessary to establish more precisely the likely of harm as a basis for determining the need for improved control measures.
5	Substantial	Work should not be started until the risk has been reduced. Considerable resources may have to be allocated to reduce the risk. Where the risk involves work in progress, urgent action should be taken.
6	Intolerable	Work should not be started or continued until the risk has been reduced. If it is not possible to reduce the risk even with unlimited resources, work has to remain prohibited.

The process of fleet hazard identification, risk assessment, and accident investigation



4.3.2 Health Promotion

Onshore Personnel

- The employees enjoy group insurance (including accident insurance, accident medical benefits, and hospitalization insurance) to provide 24/7 protection so that our employees are provided with coverage for accidental injuries and hospitalization during and outside working hours
- The Company provides RO reverse osmosis water dispensers, refrigerators, rice steamers, and microwave ovens, promotes eco-friendly and non-toxic food utensils, and encourages employees to bring their own lunch boxes and pay attention to balanced nutrition.
- The air conditioning system of the Company is cleaned every year, and the air-conditioning vents in the office are cleaned twice a year
- The Company has established an Air Hockey Room and provided yoga balls for the employees to use to relieve the pressure from work and to enhance a positive atmosphere of the office
- We organize beach or mountain cleanup and team building activities to encourage our employees to participate in outdoor activities and enhance cohesion
- The public areas of the building are disinfected once a month to prevent pests so as to ensure the sanitation of the environment
- The Company implements employee health examination to know the physical health status of the employees. In addition, the health management is implemented to grasp the health conditions of the employees in accordance with the Labor Health Protection Act of the Ministry of Labor

Sea Crews

Care for the crew members' health

Shih Wei Navigation provides health protection and medical treatment in accordance with the Maritime Labour Convention, 2006, and ensures all ships are equipped with the medical kits, medical equipment and medical guide prescribed by the competent authority. The medical care of the crew members is under the responsibility of the Master and Chief Officer who have received medical training. The Second Officer is in charge of the infirmary, the medical kits and the contents inside, the medical equipment, as well as the medical guide, and also submits application for medical supplies when necessary. The purpose of the measures is to ensure that relevant personnel can participate in medical assistance on the ship effectively, so that the patient can receive standard medical care when on board.

Seafarers' Perspective Photo Competition

To relieve the pressure of the crew and with the concept of being harmonious with the environment, we continue to organize the second "Seafarers' Perspective Photo Competition" and encourage the crew members to take photos to record and share their lives on board to promote interaction. See our official website for details.



In response to World Oceans Day, excellent works of the second "Seafarers' Perspective Photo Competition" are showcased publicly at
<https://www.swnav.com.tw/news/651d2597a266b/detail>



4.4 Customer Relations

Management and Improvement of Customer Relations

- The fleet of the Company operates ships in both ocean-going and near-sea shipping lines on an irregular basis. The near-sea shipping operates from the Far East to the Middle East, including China, Japan, Korea, Taiwan, Southeast Asia, India, Arabia, and the Persian Gulf. The ocean-going shipping routes include all importing and exporting countries on the five continents in the world. Under the ship specification and as long as it is compliant with legal requirement, new routes can be added to provide shipping services with appropriate remuneration. There were no prohibited cases in 2023.
- To maintain good customer relations and control the Company's liability risks, the Company's fleet has joined the Britannia Steam Ship Insurance Association Limited (the Britannia P&I). The Britannia P&I was founded in 1855, and it is the world's first shipowners' mutual insurance association as well as a member of International Group of P&I Clubs, rated A by Standard & Poor's (S&P).
- Shih Wei Navigation operates as a dry cargo shipping company engaging in the shipping transportation and shipping agency. To develop global shipping operation and expand diversified operations, the Company established two wholly-owned Panamanian subsidiaries, Dong Lien Maritime S.A. Panama and Fortunate Maritime S.A. Panama and their subsidiary companies to expand the scale of the fleet and organize an international shipping network. In the future, we will continue to diversify our modes of operation and expand routes in different regions.



4.5 Social Care and Investment in Public Welfare

4.5.1 Public Welfare Investment Strategy

In terms of social engagement, Shih Wei Navigation has sponsored talented artists and supported the marginalized groups multiple times, believing in the idea of "Common Good" and preserving in good deeds. Since 2021, we have been working harder to achieve the UN Sustainable Development Goals (SDGs), engaging in diverse social initiatives to continue to promote a positive cycle.

To promote the cycle of Common Good, we set our public welfare strategies in four major axes, namely "Happy Learning", "Environmental Protection", "Local Participation", and "Cultural Inheritance".

The chairwoman serves as the convener for the implementation of the annual public welfare projects, which are coordinated and managed by the Public Welfare Team. In addition to regular support for long-term projects, various public welfare activity proposals are also discussed and carried out upon approval by the chairwoman. We encourage employees and business partners to join us, and regularly report the outcomes to the board to ensure our commitment to social responsibility and exert our social influence.

Due to the characteristics of the shipping industry, Shih Wei Navigation does not have physical operating bases in ports and terminals in other countries, making it difficult to operate local communities. Therefore, we start our care for the rural communities by working with After School Association of Taiwan and adopt Yuanxiang base in Wutai Township, Pingtung County.

There is only one primary school in Wutai Township. Located in the remote mountainous area that is not easily accessible and with insufficient educational resources, this remote township lacks resources to assist schoolchildren with their homework after school. To solve this problem, we adopt the tutoring base established by the After School Association of Taiwan so that the schoolchildren here can have enough to eat and be assisted with their homework, and the learning atmosphere is cultivated. The Rukai culture here can be further understood and inherited, providing a happy learning environment and a safe shelter. See the Special Column Report—The Fire of Life is Lit for Charity for details.

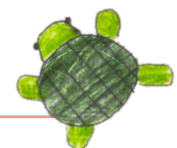
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We also expend our services to other bases to help rural students to "learn happily". Shih Wei Navigation co-organized the Little Picasso Painting Competition with After School Association's five bases in Pingtung, providing a stage for these little painters and even uses the paintings in our Sustainability Report so that readers can appreciate the pure stroke and perspectives of these schoolchildren. We look forward to long-term cultivation of Wutai Base in Pingtung and even the neighboring communities to achieve a sustainable vision of preserving the Rukai culture and promoting local development.

In terms of environmental protection and maintaining biodiversity, since 2008, we have kept sailing at the speed of 10 knots or lower when sailing in the Seasonal Management Areas (SMAs) to protect the North Atlantic right whales, and used eco-friendly antifouling paint during ship dock repairs to reduce ecological impact. We advocate for waste reduction, aiming to reduce wastewater and waste generation at the source, and ensure proper disposal into the sea in compliance with regulations. All ships have implemented ballast water management (passenger ships excluded) and have relevant certificates to protect marine biodiversity. In addition, we have set a goal of beach cleanup (or mountain cleanup) once a year to encourage our employees to personally participate in environmental conservation efforts.

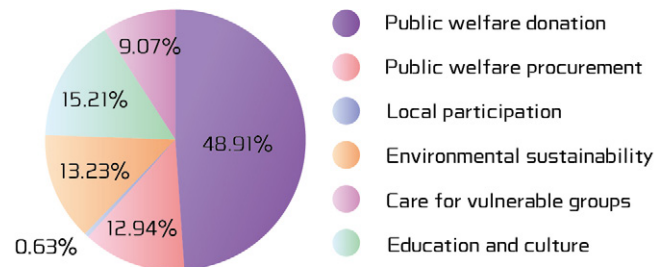
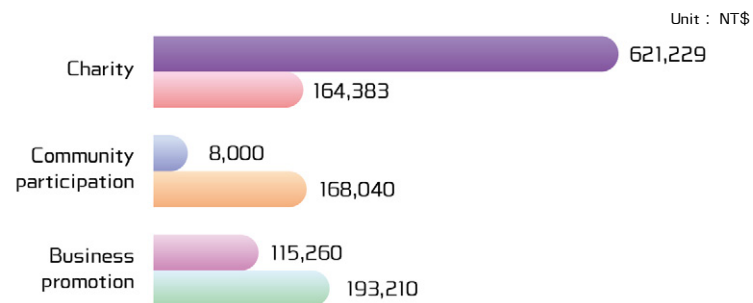
Axis of Public Welfare	Description of strategy	Corresponding SDGs	Visions	Goals	Objects	Social influence
Happy Learning	We have worked with the After School Association of Taiwan and adopted the Yuanxiang Base in Wutai Township, Pingtung County, assisting schoolchildren in the base to learn and grow happily by sponsoring in multiple ways.	SDG 4 SDG 17 Extended SDG 1 SDG 2 SDG 3 SDG 5 SDG 10	<ul style="list-style-type: none"> Reduce the problem of lacking teaching resources due to the gap between the urban and rural areas To enable schoolchildren to have a chance for multiple opportunities 	<ul style="list-style-type: none"> Long-term adoption of the Yuanxiang Base in Wutai Township, Pingtung County To enhance schoolchildren's understanding of the shipping industry Linking the resources to provide better learning environment and resources 	<ul style="list-style-type: none"> Schoolchildren in rural areas 	<ul style="list-style-type: none"> Improve the quality of education To enable schoolchildren to know the shipping industry and plant seeds for their future career choices
Environmental Protection	<ul style="list-style-type: none"> Work with external non-profit organizations for the planning of various environmental protection actions so as to promote environmental education, enhance our associates' environmental awareness to contribute to the environment on earth Since 2008, the fleet of the Company has cooperated with the practices of reducing the speed to 10 knots or lower along the U.S. east coast at certain times of the year to protect the North Atlantic right whales We abide by the International Convention for the Control and Management of Ships' Ballast Water and Sediments formulated by IMO in 2004 in the hope of preventing and controlling the harm caused by alien species through the management of ship ballast water 	SDG 13 SDG 17 Extended SDG 3 SDG 14 SDG 15	<ul style="list-style-type: none"> To implement environmental sustainability from actions in daily lives and stick to it 	<ul style="list-style-type: none"> Organize 1 beach cleanup or mountain cleanup every year To improve the environmental awareness of the stakeholders 	<ul style="list-style-type: none"> Employees Neighboring communities 	<ul style="list-style-type: none"> Deep rooting for the environmental awareness To reduce ecological impacts



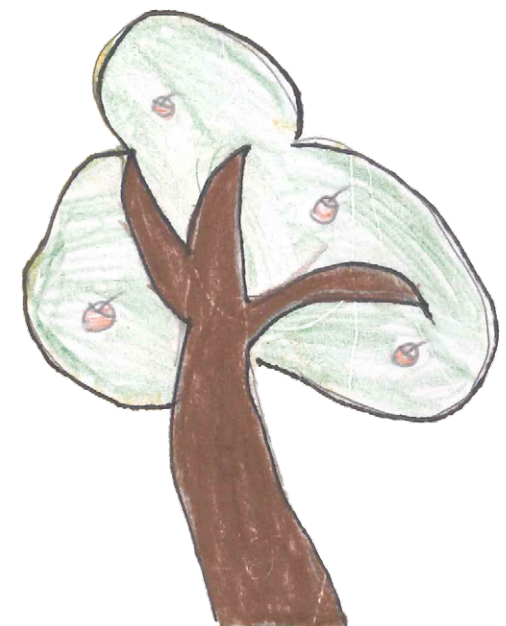
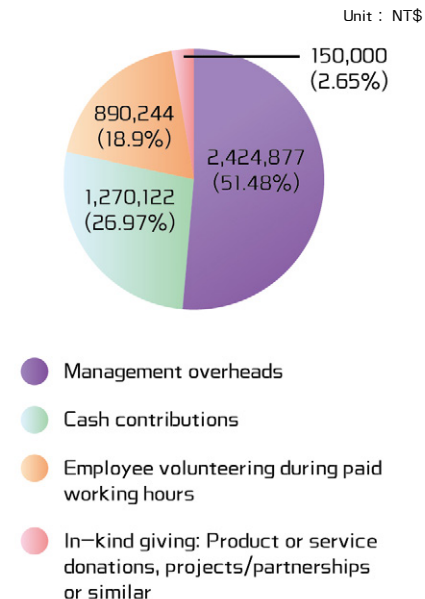
Axis of Public Welfare	Description of strategy	Corresponding SDGs	Visions	Goals	Objects	Social influence
Local Participation	We participate in public affairs of the neighboring communities and take care of rural communities to respond to local needs, taking specific actions to facilitate the local development.	SDG 11 SDG 17 Extended SDG 1 SDG 3	• To facilitate social inclusion and contribute to the establishment of an inclusive and harmonious ecological circle	• To assist with the industrial development in rural areas through the local procurement policy • To enhance the public's recognition of the Company	• Community residents • Community organizations	• Giving back to communities • Implementation of social inclusion
Cultural Inheritance	<ul style="list-style-type: none"> To extend the action from the adoption of the Yuanxiang Base in Wutai Township, Pingtung County, we cooperate with local communities, schools, and NGOs in the promotion of ethnic harmony. Support the diverse cultural development at home and abroad We blend our sea business know-how to promote relevant education and culture 	SDG 11 SDG 17 Extended SDG 4 SDG10	• To help promote multiculturalism, foster mutual understanding among ethnic groups, and build an inclusive cultural community.	<ul style="list-style-type: none"> Provide a stage for schoolchildren to demonstrate the unique art and culture of the Rukai tribe. Assist in promoting multiculturalism and organize related activities 	• Student • Community organizations • Schools • General public	• Promote ethnic integration and enhance public cultural literacy

4.5.2 Public Welfare Achievements

Types of public welfare projects invested in 2023



Value of the investment in ESG related projects



We continue to work with After School Association of Taiwan and adopt Wutai Base in Pingtung in 2023. In addition to adopting the Yuanxiang Base in Wutai Township, Pingtung County, we even supported the public welfare purchase of sugar apples produced in the Zhiben base in Taitung before the Lunar New Year Festival. We also cooperate with GC (Give Circle), a donation network, and invite our associates to participate in the "reducing carbon emissions by sharing" action, encouraging them to donate things they do not need but are still in great conditions or brand-new items to the disadvantaged groups for free.

Our strength is limited as an individual, but our collective power can be infinite. If we can gather all the little strength from the masses, we can make use of the strong power to help those in need and further create an infinite cycle of good. We stay true to this original intention, and the actions we invested in as of the end of 2023 are listed in the following table.

1. Happy Learning and Local Participation

List of Actions

- Work with the After School Association of Taiwan and continue to adopt Wutai Base in Pingtung
- Purchased 78 boxes of sugar apples produced in After School Association of Taiwan's Chihpen Base
- Members of the Public Welfare Team offered to serve as the volunteers in the 10th anniversary of the After School Association of Taiwan; we sponsored the meals and set the "tea-serving" station
- Sponsored the fruit project of the After School Association of Taiwan
- Worked with the five bases in Pingtung and held the painting competition to encourage rural schoolchildren to be brave in their creations and unleash their creativity; continued the "Dream Gift" activity, allowing participating students to write down their wishes and our onshore personnel would claim them and help realize these wishes. The award-winning works will be used as the art editing materials of our 2023 Sustainability Report.



The Dream Gift campaign received a warm response. All the 44 gifts were claimed within less than 30 minutes. We even received cards with pictures and texts from these kids. Some of the drawings were even better than the works in the painting competition, which let us reflect on whether we have placed limits on children's creativity.



This report uses the works of the students as the elements for the design. This not only provides a stage for the students but also allows readers to appreciate the ingenious ideas while reading the report.



Guarding the environment with a paintbrush
<https://www.swnav.com.tw/news/653f4d3e9709e/detail>



The 10th anniversary of the After School Association of Taiwan
<https://www.swnav.com.tw/news/64e470813936a/detail>

2. Environmental Protection

List of Actions

Beach Cleanup

- A total of 116 employees and their family members participated in the beach cleanup at Oyster Liao Fishing Port in Kaohsiung, removing a total of 130 kilograms of garbage.
- An elite team of 20 people participated in the beach cleanup at Keelung's Waimushan Beach, removing 340 kilograms of garbage.

Response to Circular Economy

- Organized the "Decluttering, Sharing for Carbon Reduction" material recycling activity with Give Circle's website, donated 183 gifts with a total of 89 kilograms, reducing carbon by 183 kilograms
- Responded to the Asus Foundation for the Renewable Computer Hope Project, and donated refurbished information equipment
- Worked with the stakeholders to hold the Mid-Autumn Festival gift box charity sale, with proceeds donated to After School Association of Taiwan's Children's Secret Base Free Tutoring Program
- Donated warm blankets and sheets to the animal shelter in Bali District of Animal Protection Association of the Republic of China

Support for Environmental Initiatives

- Answered the call of Earth Day and kicked off the mission of "A million acts of Green"
- Responded to World Oceans Day, organized the "Master Lecture : Looking at Ocean Restoration from bigfin reef squid" and the second "Seafarers' Perspective Photo Competition"
- Organized the second Shih Wei Sports Day "Hockey Challenge" and donated the proceeds to Taipei City Animal Protection Office

After setting the goal of at least one beach cleanup or mountain every year in 2022, we organized two sessions of beach cleanup in 2023. See our official website for details.



Oyster Liao Fishing Port in Kaohsiung
<https://www.swnav.com.tw/news/6511398c0983d/detail>



Keelung's Waimushan Beach
<https://www.swnav.com.tw/news/65126d5021b30/detail>



We collectively shared 5 boxes of goodies with 183 items in total. During the period, we combined the Decluttering Lecture and "Wuhoumiya" Market to add more meaning and uniqueness to the event.



Cut Carbon, Share Stuff campaign for material recycling
<https://www.swnav.com.tw/news/64f1478be0b36/detail>



3. Cultural Development

List of Actions

- Sponsored funds for the 69th Maritime Festival
- Sponsored the anniversary and alumni association of the Taiwan Ocean University
- Responded to the government's arts and cultural policy and booked the entire theater for movie appreciation. The employees and their families were invited to enjoy the local movie entitled "Workers the Movie".



"Workers the Movie" is a touching movie. It is a love letter to workers in Taiwan. It is more meaningful to invite our employees to see the movie together with their families.

Special Column Report— The Fire of Life is Lit for Charity

This has been our third year working with After School Association of Taiwan since 2021. Despite being a donor, Shih Wei Navigation has gradually become a team member with a shared vision. We have become partners driven by a simple original intention, encouraging and sharing with each other. With the sincere effort we make, we expand into unexpected realms of influence.

When After School Association of Taiwan celebrated its 10th anniversary on August 10, 2023, children from all bases were invited to Taipei Children's Amusement Park. We sponsored 300 McDonald meals and also cooperated with the 'Hong Te Water Station Project' to set up additional drinking water stations to reduce the generation of plastic bottle waste, integrating climate action into our daily life, and enriching the event with environmental reduction content. In addition, members of the Public Welfare Team offered to serve as the volunteers to alleviate manpower shortage. The process may be challenging, but it is really rewarding to see the children's smiles on their faces. True happiness does not come from wealth or praise, but from cherishing the meaningful moments.

Yu-shan Wei, secretary-general of After School Association of Taiwan, always brings heartwarming news about the bases or the kids. Just like in our previous visit to Wutai Base in Pingtung, the teachers mentioned that fruits are not easy to come by in the mountains. We then collaborated with "Buy Directly from Farmers" and planned a fruit delivery program to deliver fruits to the kids in the mountains. The kids tasted white strawberries or Abiu fruit that they had never heard of. They used their senses to eat, touch, feel and compare these fruits with what they had eaten, which opened up their horizons for their five senses and stimulated their curiosity. This should be the most natural way to inspire them to learn.

Unintentionally, we have also bridged conversations between kids and the small-scale farmers. Farmers attached cards explaining their eco-friendly planting tips. The kids also sent thank-you cards after tasting the fruits, inspiring the local farmers. They subtly influenced the kids' awareness of land stewardship and food safety, injecting positivity into the cycle.



In 2023, we adopted the **19** schoolchildren in Wutai Base in Pingtung, investing **NT\$ 620,729** in after-school tutoring.

In addition, we also connected partner resources to expand services to other bases. Specific actions invested in 2023 are as follows.

- Sponsored the fruit delivery program for the After School Association of Taiwan and invested **NT\$ 26,513**.
- Supported the 10th anniversary of the After School Association of Taiwan, and members of the Public Welfare Team offered to serve as volunteers. We even sponsored 300 McDonald meals and cooperated the 'Hong Te Water Station Project' to set up additional drinking water stations, investing **NT\$111,700**.
- The proceeds from the Mid-Autumn Festival gift box charity sale totaled **NT\$10,000**, which was donated to the Children's Secret Base Free Tutoring Program.
- **Co-organized the Little Picasso Painting Competition** with After School Association's five bases in Pingtung and continued the "Dream Gift" activity

Special Column Report – Environmental Protection Creates a Green Christmas

Shih Wei Navigation organized its third consecutive beach cleanup activity on August 16, 2023, at Keelung's Waimushan Beach. This event not only gathered **19** company colleagues who voluntarily participated and **1** visiting guest, but together, they removed a total of **340** kilograms of beach litter in one day.

This is not only a beach cleanup activity but also the implementation of corporate social responsibility. We settled our hearts and bent down to pick up litter scattered on the beach. Some of the resources recovered became the eye-catching Christmas tree ornaments at our front entrance. We created an eco-friendly and festive event through reuse of resources.

The success of the beach cleanup activity shows our employees' active participation in environmental protection, and also demonstrates our practice of circular economy. Participants from all departments put down their work and answered the call, went to the beach to discover the hidden environmental issues in nature. The environmental movement is not only creating a chain reaction within the company but also spreading the seed of environmental awareness across society at large.

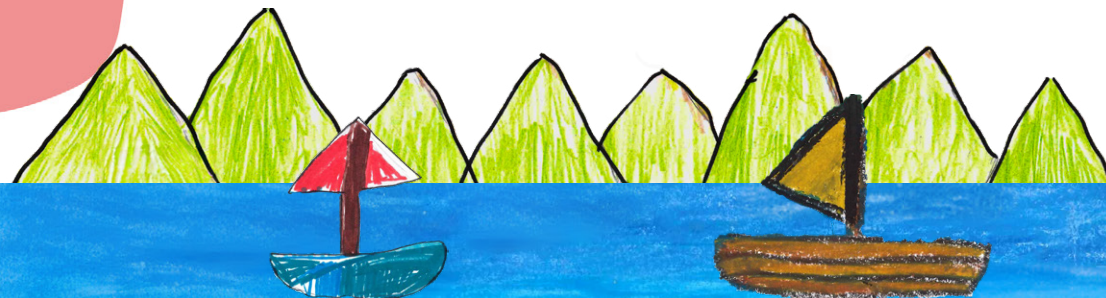
Circular economy is to convert waste into new resources and reduce demands for natural resources through effective management of resources. This not only promotes environmental friendliness but also drives sustainable economic development. Our beach cleanup activity is a vivid example of circular economy that redefines what we considered garbage and gives it new life.

The beach cleanup activity is our affectionate confession to nature. We are convinced that environmental protection is not just a single action, but a long-term commitment. Through this event, we are not just caring for the beach environment but also stirring up discussions on environmental protection within the company. In other words, through the beach cleanup activity, we blend the warmth of Christmas with environmental conservation. It also serves as a reminder that even during celebrations, we need to maintain our focus on the environment.

This is not only an event, but a vivid testimony of the Company's environmental commitment. We hope that this green beach cleanup activity can inspire more companies to join us and create a clearer and greener tomorrow together.



Shih Wei Navigation's elite team gathered at Keelung's Waimushan Beach and completed the beach cleanup despite the wind and rain.
[https : //www.swnav.com.tw/news/65126d5021b30/detail](https://www.swnav.com.tw/news/65126d5021b30/detail)



GOVERNANCE

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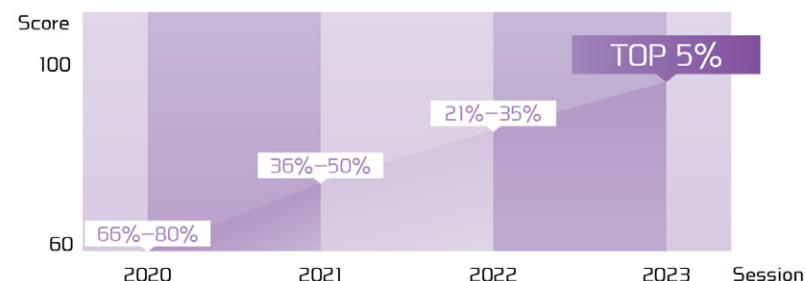


Performance Highlights

- Participated in the Corporate Governance Evaluation of TWSE Listed companies and was ranked Top 5%
- Established Risk Management Policy and Procedures and submitted it to the Audit Committee and Board of Directors for Approval
- Established the director of cybersecurity and relevant personnel



The results of the Corporate Governance Evaluation in the past four year



Management Approach

Target Readers

Shareholders and other Investors, Employees, Competent Authorities (the Government), Customers

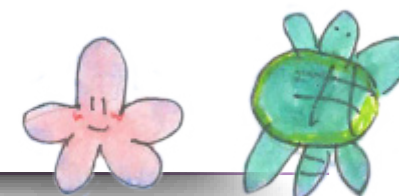
Policy

Shih Wei Navigation has always upheld the Shih Wei Policy, which prioritizes the safety of personnel, ships, cargoes, and the environment. We firmly believe that ensuring the safety of personnel is essential to maintain the overall safety of our operations.

- According to domestic and international corporate governance indicators and practical cases, we continuously enhance the corporate governance mechanism
- Shih Wei Navigation implements safety management in accordance with relevant domestic and international regulations. Both onshore personnel and sea crews are fully committed to their maritime and engineering skills, ensuring that safety, survival, firefighting, and pollution prevention equipment on board are always maintained in compliance with international standards and conventions.
- Ensures that the consigned cargoes from customers are properly and safely loaded in accordance with the International Maritime Dangerous Goods Code (IMDG Code), the International Convention for the Prevention of Pollution from Ships (MARPOL), and the International Convention for the Safety of Life at Sea (SOLAS)
- Risk management assists in identifying, assessing, and responding to various risks that could potentially impact the achievement of business objectives. Shih Wei Navigation has established a complete risk management system to reduce risk of losses, boost operational stability, and adapt better to changes in the outside world to protect the company's value and benefits.
- Ensure cybersecurity, maintain normal operation of our internet systems, ensure the security of data transmission and transactions, and safeguard the confidentiality and integrity of computer-handled data to protect stakeholders' rights.

Commitments	Management System and Evaluation Methods	2023 Key Results	Short-Term Goals	Mid-term Goals	Long-term Goals
Ship Safety	<ul style="list-style-type: none"> Ships hold monthly safety meetings in accordance with the regulations of ISM Code and SMS Manual, and each agenda item is discussed and recorded. The company collects external inspection records of the entire fleet every month and provides the records for self-inspection. The master shall conduct safety management effectiveness reviews at intervals not exceeding 12 months. Hold a safety meeting once every quarter to review the results of the safety management system implemented by each department and onboard, and set up guidelines for deficiency improvement. Audits <ol style="list-style-type: none"> Internal audit— Shih Wei Navigation will arrange personnel to board the ships to carry out audits at appropriate ports within an interval of no more than 12 months. External audit— As prescribed by regulations, external audits are carried out by classification societies. In addition to the above intervals, company personnel will also visit ships on an irregular basis at convenient ports. 	<ul style="list-style-type: none"> Arranged 30 company personnel and engineers on shore leave to receive the 5-day Ballast Water Management System Training in Qingdao and Weihai. The content covered relevant conventions, operating procedures, maintenance, and common equipment troubleshooting. Fully subsidized some crew members on shore leave to participate in the maintenance and repair training of hatch covers and ballast water processors to improve their self-repair capabilities so as to avoid operating losses and violations of relevant international regulations due to malfunction of the equipment. Fully subsidized crew members on shore leave to participate in the cargo securing and lashing courses to avoid cargo damage caused by movement during navigation. Replaced steel wires and cables with new ones before they age to avoid danger caused by the deterioration of their conditions. 	<p>2023-2024</p> <ul style="list-style-type: none"> ✓ Carry out annual ship safety education and training ✓ Status of ship inspection carried out by company staff reached 90% in 2023. ⚡ The management evaluation mechanism to reach 100% in 2024. ⚡ Reduce casualties and pollution rates by 50% in 2024 	<p>2025-2030</p> <ul style="list-style-type: none"> Continue to keep both the achievement rate of high management evaluation mechanism and the ship visit rate at 100%. Improve PSC inspection performance Organize ship safety education and training for onshore personnel and crew members 	<p>2031-2050</p> <ul style="list-style-type: none"> Strive to reduce the occurrence of safety incidents on ships Continue to improve PSC inspection performance Continue to organize ship safety education and training for onshore personnel and crew members.
Risk Management	<p>"Risk Management Team" established in accordance with the Risk Management Policy and Procedures is composed of the heads of responsible departments, with the President serving as the convener. It assists in creating and advancing all sorts of risk management rules, and holds regular risk management meetings where responsible individuals report on risk identification, execution, or response plans, trends, and countermeasures and also keep records, so that they can compile and report on implementation status of the current year to the Audit Committee and the Board of Directors regularly (at least once a year).</p>	<ul style="list-style-type: none"> Established the "Risk Management Team" that is composed of the heads of responsible departments, with the President serving as the convener. Identify high-risk projects based on the risk assessment results and carry out follow-up control measures to strengthen risk management efficiency, and keep high-risk projects within acceptable limits to achieve corporate goals. Carried out risk identification, analysis and assessment based on the Risk Management Policy and Procedures approved by the Audit Committee and the Board of Directors on November 2, 2023, and propose countermeasures and management measures for high-risk issues while reporting them to the Audit Committee for oversight review. The 2023 risk management operation report was submitted to the Audit Committee and Board of Directors on December 19, 2023. Organized 3 sessions of risk management education and training, with 93 participants, and the training hours totaled 172.5 person-hours. 	<p>2023-2025</p> <ul style="list-style-type: none"> ✓ Establish the Risk Management Policy and Procedures and submit it to the Audit Committee and Board of Directors for approval. ✓ Fully grasp and integrate various risk management issues in a systematic manner. ✓ Hold a risk management meeting every quarter where responsible individuals report on risk identification, execution, or response plans, trends, and countermeasures and also keep records, so that they can compile and report on implementation status of the current year to the Audit Committee and the Board of Directors regularly (at least once a year). 	<p>2026-2050</p> <p>Strengthen the risk management effectiveness and control major risks within acceptable limits to achieve corporate goals.</p>	

Note : Achievement status for 2023 : "✓" Achieved, "⚡" Continuing Improvement



Customer Privacy and Cyber Security	<p>We adhere to company standards such as "Information Operation Cycle Procedure Manual", "Cyber Security Organization and Management Measures", "Information Business Operation Continuity Plan", and "Personal Data Protection and Management Measures" when carrying out operations. In addition to regular annual audits carried out by the internal audit office, we also appointed an accounting firm to conduct an annual information cycle audit and respond to suggestions for improvement in the report.</p>	<ul style="list-style-type: none"> Established a dedicated director of cybersecurity and relevant personnel, and held an information security team meeting in December. Completed the revision of the "Information Operation Cycle Procedure Manual" Presented the new official website in both Chinese and English Completed annual employee education and training on cybersecurity Completed 2 internal random audits for legitimate software Completed the replacement of firewalls and network equipment Conducted social engineering drill test. The target open rate of the social engineering drill should be lower than 10%. Only 4% of our employees opened the email images, attachments, and enabled editing functions, showing certain level of security awareness. Those who failed the drill were provided with intensive training. Continued to perform off-site backup of important data in the cloud system There was zero complaint or major information security incident in relation to infringement of customer privacy rights Carried out staff and ship computer replacement plan. The ship satellite update project has been 100% completed, and backup satellite installation plan has been launched. 	<p>2023-2024</p> <ul style="list-style-type: none"> ✓ Establish a dedicated director of cybersecurity and relevant personnel. ✓ The ship satellite update project and backup satellite installation plan has been 100% completed. ✓ There was zero complaint or major information security incident in relation to infringement of customer privacy rights or loss of customer information. ✓ Carry out cybersecurity related education and training at least once a year ✓ Carry out two audits of legitimate software annually 	<p>2025-2030</p> <ul style="list-style-type: none"> Cloud update operation of email system : Cloud-based management of the email system to enhance security and reduce risks and costs of physical hosts. Introducing online approval system : Reduce paper work and the risk of personal data leakage through the permission settings. Introducing the Cloud-based HR System : Reduce paper work and import cloud-based HR system to lower the risk of personal data leakage, reduce manual work, and optimize payroll work.
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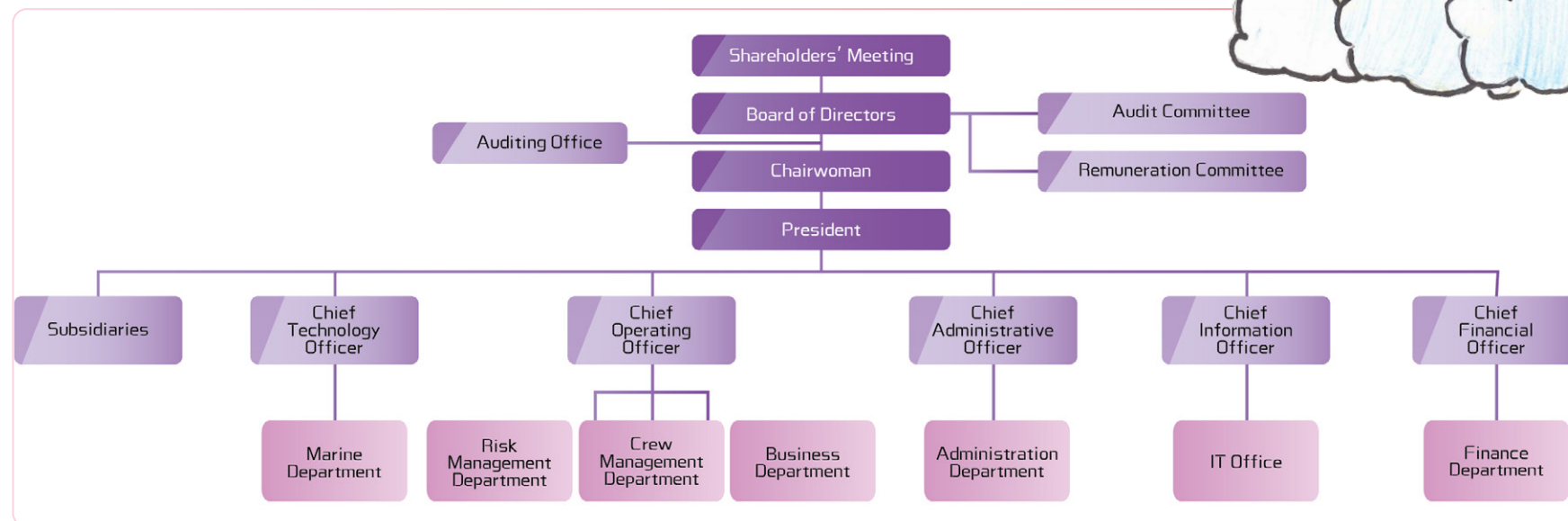
Note : Achievement status for 2023 : " ✓ Achieved, " ⚠ Continuing Improvement

5.1 Governance Structure

Shih Wei Navigation sticks to integrity management, and strives to improve governance to fulfill our responsibility of sustainable management. A sound and effect board of directors is the foundation for excellent corporate governance. Under the board of directors, there are the Audit Committee and the Remuneration Committee to assist the board in fulfilling its oversight responsibilities to respond to the trust of shareholders and stakeholders.

The board of directors serves as the highest decision-making team and governance unit of The Company. It is in charge of the supervision of the Company's overall operating responsibilities and also the implementation results of the management's policies. The election of board members follows the regulations of the Procedures for Election of Directors to ensure the diversity and independence of the board members. The Chairwoman concurrently holds the position as the President to improve the operational efficiency and execution of decision-making. The Company will increase the seats of independent directors in the 2023 general shareholders' meeting, and there will be more than 50% of directors not concurrently serving as employees or managers to improve the functions of the board of directors and strengthen the supervisory function.

The Company has set up an Auditing Office to be in charge of the audit work of the Company.



Responsibilities of the Board of Directors (Article 12 of the Rules of Procedure for Board of Directors Meetings)
<https://www.swnav.com.tw/uploads/files/shares/policy/policy-10.pdf>



Procedures for Election of Directors
<https://www.swnav.com.tw/uploads/files/shares/policy/policy-11.pdf>



Internal Audit Operation
<https://www.swnav.com.tw/en/govern/internal-auditing>

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5.1.1 Board Composition

The term of office of the current board of directors is from June 28, 2023, to June 27, 2026. The board is composed of 7 directors. The proportions of directors with employee status, independent directors, and female directors are 14%, 57% and 43% respectively. Among the board members, 2 were re-elected and 5 were newly appointed, with an average age of 55 years old. The tenure of the 4 independent directors is less than 1 year. See Page 29 of the Annual Report of the Shareholders' Meeting and our official website for detailed information of board members.

Board Operation

The meeting of the board of directors shall be convened at least once every three months to review and supervise the business performance. Major proposals are reported to the board of directors as prescribed by law.


In 2023, a total of 7 board meetings were convened, with the attendance rate reaching 100%. The former board consisted of 6 directors and convened 3 times in 2023, with the attendance rate reaching 100%. The new board consists of 7 directors and convened 4 times in 2023, with the attendance rate reaching 100%.

To make effective and immediate discussion on ESG strategy issues and major events, including economic, environmental, and social impacts, relevant matters are submitted and reported to the board of directors. When necessary, the responsible units of each proposal will report on the follow-ups in the following board meeting.

Submission of ESG-related proposals to the board of directors of Shih Wei Navigation in 2023

Date of board meeting	Aspect	Proposal
2023.02.23	Governance	Report on 2022 ESG implementation results and 2023 scheduled project items
2023.03.30	Governance	Revised the "Corporate Governance Best Practice Principles"
	Social	Report on the 2022 results of the adoption of the After School Association of Taiwan's Children's Secret Base Free Tutoring Program
2023.05.05	Environmental	Submitted the GHG inventory and verification schedule planning of the parent company and adjusted that of the subsidiaries
2023.07.11	Governance	<ul style="list-style-type: none"> Established a dedicated director of cybersecurity The Company's 2022 Sustainability Report
2023.11.02	Governance	Established the Company's "Risk Management Policy and Procedures"
	Environmental	Established the "Regulations for Intellectual Property Rights Management"
2023.12.19	Governance	<ul style="list-style-type: none"> 2023 Integrity operation and implementation 2023 Report on Risk Management Operation 2023 Intellectual property rights management plans and implementation

Management Goals and Practices

Management Goals and Implementation	Implementation Status	Attainment Status
The independent directors account for half of all directors	Four seats of independent directors, accounting for 1/2 of all directors	✓
At least one seat of female director	Three seats of female director 	✓
The seats of directors concurrently serving as employees shall not exceed one-third of all directors	One, accounting for 1/7 of all directors	✓
The term of office of independent directors does not exceed three terms	The tenure of the independent directors of this session is below 3 years	✓
All members of the board have the knowledge, skills, and expertise to perform their duties	All directors meet the criteria of having professional knowledge and skills	✓

Recusal from Conflicts of Interests

To effectively implement the system of avoidance of conflict of interest, the Company has formulated the Rules of Procedure for Board of Directors Meetings that clearly states the recusal system for directors to abide by.

Recusal from conflicts of interests of board members in 2023 is detailed as follows.

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Board Independence and Diversity

The current board members are all compliant with the regulations stipulated in the Securities and Exchange Act, and all the board members do not exist a spousal relationship or a familial relationship within the second degree of kinship. All the independent directors meet the positive and passive qualifications and independence stipulated in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. Among the 7 seats of directors, 4 are independent directors, accounting for 57.14% of all directors, reflecting the independence of Shih Wei Navigation's board of directors.

We actively implement the diverse board policy and respect the principle of director diversity. We believe that this can promote healthy development of the board's setup and boost the company's overall performance. Board members are selected based on the professional competence and diverse interdisciplinary skills, including business judgment, management experience, leadership, and crisis management capabilities. In the future, we will revise the diversity policy in a timely manner based on the board operation and company's development to ensure that board members are all equipped with knowledge, skills and literacy required to perform their duties.

See "Board Operation" on our official website for the details of the diversity of the current board members.



Board Operation
<https://www.swnav.com.tw/en/govern/bod>



Annual Report of the Shareholders' Meeting
<https://www.swnav.com.tw/en/investors/shareholders-meeting>



Summary of the 2023 Board Meeting Minutes
(Communication of critical concerns)
https://www.swnav.com.tw/uploads/files/shares/bod/1120915_EN.pdf

5.1.2 Functional Committees

To effectively supervise the implementation status of the management team and establish various systems, the Audit Committee, the Remuneration Committee, and the Auditing Office have been established under the board of directors to ensure the shareholders' rights and the transparency of corporate operations. The committee members are all independent directors.

See our official website for the details of the functional committees' responsibilities and operation in 2023.

The former Audit Committee consisted of 3 independent directors, met 3 times in 2023, with the attendance rate of all committee members reaching 100%.

The current Audit Committee consists of 4 independent directors, met 4 times in 2023, with the attendance rate of all committee members reaching 100%.

The former Remuneration Committee consisted of 3 independent directors, met 2 times in 2023, with the attendance rate of all committee members reaching 100%.

The current Remuneration Committee consists of 2 independent directors and 1 committee member (independent external consultant, not an internal employee), and opinions of other stakeholders were not included. The current Remuneration Committee meetings met 2 times in 2023, with the attendance rate of all committee members reaching 100%.



Articles of Incorporation
<https://www.swnav.com.tw/uploads/files/shares/policy/policy-01-20240704-en.pdf>



Audit Committee
<https://www.swnav.com.tw/en/govern/audit-committee>



Remuneration Committee
<https://www.swnav.com.tw/en/govern/compensation-committee>



Remuneration Policy

The directors' remuneration structure and policy have been established in accordance with the Articles of Incorporation and the Measures for the Remuneration of Directors and Managers. The directors' performance indicators do not yet include the ESG performance. Except for the director(s) concurrently serving as the employee(s), no pension, severance pay, and various bonuses are provided, nor is there a clawback mechanism.

Directors	<p>The Remuneration Committee may determine the directors' remunerations in grades ranging from 0%–150% based on the degree of individual director's participation in company operation and the value of contribution to the Company with the salary of the same trade as the basis.</p> <p>Take the previous assessment basis into account, the company should pay the chairwoman an annual salary of NT\$ 3 million, and individual directors an annual salary of NT\$ 1 million, calculated based on the proportion of the director's annual service day, regardless of profits or losses.</p>
Independent Directors	<p>When independent directors perform their duties, regardless of profits or losses, the company should pay individual independent directors :</p> <ol style="list-style-type: none"> 1. Monthly salary of NT\$ 10,000 2. Annual salary of NT\$ 1 million <p>Item 1 and 2 above are calculated based on the proportion of the independent director's service days per month (year).</p>
Managers	<p>The Remuneration Committee may determine the managers' remunerations in grades ranging from 0%–150% based on the degree of individual manager's participation in company operation and the value of contribution to the Company with the salary of the same trade as the basis.</p>
Employees	<p>The compensation of new employees is based on the complexity of work, the severity of responsibility, and the expertise, education, and expertise. The salary adjustment and the distribution of various bonuses are planned in accordance with Employee Work Rules and the individual performance appraisal results. Please see 4.1.2.1 Employee Compensations for details.</p>

5.1.3 Performance of Board of Directors

Performance Evaluation of Board of Directors

To implement corporate governance and enhance the Company's board functions and performance, the Company has established the Rules for Performance Evaluation of Board of Directors. The Company's board of directors shall conduct an internal board performance evaluation every year, and the evaluation results shall be submitted to the board of directors for report; the external evaluation shall be conducted every three years.

In 2022, an evaluation was conducted by the external professional and independent organization, Taiwan Institute of Ethical Business. The results were reported during the board meeting in 2023Q1. The summary of the evaluation results is as follows. For more details, please refer to our Company's official website.

Evaluation aspects	Evaluation results
<ol style="list-style-type: none"> 1. The professional functions of the board of directors 2. The decision-making effectiveness of the board of directors 3. The board of directors' degree of emphasis on and supervision of internal control 4. The board of directors' attitude toward sustainable management 	<p>Shih Wei Navigation has conducted evaluations and established a dedicated risk management unit. However, owing to the fact that the shipping market is greatly affected by external uncertainties, it is advised to first set up a task force on risk management. Subsequently, the establishment of the Risk Management Committee or the Sustainable Development Committee can be considered to facilitate integrated risk assessment for prevention and implementation in the future.</p>

The company has established the Risk Management Team in 2023 based on the assessment results.



Rules for Performance Evaluation of Board of Directors

<https://www.swnav.com.tw/uploads/files/shares/bod/bod-00.pdf>

Continuing Education for Directors

The Company arranges and plans education and courses for each director on a yearly basis to update directors' professional knowledge and functions in accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies, by referring to the industrial changes and the Company's internal developmental needs, as well as aligning with the annual strategic development priorities.

In 2023, the total number of training hours for directors reached 93, with 13.3 hours per person averagely, superior to the standard 6 hours stipulated by laws that "newly appointed directors should receive at least 12 hours of training in the year they take office, and successors should receive at least 6 hours every year during their term of office". Among them, the directors have taken the following ESG-related courses, including Promotion Meeting on Sustainable Development Action Plans for Listed Companies, A New Perspective on Integrating Strategic Development with ESG in Corporate Risk Management, and the 2023 Cathay Sustainable Finance and Climate Change Summit. See directors' training status in 2023 for details.



Directors' training status in 2023

<https://www.swnav.com.tw/uploads/files/shares/bod/Bod20240119-02.pdf>



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5.2 Integrity Management

5.2.1 Integrity Management System and Implementation

Shih Wei Navigation upholds honesty and integrity and has established "Corporate Governance Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", and "Codes of Ethical Conduct" to prevent offering or acceptance of bribes, illegal political donations, improper charitable donations or sponsorship, offering or acceptance of unreasonable presents or hospitalities, or other improper benefits. Relevant information is also publicized in the education & training for the personnel in the Company on a regular basis. Information of implementation status is also disclosed on the Company's website, in the annual reports and the Public Reports.

To implement integrity management and avoid frauds, Shih Wei Navigation has established an accounting system and an internal control system that are functioning normally. The auditors of the Company conduct audits in accordance with the audit plans on a regularly basis. In 2022, the Company did not involve in any incidents related to fraud, insider trading, anti-competitive behavior, anti-trust and monopoly behavior, and market manipulation, nor were there any related legal proceedings and penalties. In addition, during the reporting period, the number of the fleet of Shih Wei Navigation to call at ports of the 20 most corrupt countries based on the Corruption Perceptions Index (CPI) published by the Transparency International (TI) was three.

See our official website for details concerning Integrity Management.



Integrity Management
<https://www.swnav.com.tw/en/govern/compensation-committee>

5.2.2 Anti-corruption

The Company conducts risk assessments and, despite anti-corruption not being identified as a major issue, actively implements a self-monitoring mechanism through self-assessment of internal control. 100% of the employees in the Head Office received audits. As of 2023, there have been no incidents of corruption or fraud involving the Company or its internal personnel (including no termination of cooperation with external stakeholders due to corruption). The Employee Work Rules are posted on the Company's intranet, and the Ethical Corporate Management Best Practice Principles are available on both the Company's intranet and extranet for related parties to refer to and comply with.

5.2.3 Prohibition of Insider Trading

The Company prohibits insiders such as the directors or employees to make profits by using unpublished information on the market to purchase or sell marketable securities. In addition, a monthly email reminding directors and other insiders not to trade their stocks during the closed

period of 30 days before the announcement of the annual financial report, or during the close period of 15 days before the announcement of the quarterly financial report.

The Company conducts education, publicity, and training for employees every year and requires them to read the digital teaching materials on insider trading prevention and punishment. The content of the course includes the definition, purpose, and constituent elements of insider trading, its behavioral agent, abnormal situations, and violation handling to enable all employees and directors have a better understanding of the important internal information and the importance of insider trading prevention.

5.2.4 Education and Training

Shih Wei Navigation enables all employees to understand and comply with rules and regulations through the directors' continuing education, employee education and training, and written publicity.

All the 7 members of the new board completed the anti-corruption policy communication, and a total of 4 board members have completed anti-corruption education and training, accounting for 57.14%.

In terms of the onshore personnel, there are a total of 12 senior executives and 62 general employees in the Head Office, all of whom completed anti-corruption policy communication. The 12 senior executives (100%) and 57 general employees (91.94%) completed anti-corruption education and training.

In 2023, we organized or participated in 12 integrity management-related education and training, with a total of 83 training hours (person-hours) and 22 employees. A whistleblowing system and a reporting email on the website have been set up, and there were no reporting cases received. There were no incidents of breach of business integrity throughout the year.

5.2.5 Whistleblowing System and Whistle-Blower Protection

Shih Wei Navigation has added and established an independent reporting email (legal@swnav.com.tw) in the Procedures for Ethical Management and Guidelines for Conduct, and the description of the investigation standard operating procedures and relevant confidentiality mechanism for reports accepted. Employees and internal and external personnel can report relevant violations of integrity management regulations or misconduct through mails.

The Company keeps the identity of the whistleblower and the content of the report confidential, and also implements protection measures for the whistleblower.

The whistleblower shall at least provide the following information :

- The whistleblower's name, ID card number, and anonymous whistleblowing is also acceptable, and the whistleblower's address, phone number, and email address
- The name of the person being accused or other information sufficient to identify the accused person's identity and characteristics can be used for investigation



In terms of the fleet, we have posted contact information of designated personnel and head of every department in the bridge, the engine control room and other important public areas so that sea crews can make use of the contact information.

In 2023, there were no reporting cases received in the Head Office and the fleet.

5.2.6 Major Violation Incidents

Shih Wei Navigation's operating bases and the entire fleet strictly abide by all regulations in the aspects of environmental protection, ship safety, and occupational health and safety to fulfill the safety goals of Shih Wei Policy and ensure that the impact of the Company's daily operation on the surrounding environment and communities can be reduced to the minimum.

In the face of the penalty, we accept it sincerely and promptly review as well as implement improvement measures to address the deficiencies. The relevant penalties have been improved, reviewed, and approved by the competent authorities. Looking ahead, we will continue the implementation of internal inspections and operational procedures rigorously, enhance employee education and training, and promote awareness to prevent compliance violations.

According to the Risk Analysis Measurement Standards formulated in 2023, significant compliance violation is defined as follows : (1) Cases where domestic fines exceed NT\$ 1 million; (2) Cases where foreign fines exceed US\$ 500,000. No significant compliance violations occurred in the Head Office and the Fleet in 2023, and the total amount of fines imposed by the government was disclosed in 1.2 Financial Performance.

5.3 Risk Management

Shih Wei Navigation makes detailed lists of the opportunities and risks faced by the shipping industry and the corresponding strategies and actions taken based on our niches for every relevant department and unit targeting at the opportunities and risks in accordance with the scope of work. Risks related to ship operation are handled in accordance with relevant policies and procedures of International Safety Management (ISM).

The board of directors serves as the highest guiding unit of the company's risk management proposals. In 2023, we promoted the introduction of risk management projects and set up a dedicated "Risk Management Team" to comprehensive grasp and integrate various risk management issues in a systematic manner.

Directors and Supervisors Liability Insurance

Shih Wei Navigation has purchased Directors and Officers (D&O) liability insurance from Chung Kuo Insurance Co., Ltd. Due to the heavy asset base and significant capital investments, the company has increased the insurance coverage to US\$ 10 million to adhere to proportional principles. By purchasing liability insurance, the company's exposure to unknown risks can be mitigated, and possible damage occurred due to performance of directors' and officers' duties can be transferred, thereby safeguarding the interests of all stakeholders and further strengthening corporate governance.

5.3.1 Management Procedures and Risk Identification

Management Procedures	Risk Identification
<p>The risk management procedures include target setting and strategic planning, risk identification, risk analysis, risk assessment, risk response, and risk supervision and review.</p> <p>The Risk Management Team referred to the Risk Management Best Practice Principles for TWSE/TPEx Listed Companies and other relevant international risk management standards or best practices to formulate risk appetite and risk analysis measurement standards. After the approval from the Audit Committee, the standards will be used as the basis for risk analysis, evaluation and responses.</p>	<p>Each responsible department should identify risks concerning the unit's short-, medium-, and long-term goals and business operations in accordance with the company's strategic objectives and the Risk Management Policy and Procedures. Risk identification should utilize various feasible analysis tools and methods, base on previous experience and information, and consider internal and external risk factors and stakeholders' focus of concern for comprehensive identification of potential risk events that may lead to failure of objective achievement, causing losses or having negative impact on the company.</p> <p>The sources of the company's risks are from the following categories :</p> <p>Strategic risk, operational risk, financial risk, compliance risk, other risks</p>



Risk Management Policy and Procedures

<https://www.swnav.com.tw/uploads/files/shares/policy/police-20231103.pdf>



2023 Risk Management Operation Report

https://www.swnav.com.tw/uploads/files/shares/ESG_REPORT/operational-overview/20240105.pdf

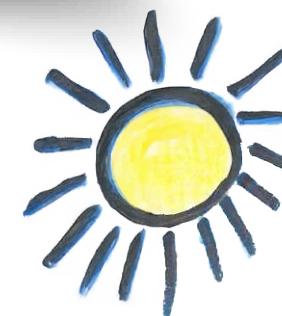


5.3.2 Risk Identification Results

The top 10 material risks identified by Shih Wei Navigation are listed in the following table. See 3.2 Climate Change Adaptation and Climate Risk Management for the corresponding climate risks.

Risk Aspect	Risk Category	Risk Event	Risk Management Measures
Governance	Strategic risk	Geopolitics and other external events	We take various measures to respond to geopolitical environment changes, including timely adjustment of routes, setting protection clauses in customer contracts and establishing a mechanism for contingency adjustments, regularly reviewing the sanction lists of specific regions and countries in the supervision mechanism, and closely monitoring international political and economic developments to obtain the latest risk information and timely formulate and implement response strategies. We also consider the possibility of unexpected warfare and take measures to increase salaries and employing seafarers of other nationalities to increase job motivation and avoid being affected by policies of countries at war.
Governance	Strategic risk	Asset acquisition and disposal	Strictly follow the procedures for asset acquisition and disposal, including handling them in accordance with corresponding regulations. Before acquiring or disposing of a ship, risk assessment or appraisal report are conducted to ensure accuracy and reliability of all relevant decisions.
Governance	Operational risk	Ship inspection and rating	<ul style="list-style-type: none"> • Strive to maintain the effectiveness of the safety management system to prevent accidents and maintain ships. Speed limiters are installed to reduce fuel consumption. Other energy-saving equipment and methods are referred to for evaluation and formulation of modification plans. • Strengthen education, training and drills to prevent accidents and issue relevant announcements in a timely manner. • Increase company personnel's visit frequency to reduce defects and improve ship ratings. • Supervise the provision of spare parts for critical equipment on board. • Use management tools to make real-time monitoring of the carbon intensity indicators of the fleet, strengthen audits and requirements for maintenance and deficiencies, and review and analyze reasons for deficiencies to proactively seek countermeasures.
Social	Operational risk	Human resources and labor management	<ul style="list-style-type: none"> • Regularly review and make timely adjustments of salary, bonus, and job content to ensure competitiveness. In addition, the ship provides sufficient medicines and supplies prescribed by WHO to meet daily needs. We also expand the recruitment of crew members of different nationalities to increase manpower sources. • Establish a succession plan for key positions and formulate talent development and cultivation strategies and systems for diverse recruitment channels, including industry-university cooperation, campus recruitment, internal referral incentives, job bank, etc. We also increase exposure by cooperating with recruitment activities.
Governance	Operational risk	Damage to goods/assets/equipment	<ul style="list-style-type: none"> • We arrange professional onshore inspectors or relevant personnel for cargo inspection and insure cargo transportation liability to reduce financial losses. We also implement personnel training, plan maintenance plans for critical and major equipment and strengthen supervision of the critical equipment spare parts inventory on board in accordance with the operational regulations of the safety management system. • Actively contact equipment manufacturers to understand issues related to equipment operation and potential causes of damage for preventive maintenance. • Shorten the inspection cycle of fuel-related equipment and increase inspection frequency to maintain and implement the backup mechanism of the network and equipment as well as the backup and overwrite mechanism of the server.

Risk Aspect	Risk Category	Risk Event	Risk Management Measures
Governance	Operational risk	Business continuity and incident and crisis management	<p>Head Office Measure and plan relevant measures, develop BCP/DRP, and regularly perform system recovery drills.</p> <p>Ships Add protection clauses in customer contracts, regularly review the supervision mechanism to ensure compliance with the sanction lists of specific regions/countries; monitor international political and economic situations and stay informed about the latest risk information. Regularly issue announcements and strengthen training regarding possible accidents in the fleet and the latest regulations and precautions; regularly perform accident response drills and provide feedback through exercise photos. If a detention (ship arrest) occurs, understand the reason and contact relevant authorities for re-examination. After completing the PSC review, the ship will be released to sail, and the company's procedures will be revised and the fleet will be notified. In case of a maritime accident, the master should immediately notify the company, and the emergency response team will activate to ensure ship safety. In the event of a crew injury or illness, medical assistance or crew replacement will be provided at the nearest port, and if necessary, Maritime Rescue Coordination Center will be contacted.</p>
Governance	Operational risk	Information security and personal data protection	Regularly conduct education and training on cybersecurity and personnel information protection; install new network firewalls and subscribe to real-time updates; deploy anti-virus software on endpoints and update it regularly; update the operating system and software on a regular basis; carry out social engineering drills regularly; back up and restore test data on a regularly basis; establish and implement protocols for handling cybersecurity incident notifications; maintain and enforce regulations for management of personal data protection; securely encrypt the storage and transmission of electronic files.
Governance	Financial risk	Working capital and liquidity	Implement investment evaluation and budget preparation and enhance management of mobile assets and liabilities to reduce excessive use of funds. We establish the optimal capital structure, balancing funding risks within acceptable limits to achieve the lowest overall cost of capital. The proportion of long-term and short-term financing methods are reasonably arranged, and financial instruments, such as interest rate swaps, forward rate agreements (FRAs), and interest rate futures are used to hedge funding risks arising from interest rate fluctuations.
Environmental	Compliance and other risks	Environmental risk	<ul style="list-style-type: none"> • Implemented ISO 14064-1 : 2018 Organizational Greenhouse Gas Inventory, actively promoting energy conservation and carbon reduction • Maintain the Ship Energy Efficiency Management Plan (SEEMP) and use StormGeo s-Insight to quantify data by collecting daily ship positions, cargo volume, fuel consumption, and fuel stock. This allows for monitoring greenhouse gases and air pollutants • Strictly comply with international emission standards for air pollution and perform regular maintenance on various equipment according to the company's maintenance system to reduce the risk of failure • Replace energy-consuming equipment and install energy-saving devices to improve energy efficiency • Review each ship individually, and make comprehensive considerations for adjusting contractual speeds, arranging hull cleaning, or including the ship in the sales list



5.4 Ship Safety Management

Shih Wei Navigation has been upholding the four safety policies since foundation, namely the safety of lives, safety of ships, safety of cargos, and safety of environments, which have been serving as the profound cultural heritage within the Company that all onshore personnel and sea crews shall understand and abide by.

ty of lives tops the four policies at Shih Wei Navigation because it is our belief that only when safety of lives is guaranteed can we guarantee the safety of ships and take into account cargos and environments. We conduct safety management in accordance with stringent domestic and foreign laws and regulations.

Shih Wei Policy	Implementation Methods	
Safety of Lives	Safety of lives tops the four policies at Shih Wei Navigation. The Company also implements the measures in accordance with the Maritime Labour Convention (MLC) to protect the safety of the crew members and prevent the occurrence of accidents. The crew members are equipped with appropriate work clothes, work shoes, and other relevant protective equipment when serving on the ship. It is strictly required that they wear work clothes and protective equipment in accordance with regulations during work. If a crew member is unfortunately injured or falls sick during the voyage, based on the provisions in Chapter 7 "Onboard Medical Care" of the "Shih Wei Navigation MLC Compliance Manual," the sea Master or other qualified Class A crew should provide first aid and notify the Company for further processing.	
Safety of Ships	To reduce the occurrence of accidents during ship navigation to achieve the purpose of safe maritime transport, Shih Wei Navigation arranges personnel education and training on a regular basis and accepts practical operations related to individual duties to enhance awareness and responsibility of ship safety. Based on the safety of ships and for zero accidents in navigation, the consigned cargos are properly and safely loaded on the ship in accordance with the International Maritime Solid Bulk Cargoes Code (IMSBC Code), IMDG Code, International Convention for the Prevention of Pollution from Ships (MARPOL), and International Convention for the Safety of Life at Sea (SOLAS). To maintain the normal operation of the machinery of the ship, the fleet of Shih Wei Navigation requires that all crew members should maintain the machinery in accordance with the methods suggested in the manuals.	
Safety of Cargos	All cargo ships in the Shih Wei Navigation fleet comply with the Cargo Exclusion Clause agreed upon with the customers. During the contract period, the vessels carrying the designated cargos for customers are equipped with appropriate certificates to demonstrate compliance with the conditions allowed by the ship certificate issuing agency. Customers are also required to adhere to IMO and local regulations for the loading, stowage, and transport of their cargos, and the Company and the ships retain relevant specifications for inspection and reference. In addition to following the SOLAS specifications, the loading and shipping of the cargos also abides by the regulations stipulated in the International Maritime Solid Bulk Cargoes Code (IMSBC Code) and International Maritime Dangerous Goods Code (IMDG Code) to ensure that the dangerous goods are transported in full compliance with the IMDG Code and other relevant international regulations and local regulatory requirements of each port state. We also require our customers to provide the Shipper's Declaration or the Material Safety Data Sheet (MSDS) before loading the goods.	
Safety of Environments	Regularly monitor the latest domestic and international environmental regulations to ensure compliance.	
	Regulations or Policies	Response Measures
	Taiwan – Climate Change Response Act	Officially implement the ISO 14064–1 Organizational Greenhouse Gas Inventory Standard in 2023, aiming for external verification for the parent company in 2024 and for the subsidiary fleet in 2025.
	IMO – International Convention for the Prevention of Pollution from Ships (MARPOL)	Discharge bilge water and sewage from ships according to regulations after treatment by onboard systems to protect local water environments and prevent marine pollution.
	IMO – International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM)	Install ballast water treatment systems on ships and establish ballast water management regulations.
	IMO–MARPOL – Sulphur Cap	Use low-sulfur fuel oil for the fleet to reduce sulfur oxide emissions and decrease air pollution.



For details, please refer to our company's website – Ship Safety Management : <https://www.swnav.com.tw/en/sustainability/governance/Maritime-Safety-Management>

Disclosure of Ship Accidents and Safety Management

Item	Description
Year 2023 Incidents : 14 Very serious marine casualties : 7.14%	<ul style="list-style-type: none"> Statistics of marine incidents and very serious casualty defined by IMO were gathered For detailed information concerning the employee casualty, please refer to 4.3 Occupational Health and Safety Management
Number of Conditions of Class or Recommendations : 52	---
Number of Port State Control (PSC) : (1) Deficiencies : 270 (2) Detentions : 3 (3) The percentage of incidents with no deficiencies : 42.6%	There were a total of 115 inspections in 2023, with 49 instances having no missing counts. Port State Control (PSC) refers to the control of ships arriving at ports in accordance with international conventions or local regional agreements to ensure safety in many ways. Detention (or the so-called arresting a ship) can be seen as a warning of insufficient ship management that requires immediate adjustment and improvement to ensure the safety of the ship, personnel and even the environment.

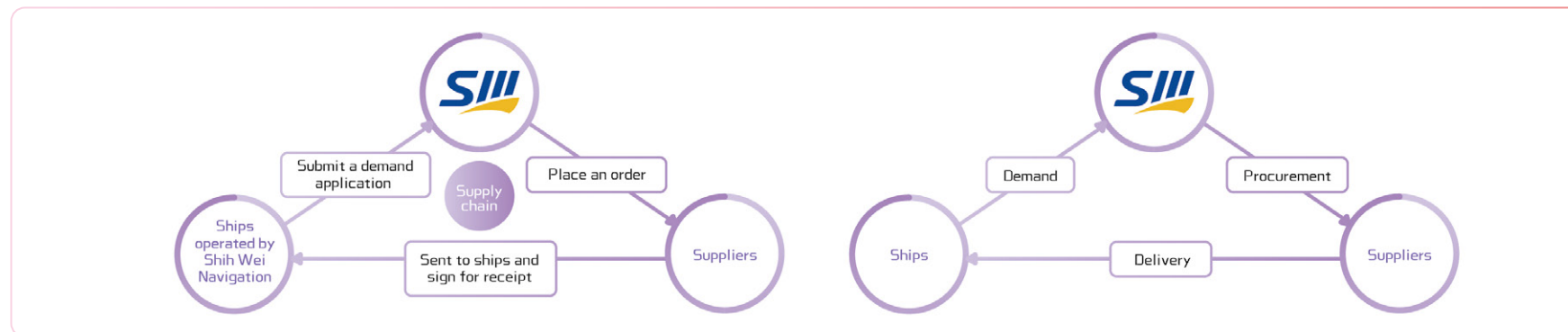
5.5 Supply Chain Management

Shih Wei Navigation regards each supplier a long-term partner. Supplier evaluation is implemented for supplier management. In addition to requiring suppliers to meet requirements for prices, quality, and services, we also strive to urge them to comply with environmental regulations, improve occupational health and safety, and attach importance to human rights. Relevant standards have been included in the evaluation criteria in 2022, which was revised and approved for implementation in 2023.

To implement the sustainable policy, the Head Office gives priority to purchasing equipment and appliance with environmental protection labels and energy-saving labels. Based on the principles of local procurement and procurement for public welfare, we purchased related products from local smallholders. In terms of fleet management, we still uphold the same principle of local procurement. However, due to the characteristics of the industry, relevant procurement, maintenance, contracting and so on are mainly arranged in the port of call, and therefore the procurement is mainly from the local suppliers to reduce the carbon footprint. In 2023, the proportion of overseas procurement reached 98.46%.

5.5.1 Overview of the Supply Chain in Marine Transportation

We have cooperative relationships with hundreds of suppliers globally, including agencies, ports, docks, ship repair providers, and so on. We hope that through the collective efforts with the cooperative suppliers, better environmental, safety and health standards can be further developed.



In terms of the supply chain management, Shih Wei Navigation has to maintain good cooperative relationships with the suppliers, repairs/service providers, and classification associations, so as to meet the demands of the ship end in the shortest time possible to facilitate smooth and safe navigation of the ships.

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407-1
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409-1
414-1
414-2

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TR-MT-540a.2

TR-MT-540a.3

5.5.2 Suppliers Management System

Shih Wei Navigation has formulated the e Supplier Management Measures for suppliers to follow so as to establish and maintain the requirements for the suppliers' supply capabilities and quality.

We create "Supplier Directory" and regularly evaluate the cooperation situations. The evaluation is carried out at least once a year, and the indicators include price, quality, service attitude, and sustainability governance.

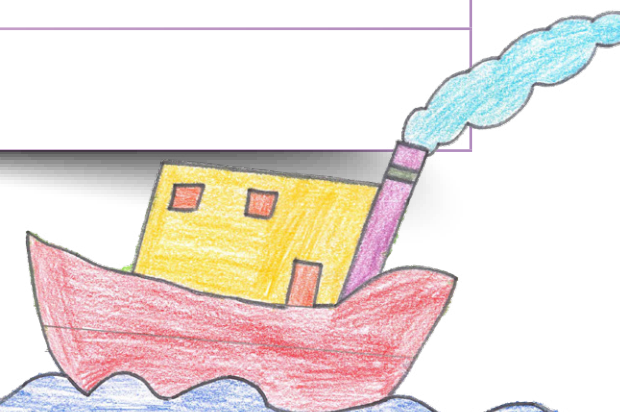
During the supplier selection process, we will additionally require credit investigation or ask the bank to issue a letter of guarantee to reduce the possible operational risk of the suppliers. In addition, the suppliers' service performance is also evaluated through the daily work contact and irregular mutual visits for our suppliers to make continuous improvement to meet the requirements.

We look for great suppliers from the ship supplier member list of the International Ship Suppliers Association (ISSA). Supplier registered with ISSA must comply with its various ethical standards (such as prohibiting predatory pricing, joint monopoly, disparaging competitors, exaggerating product information, and soliciting employees from competing firms) to ensure the safety of cargo transportation and secure transaction. In addition, we also require our suppliers to provide compliant product information, such as the asbestos-free certificate, every time we arrange for material delivery.

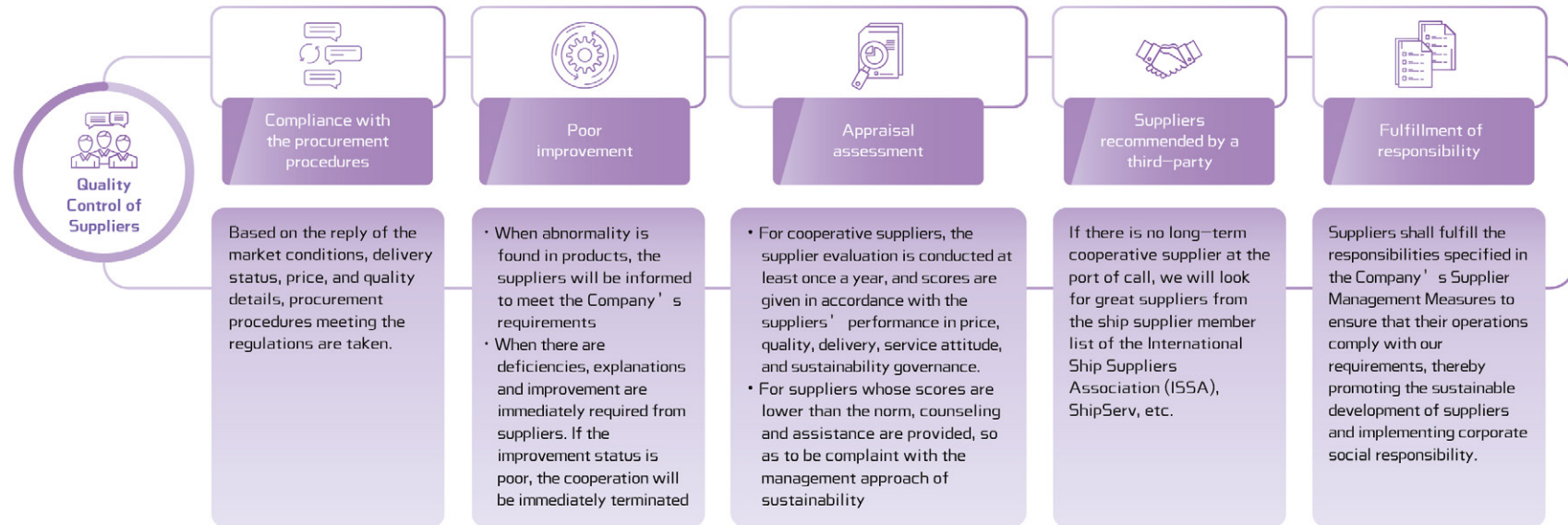
Shih Wei Navigation is a shipping company serving the global market. We have always required our suppliers around the world to cooperate with the regulations of the Company and also the local laws and regulations in terms of environmental protection, safety and health, and human rights. By signing the contracts, the suppliers shall undertake its due responsibility to continue the improvement and advancement of various measures to jointly maintain the service quality. See 4.2 Human Rights Management for the human rights policy of the Company.

5.5.3 Supplier Evaluation

Evaluation of New Suppliers	Evaluation of Existing Suppliers
<ul style="list-style-type: none"> • Implement the Inventory of Hazardous Materials (IHM). After evaluation in December, 2021, it was decided to entrust a third-party external laboratory to conduct sampling tests to get objective evidence showing that the products from the suppliers meet relevant requirements and do not contain hazardous substances. From the selection of raw materials to the finished products, the prohibited substances having significant impacts on the environment should be grasped so as to provide supplies that are complaint with international regulations and avoid health or safety related impacts on the crew members. • Qualification assessment of new suppliers is based on the operating status, quality, delivery schedules, team service, sustainability governance and others. Upon approval by the top department manager, new suppliers are included in the supplier list. • When signing a contract, new suppliers shall comply with the Company's Suppliers Management Measures. 	<p>The content of supplier evaluation includes the followings.</p> <ol style="list-style-type: none"> 1. The procurement unit shall evaluate the cooperative suppliers and fill in the Records of Evaluation of Suppliers before submitting it to the responsible supervisor for approval. The items for evaluation include price, quality, service enthusiasm, environment, and human rights. 2. The evaluation shall be conducted on a yearly basis. 3. For those evaluated as qualified or for our long-term contract suppliers, the procurement unit can directly make procurement from them without the price comparison and negotiation. However, it is still necessary to check the market conditions every year to prevent company losses.
<ul style="list-style-type: none"> • In 2023, we had 2 new suppliers that both signed Shih Wei Navigation's Human Rights Regulations and agreed their compliance during collaboration. • Environmental and social standards were completely put into consideration when selecting new suppliers in 2023. • A total of 89 suppliers were evaluated in 2023, all of which were qualified. 	



5.5.4 Quality Control of Suppliers



5.6 Information Security Management

With the popularization of computer use and the booming development of the internet, rapid and significant impacts have been brought on humans, changing the lifestyle of people.

Along with the information convenience comes the information security issues that concern all. Therefore, we must implement robust information security measures and invest in costs to ensure that we can enjoy the benefits of information convenience while safeguarding information security. This is the correct attitude to address information security issues and prepare ourselves for greater impacts and challenges in the future.

The Company maintains the normal operation of the network information system, ensures the security of network information transmission of transactions, and secures the confidentiality and integrity of computer-processed data for the security of information, system, equipment and network security, and follows the regulations of "Information Operation Cycle Procedure Manual", "Cyber Security Organization and Management Measures", "Information Business Operation Continuity Plan", and "Personal Data Protection and Management Measures".

Shih Wei Navigation has always placed great importance on cybersecurity. A cybersecurity management team has been established, with the head of the IT Office as the convener, and its members include the professionally qualified information security director, dedicated information security personnel, department heads, and IT Office staff. Regular discussions and reviews are conducted on the Company's various cybersecurity issues.

Management and Implementation Method

In addition to annual audits carried out by the internal audit office, we also appoint an accounting firm to conduct an annual information cycle audit and respond to suggestions for improvement in the report. Execution methods are listed as follows.

1. Computer Information Security Control
2. Personal Data and Confidentiality Management
3. Strengthen the integration of the overall information system
4. Server Virtualization and enhanced security management
5. Arranging employee education and training and social engineering drills from time to time, and for employees to obtain relevant certifications
6. Regular internal and external audits of information cycle and cybersecurity
7. Share information security news from time to time

Server Virtualization and enhanced security management

Shih Wei Navigation places great emphasis on information security and ensures the utmost protection of the data provided by our customers to safeguard their privacy rights. Comprehensive control has been implemented for the access, processing, transmission, and storage of customers' data as well as the safety of personnel and equipment. In addition, relevant security maintenance measures and controls at all levels have been taken for the related application system development, design and maintenance, database, network, personal computers, storage media and so on to prevent theft, loss, or leakage of customer data, so as to ensure the security of customer data.

In 2023, there was zero complaint or major information security incident in relation to infringement of customer privacy rights or loss of customer information at Shih Wei Navigation.

Ship Information Security

The Company is dedicated to the implementation of ship information security. The dedicated computer for Electronic Navigation Chart (ENC) and the data transmission are carried out through dedicated disk devices to avoid virus infection.

In 2021, the update plan for the satellite network for ships started. By the end of 2023, the update has been fully completed, achieving a 100% completion rate. With the network structure that can be online at all times, the anti-virus software can be updated in real-time to enhance security. In addition, with the firewall control of the ship and at the ground station, the network use of the ship can be more secure.



APPENDIX

GRI Content Index	91
SASB Index (Marine Transportation)	97
Climate-Related Information of TWSE/TPEX Listed Company	99
Independent Assurance Opinion Statement	102



Appendix

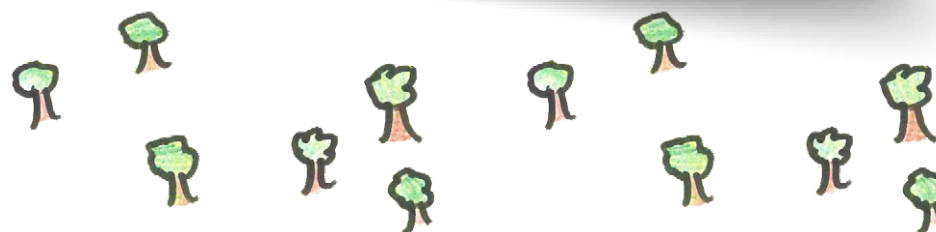
GRI Content Index

Statement of use	Shih Wei Navigation has reported in accordance with the GRI Standards for the period January 1 to December 31, 2023 The following indicators have all been externally verified, with the verification results detailed in the Independent Assurance Opinion Statement.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	N/A

GRI 2 : General Disclosures 2021

GRI Standards	Disclosure Items	Chapter	Page Number	Omission/Note
2-1	Organizational details	About this Report 1.1.1 Overview of Shih Wei Navigation	7 14	
2-2	Entities included in the organization's sustainability reporting	About this Report 1.1.1 Overview of Shih Wei Navigation	7 14	
2-3	Reporting period, frequency and contact point	About this Report	8	
2-4	Restatements of information	About this Report	8	
2-5	External assurance	About this Report	8	
2-6	Activities, value chain and other business relationships	1.1.2 Business Model and Industry Overview 5.5 Supply Chain Management	16 81	
2-7	Employees	4.1.1 Manpower Structure	48	
2-8	Workers who are not employees	4.1.1 Manpower Structure	48	None
2-9	Governance structure and composition	5.1 Governance Structure	72	
2-10	Nomination and selection of the highest governance body	5.1 Governance Structure	72	
2-11	Chair of the highest governance body	5.1 Governance Structure	72	
2-12	Role of the highest governance body in overseeing the management of impacts	2.1 Sustainable Management Structure 5.1.1 Board Composition 5.3 Risk Management	21 73 77	
2-13	Delegation of responsibility for managing impacts	2.1 Sustainable Management Structure	21	
2-14	Role of the highest governance body in sustainability reporting	2.1 Sustainable Management Structure	21	
2-15	Conflicts of interest	5.1.1 Board Composition	73	
2-16	Communication of critical concerns	2.1 Sustainable Management Structure 5.1.1 Board Composition	21 73	

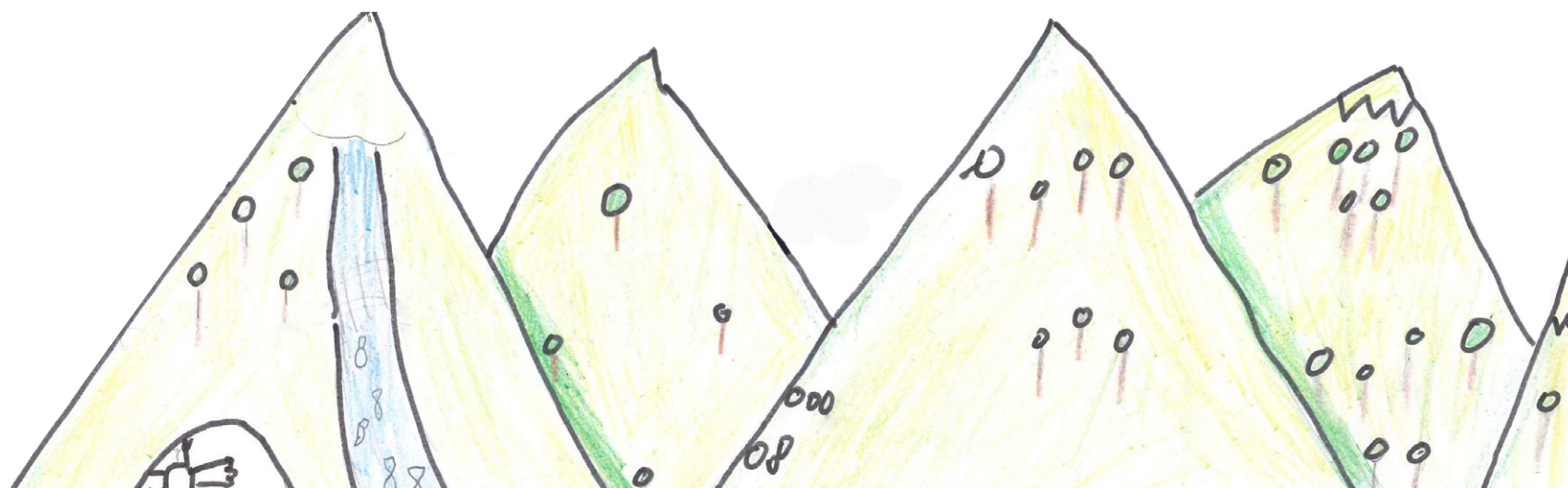
GRI Standards	Disclosure Items	Chapter	Page Number	Omission/Note
2-17	Collective knowledge of the highest governance body	5.1.3 Performance of Board of Directors	75	
2-18	Evaluation of the performance of the highest governance body	5.1.3 Performance of Board of Directors	75	
2-19	Remuneration policies	4.1.2 Employee Care 5.1.2 Functional Committees	50 74	
2-20	Process to determine remuneration	5.1.2 Functional Committees	74	
2-21	Annual total compensation ratio	4.1.2 Employee Care	50	
2-22	Statement on sustainable development strategy	Message from Top Management	9	
2-23	Policy commitments	2.2 Sustainability Visions and SDGs 3.2 Climate Change Adaptation and Climate Risk Management 3.7 Protection of Marine Ecology 4.2 Human Rights Management 5.2 Integrity Management 5.4 Ship Safety Management	22 32 43 57 76 80	
2-24	Embedding policy commitments	2.2 Sustainability Visions and SDGs 3.2 Climate Change Adaptation and Climate Risk Management 3.7 Protection of Marine Ecology 4.1.2 Employee Care 4.2 Human Rights Management 5.4 Ship Safety Management 5.5 Supply Chain Management	22 32 43 50 57 80 81	
2-25	Processes to remediate negative impacts	4.1.4 Diversified Communication Channels	56	
2-26	Mechanisms for seeking advice and raising concerns	4.1.4 Diversified Communication Channels 5.2 Integrity Management 5.2.5 Whistleblowing System and Whistle-Blower Protection	56 76	
2-27	Compliance with laws and regulations	5.2.6 Major Violation Incidents	77	
2-28	Membership associations	2.5 Participation in Public Associations	29	
2-29	Approach to stakeholder engagement	2.4 Stakeholder Engagement	27	
2-30	Collective bargaining agreements	4.1.4 Diversified Communication Channels	56	The Company does not have any collective bargaining agreements



GRI 3: Material Topics

GRI Standards		Disclosure Items	Chapter	Page Number	Omission/Note
Material Topics					
GRI 3	3-1	Process to determine material topics	2.3 Material Topics Analysis	23	
Material Topics 2021	3-2	List of material topics	2.3 Material Topics Analysis	23	
Material Topic : Climate Change Management					
GRI 3	3-3	Management of material topics	2.3 Material Topics Analysis	23	
Material Topics 2021					
GRI 201 Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	3.2.2 Climate Risk and Opportunities & Responses	34	
Material Topic : GHG Emissions and Energy Management					
GRI 3	3-3	Management of material topics	2.3 Material Topics Analysis	23	
Material Topics 2021					
GRI 302	302-1	Energy consumption within the organization	3.3.2 Energy Management	38	
Energy 2016	302-3	Energy intensity	3.3.2 Energy Management	38	
GRI 304	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	3.7 Protection of Marine Ecology	43	
	304-2	Significant impacts of activities, products and services on biodiversity	3.7 Protection of Marine Ecology	43	
	304-3	Habitats protected or restored	3.7 Protection of Marine Ecology	43	
GRI 305	305-1	Direct (Scope 1) GHG emissions	3.3.1 GHG Management	36	
	305-2	Energy indirect (Scope 2) GHG emissions	3.3.1 GHG Management	36	
Emissions 2016					
Material Topic : Occupational Safety and Health					
GRI 3	3-3	Management of material topics	2.3 Material Topics Analysis	23	
Material Topics 2021					
GRI 403	403-1	Occupational health and safety management system	4.3 Occupational Safety and Health Management	57	
	403-2	Hazard identification, risk assessment, and incident investigation	4.3 Occupational Safety and Health Management	57	
	403-3	Occupational health services	4.3 Occupational Safety and Health Management	57	
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.3 Occupational Safety and Health Management	57	
	403-5	Worker training on occupational health and safety	4.3 Occupational Safety and Health Management	57	
	403-6	Promotion of worker health	4.3 Occupational Safety and Health Management	57	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.3 Occupational Safety and Health Management	57	
	403-8	Workers covered by an occupational health and safety management system	4.3 Occupational Safety and Health Management	57	
	403-9	Work-related injuries	4.3 Occupational Safety and Health Management	57	
	403-10	Work-related ill health	4.3 Occupational Safety and Health Management	57	No cases of Work-related ill health occurred during the

Material Topic : Social Engagement					
GRI 3 Material Topics 2021	3-3	Management of material topics	2.3 Material Topics Analysis	23	
GRI 203 Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	4.5 Social Care and Investment in Public Welfare	62	
	203-2	Significant indirect economic impacts	4.5 Social Care and Investment in Public Welfare	62	
GRI 413 Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	4.5 Social Care and Investment in Public Welfare	62	
Material Topic : Economic Performance					
GRI 3 Material Topics 2021	3-3	Management of material topics	2.3 Material Topics Analysis	23	
GRI 201 Economic Performance 2016	201-1	Direct economic value generated and distributed	1.2 Business Performance	17	
	201-4	Financial assistance received from government	1.2 Business Performance	18	
Material Topic : Ship Safety (Custom Topics of Shih Wei Navigation)					
GRI 3 Material Topics 2021	3-3	Management of material topics	2.3 Material Topics Analysis	23	
Material Topic : Risk Management (Custom Topics of Shih Wei Navigation)					
GRI 3 Material Topics 2021	3-3	Management of material topics	2.3 Material Topics Analysis	23	
Material Topic : Customer Privacy and Cyber Security					
GRI 3 Material Topics 2021	3-3	Management of material topics	2.3 Material Topics Analysis	23	
GRI 418 Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	5.6 Information Security Management	83	



GRI 200: Economic Series

GRI Series	GRI Standards	Disclosure Items	Chapter	Page Number	Omission/Note
Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans	4.1.2.3 Retirement System and Implementation Status	52	
Market Presence 2016	202-2	Proportion of senior management hired from the local community	4.1.1 Manpower Structure	48	
Procurement Practices 2016	204-1	Proportion of spending on local suppliers	5.5 Supply Chain Management	81	
Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	5.2 Integrity Management	76	
	205-2	Communication and training about anti-corruption policies and procedures	5.2 Integrity Management	76	
	205-3	Confirmed incidents of corruption and actions taken	5.2 Integrity Management	76	No such incidents occurred during the reporting year
Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	5.2 Integrity Management	76	
Tax 2019	207-1	Approach to tax	1.2.2 Tax Policy	18	

GRI 300 : Environmental Series

GRI Series	GRI Standards	Disclosure Items	Chapter	Page Number	Omission/Note
Water and Effluents 2018	303-3	Water withdrawal	3.4 Water Stewardship	39	
Biodiversity 2016	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	3.7 Protection of Marine Ecology	43	
Emissions 2016	305-4	GHG emissions intensity	3.3.1 GHG Management Climate-Related Information of TWSE/TPEX Listed Company	36 93	
	305-6	Emissions of ozone-depleting substances (ODS)	3.6 Air Pollutant Management	42	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.6 Air Pollutant Management	42	
Waste 2020	306-1	Waste generation and significant waste-related impacts	3.5 Waste Management	40	
	306-2	Management of significant waste-related impacts	3.5 Waste Management	40	
	306-3	Waste generated	3.5 Waste Management	40	
	306-4	Waste diverted from disposal	3.5 Waste Management	40	
	306-5	Waste directed to disposal	3.5 Waste Management	40	
Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	5.5 Supply Chain Management	81	
	308-2	Negative environmental impacts in the supply chain and actions	5.5 Supply Chain Management	81	

GRI 400 : Social series

GRI Series	GRI Standards	Disclosure Items	Chapter	Page Number	Note
Employment 2016	401-1	New employee hires and employee turnover	4.1.1 Manpower Structure	48	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.1.2 Employee Care	48	
	401-3	Parental leave	4.1.2 Employee Care	48	
Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	4.1.1 Manpower Structure	48	
Training and Education 2016	404-1	Average hours of training per year per employee	4.1.3.2 Education and Training	54	
	404-3	Percentage of employees receiving regular performance and career development reviews	4.1.3.1 Performance Development	53	
Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	4.1.1 Manpower Structure 5.1 Governance Structure	48 72	
	405-2	Ratio of basic salary and remuneration of women to men	4.1.2 Employee Care	50	
Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	4.2 Human Rights Management	57	
Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.2 Human Rights Management 5.5 Supply Chain Management	57 81	
Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	4.2 Human Rights Management 5.5 Supply Chain Management	57 81	
Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.2 Human Rights Management 5.5 Supply Chain Management	57 81	
Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	4.2 Human Rights Management	57	No such incidents occurred during the reporting year
Local Communities 2016	413-2	Operations with significant actual and potential negative impacts on local communities	3.7.2 Ballast Water Management	44	
Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	5.5 Supply Chain Management	81	
	414-2	Negative social impacts in the supply chain and actions taken	5.5 Supply Chain Management	81	
Public Policy 2016	415-1	Political contributions	1.2 Business Performance	17	
Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	5.2.6 Major Violation Incidents	77	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	5.2.6 Major Violation Incidents	77	No such incidents occurred during the reporting year

SASB Index (Marine Transportation)

Topic	Code	Metric	Category	Response	Chapter	Page Number	Note
Greenhouse Gas Emissions	TR-MT-110a.1	Gross global Scope 1 emissions (Metric tons (t) CO ₂ e)	Quantitative	363,991.792	3.3.1 GHG Management Climate-Related Information of TWSE/TPEX Listed Company	36 93	Including the sale of vessels in the current year
	TR-MT-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	Shih Wei Navigation has set GHG emission targets based on the international maritime climate change strategies initiated by IMO. Please refer to 3.2 Climate Change Adaptation and Climate Risk Management	3.1 Green Shipping 3.2 Climate Change Adaptation and Climate Risk Management	32	
	TR-MT-110a.3	(1) Total Energy Consumed (GJ) (2) Percentage of Heavy Fuel Oil (%) (3) Percentage of Renewable Energy (%)	Quantitative	(1) 4,884,369.821 (GJ) (2) 93.49% (3) 0%	3.3.2 Energy Management	38	Including the sale of vessels in the current year
	TR-MT-110a.4	Average Energy Efficiency Design Index (EEDI) for New Ships (Grams of CO ₂ per ton-nautical mile)	Quantitative	5.585	3.3.2 Energy Management	39	Currently, the calculation of the EEDI applies to 2 vessels at Shih Wei Navigation. Average EEDI = (5.11+6.06) / 2 = 5.585
Air Quality	TR-MT-120a.1	Air emissions of the following pollutants (Metric ton(s)) : (1) NO _x (excluding N ₂ O) (2) SO _x (3) Particulate Matter (PM ₁₀)	Quantitative	(1) 8,558.826 (2) 1,060.769 (3) 504.499	3.6 Air Pollutant Management	42	Including the sale of vessels in the current year
Ecological Impacts	TR-MT-160a.1	Shipping duration in marine protected areas or areas of protected conservation status (Number of travel days)	Quantitative	620.815	3.7.1 Commitment to Comply with International Regulations or Conventions for the Protection of Marine Environment	43	Including the sale of vessels in the current year
	TR-MT-160a.2	Percentage of fleet implementing ballast water (1) Exchange (%) (2) Treatment (%)	Quantitative	(1) 48% (2) 85%	3.7.2 Ballast Water Management	44	All vessels of Shih Wei Navigation have implemented ballast water management (excluding passenger ships).
	TR-MT-160a.3	(1) Number (2) Aggregate volume of spills and releases to the environment (m ³)	Quantitative	(1) 1 (2) 0	3.7.1 Commitment to Comply with International Regulations or Conventions for the Protection of Marine Environment	43	

Topic	Code	Metric	Category	Response	Chapter	Page Number	Note
Employee Health & Safety	TR-MT-320a.1	Lost Time Incident Rate (LTIR)	Quantitative	7.324	4.3 Occupational Safety and Health Management	57	
Business Ethics	TR-MT-510a.1	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Quantitative	3	5.2 Integrity Management	76	According to the CPI released in 2024, it has been verified that our company's fleet called at ports in Myanmar three times in 2023, for a total of three calls.
	TR-MT-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption (NT\$)	Quantitative	0	5.2 Integrity Management	76	
Accident & Safety Management	TR-MT-540a.1	Number of marine casualties, percentage classified as very serious	Quantitative	(1) 14 (2) 7.14%	5.4 Ship Safety Management	81	
	TR-MT-540a.2	Number of Conditions of Class or Recommendations	Quantitative	52	2.4.2 Stakeholder Communication Results 5.4 Ship Safety Management	27 81	
	TR-MT-540a.3	Number of Port State Control (1) Deficiencies and (2) Detentions	Quantitative	(1) 270 (2) 3	2.4.2 Stakeholder Communication Results 5.4 Ship Safety Management	27 81	There were a total of 115 inspections in 2023, with 49 instances having no missing counts.
Activity	TR-MT-000.A	Number of shipboard employees	Quantitative	540	4.1.1 Manpower Structure	48	
	TR-MT-000.B	Total distance traveled by vessels (Nautical miles, nm)	Quantitative	1,545,048	3.3.1 GHG Management	37	Including the sale of vessels in the current year
	TR-MT-000.C	Operating days	Quantitative	10,636	---	—	Including the sale of vessels in the current year
	TR-MT-000.D	Deadweight tonnage (Thousand deadweight tons)	Quantitative	1,089	1.1.3 Overview of Fleet Service	16	Excluding the sale of vessels in the current year
	TR-MT-000.E	Number of vessels in total shipping fleet	Quantitative	29	1.1.1 Overview of Shih Wei Navigation 1.1.3 Overview of Fleet Service	14 16	
	TR-MT-000.F	Number of vessel port calls	Quantitative	939	---	—	Including the sale of vessels in the current year
	TR-MT-000.G	Twenty-foot equivalent unit (TEU) capacity	Quantitative	Not Applicable	N/A	N/A	The Company does not operate Container Ships, therefore, the item is not applicable.

Climate-Related Information of TWSE/TPEX Listed Company

Item	Chapter (Implementation)
<ul style="list-style-type: none"> Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities. 	See section 3.2 Climate Change Adaptation and Climate Risk Management.
<ul style="list-style-type: none"> Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term). 	
<ul style="list-style-type: none"> Describe the financial impact of extreme weather events and transformative actions. 	
<ul style="list-style-type: none"> Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system. 	See section 3.2 Climate Change Adaptation and Climate Risk Management, 5.3 Risk Management.
<ul style="list-style-type: none"> If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described. 	N/A
<ul style="list-style-type: none"> If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks. 	N/A
<ul style="list-style-type: none"> If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated. 	N/A
<ul style="list-style-type: none"> If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified. 	See section 3.2 Climate Change Adaptation and Climate Risk Management.
<ul style="list-style-type: none"> Greenhouse gas inventory and assurance status (separately fill out in point 1-1 below). 	See 1-1, 1-2

GRI

305-4

SASB

TR-MT-
110a.1

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO₂e), intensity (metric tons CO₂e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

The Company's GHG emissions data covers the Head Office of the parent company, one passenger ship, and the ships operated by subsidiaries. The inventory is conducted in accordance with the ISO 14064-1 standard

1. The parent company entity should begin inventorying from 2026.
2. Subsidiaries included in the consolidated financial statements should begin inventorying from 2027.

Unit : Metric tons (t) CO₂e

Category of Emissions		Year	
		2022	2023
Scope 1	Category 1	380,858.756	363,991.792
Scope 2	Category 2	93.590	88.986
Scope 3	Category 3	N/A	46.411
	Category 4		
Total GHG emissions		380,952.346	364,127.189
Revenue (NT\$ million)		6,716	3,461
Ton-nautical Mile/Ton-mile		395,132,066,870	398,541,712,578
Intensity (metric tons CO ₂ e/NT\$ million)		56.725	105.205
Intensity (metric tons CO ₂ e/ Ton-nautical Mile/Ton-mile)		0.000000964	0.000000914

Ton-nautical Mile / Ton-mile is calculated by multiplying the weight of the cargo in tons by the distance traveled by the vessel in nautical miles. Due to the characteristics of the shipping industry, the Company uses ton-nautical miles to calculate intensity.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

1. The CO₂ emissions data of the Company's fleet are obtained from the fuel oil consumption certification issued by the ClassNK
2. The GHG emissions information in the Company's 2022 Sustainability Report has been externally verified by Bureau Veritas Certification (Taiwan)
3. The 2023 Sustainability Report is scheduled to be published by the end of August, with full assurance information to be disclosed in the report
4. In 2023, the Company officially adopted the ISO 14064-1 organizational GHG inventory. External assurance for the parent company is expected to be completed by the end of 2024, and for the ship operating subsidiaries by 2025



1–2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

Greenhouse Gas Emission Reduction Baseline Year and Target

To plan the GHG emission reduction strategy, the Company officially adopted ISO 14064–1 Organizational GHG Inventory in 2023, with the parent company and the ship–operating subsidiaries as the reporting boundary. Therefore, 2023 is the baseline year, with Scope 1 and Scope 2 emissions amounting to 363,991.792 metric tons of CO₂e and 88.986 metric tons of CO₂e, respectively. Starting from the baseline year, we aim to reduce emissions by at least 2.9% annually to achieve a 20% reduction by 2030.

Greenhouse Gas Reduction Strategy and Specific Action Plans

The Company is proactively reducing the impact of GHG emissions to enhance operational competitiveness. The strategies for the operational fleet and Head Office are as follows :

Fleet

1. Adopt the StormGeo s-Insight Decision Support System (DSS) to monitor and grasp the latest fleet status in real-time, supported by meteorological navigation information to timely adjust voyage operational plans and enhance the carbon intensity performance of each vessel
2. Obtain annual carbon intensity ratings from the flag state for affiliated vessels. If performance is poor, corrective plans will be formulated and incorporated into the Ship Energy Efficiency Management Plan (SEEMP)
3. Reduce speed when vessels enter and exit ports to lower GHG emissions and improve air quality in port areas
4. Install Engine Power Limitation (EPL) devices and Propeller Boss Cap Fins (PBCF) on some vessels to reduce GHG emissions
5. In 2023, sell five old vessels and contract the construction of three new energy-efficient vessels to build a younger, eco-friendly, and fuel-efficient fleet
6. Use silicone-based antifouling paint on the hull to reduce sailing resistance, increase fuel efficiency, and protect marine biodiversity

Head Office

1. Inventory energy types at the Head Office and evaluate effective methods to reduce energy consumption
2. Following the replacement of the chiller unit in the Head Office in 2022, replace all vertical blinds with fireproof and heat–insulating roller blinds and install ceiling–mounted circulating fans to effectively reduce purchased electricity usage
3. Gradually replace gasoline vehicles to reduce GHG emissions from company cars, achieving a reduction of approximately 29.71% in CO₂ equivalent compared to 2022

Progress in Achieving Reduction Targets

In response to the International Maritime Organization (IMO) adjusting the decarbonization strategy for the maritime industry, the Company has adjusted its decarbonization targets accordingly and reset the baseline year to 2023 with the adoption of ISO 14064–1. Reviewing the Company’s GHG emission data and intensity for 2022 and 2023, we have met the set decarbonization targets, with a 4.42% reduction in GHG emissions in 2023 compared to 2022. The intensity (metric tons of CO₂e per ton–nautical mile) has also slightly decreased.

Independent Assurance Opinion Statement (Compliant with GRI and SASB Standards)



INDEPENDENT ASSURANCE STATEMENT

To: The Stakeholders of SHIH WEI NAVIGATION CO., LTD.

Introduction and objectives of work

Bureau Veritas Certification Taiwan has been engaged by **SHIH WEI NAVIGATION CO., LTD.** to conduct an independent assurance of its **2023 Sustainability Report**. This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the **2023 Sustainability Report** are the sole responsibility of the management of **SHIH WEI NAVIGATION CO., LTD.** Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on its content.

Scope of work

The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard v3, Type 1 - Accountability Principles engaged. The scope of work included:

- Data and information included in **2023 Sustainability Report** for the **1st January, 2023 to 31st December, 2023**;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- Evaluation of the Report against the main principles of the AA1000 Accountability Principle (2018)¹
 - Inclusivity
 - Materiality
 - Responsiveness
 - Impact
- Evaluation of the Report against the principles of Stakeholder Inclusiveness, Sustainability Context, Materiality, Completeness, Balance, Comparability, Accuracy, Timeliness, Clarity, and Reliability, as defined in the GRI Sustainability Reporting Standards.

The levels of assurance have been applied as Moderate Level Assurance.

¹ Published by AccountAbility: The Institute of Social and Ethical Accountability
<http://www.accountability.org>



Methodology

As part of its independent assurance, Bureau Veritas undertook the following activities:

1. Interviews with relevant personnel of **SHIH WEI NAVIGATION CO., LTD.**;
2. Review of documentary evidence produced by **SHIH WEI NAVIGATION CO., LTD.**;
3. Review performance data listed in report with sampling basis;
4. Visits to 1 site located in Taiwan (Taipei City);
5. Review of **SHIH WEI NAVIGATION CO., LTD.** data and information systems for collection, aggregation, analysis and review.

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Assurance of Sustainability Reports, based on current best practice in independent assurance.

The work was planned and carried out to provide reasonable, rather than absolute assurance and we believe it provides a reasonable basis for our conclusions.

Our findings

On the basis of our methodology and the activities described above, it is our opinion that:

- The information and data included in **2023 Sustainability Report** are accurate, reliable and free from material mistake or misstatement;
- The Report provides a fair representation of **SHIH WEI NAVIGATION CO., LTD.**'s activities over the reporting period;
- The information is presented in a clear, understandable and accessible manner, and allows readers to form a balanced opinion over **SHIH WEI NAVIGATION CO., LTD.**'s performance and status during the **1st January, 2023 to 31st December, 2023**;
- The Report properly reflects the organisation's alignment to and implementation of the AA1000 Assurance Standard v3 principles of Inclusivity, Materiality, Responsiveness and Impact in its operations. Further detail is provided below;
- **SHIH WEI NAVIGATION CO., LTD.** has established appropriate systems for the collection, aggregation and analysis of relevant information.

Alignment with the principles of AA1000 Accountability Principle (2018)

Inclusivity

SHIH WEI NAVIGATION CO., LTD. has processes in place for engaging with key stakeholders including socially responsible investors, clients, employees, supply chain and local community; and has undertaken a number of formal stakeholder engagement activities in 2023 covering a range of material topics such as Economic, Social and Environment.

Materiality

The Report addresses the range of environmental, social and economic issues of concern that **SHIH WEI NAVIGATION CO., LTD.** has identified as being of highest material importance. The identification of material topics has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns.

Responsiveness





SHIH WEI NAVIGATION CO., LTD. is responding to those issues it has identified as material and demonstrates this in its policies, objectives, indicators and performance targets. The reported information can be used by the organisation and its stakeholders as a reasonable basis for their opinions and decision-making.

Impact

SHIH WEI NAVIGATION CO., LTD.'s management system can monitor, measure and be accountable for how their actions affect their broader ecosystems.

Report Structure

SHIH WEI NAVIGATION CO., LTD. does fully provide the information to achieve the GRI Standards and SASB in accordance, and the performance indices do correspond and can be cross referenced to the content of relevant GRI Standards and SASB (Industry Standard - Marine Transportation).

Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period;
- Positional statements (expressions of opinion, belief, aim or future intention by **SHIH WEI NAVIGATION CO., LTD.**) and statements of future commitment.

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.



Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with more than 195 years history in providing independent assurance services. Bureau Veritas 2023 full year revenues reached 5.8 billion euros. The Group's adjusted net profit for 2023 reached 930.2 million euros.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the assurance team has a business relationship with **SHIH WEI NAVIGATION CO., LTD.**, its Directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over years combined experience in this field and an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.

Bureau Veritas Certification Taiwan

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25 May 2024



AA1000
Licensed Report
000-76/V3-LF5CA

技術審查: 

日期: 30/May/2024

查證人員: 

日期: 30/May/2024





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