



Environmental . Social . Governance



2024 SHIH WEI NAVIGATION

SUSTAINABILITY
REPORT

四維航業
永續報告書

Special Thanks

The teachers and little painters from After School Association's three bases in Hualien participated in our Company's 2024 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.



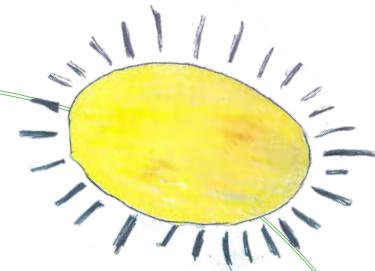
Thank You List

the tutoring teachers and all the schoolchildren in After School Association of Taiwan, Light Base, Minxiang Base and Xiulin Base

Our company fleet

Aquamarine SW	Magpie SW
Audrey SW	Margaret SW
Blessing SW	Modest SW
Danceflora SW	Moonbright SW
Dancewood SW	Penghu SW
Direction SW	Pescadores SW
Elegant SW	Skyhigh SW
Endurance SW	Spinnaker SW
Eternity SW	Stamina SW
Federal SW	Summit SW
Forever SW	Twinluck SW
Gaillardia SW	Vigor SW
Genius SW	Wonderful SW
Indigo SW	

See crew members from the above fleet participating in the competition



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2024
SHI WEI
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SHI WEI
NAVIGATION
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REPORT

Introduction

About this Report

Shih Wei Navigation Co., Ltd. (hereinafter referred to as Shih Wei) upholds its corporate policies of "Safety of Lives, Safety of Ships, Safety of Cargo, and Safety of Environment," translating its corporate vision of sustainable management into action. The Company maintains good communication with all stakeholders.

Since 2021, Shih Wei 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 Company's president, then submitted for approval to the Board of Directors before publication. With a responsible attitude, it presents concrete actions and performance across the three ESG dimensions, Environmental, Social, and Governance to stakeholders.

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

Scopes and Boundaries

The reporting boundary of this report covers the Company's headquarters (hereinafter referred to as HQ) and its subsidiaries with respect to the governance and social aspects. The environmental aspect mainly focuses on the fleet operation-related data of the HQ and its subsidiaries (excluding Dancewoods Hotels & Resorts.). The financial information disclosed is mainly prepared based on the consolidated financial statements of the " 2024 Annual Report of Shih Wei Navigation Co., Ltd. ". Unless otherwise specified, all amounts are calculated in New Taiwan Dollars (NTD). In order to show the mid- and long-term performance and trend changes of the action plan, some topics or data cover the period from 2020 to 2024. If there are any restatements of information, the relevant explanations are provided in the respective sections of this report.

Shih Wei Navigation
2024 Annual Report



Compilation Standards and Guidelines

Issued by

Global Sustainability Standard Board, GSSB

- GRI Universal Standards 2021

International Sustainability Standards Board, ISSB

- SASB Standards- Marine Transportation
- 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

Introduction

Internal Audit and Editorial Management Procedures

Shih Wei established a Sustainable Development Committee in 2024, with more than half of its members serving as directors. The committee operates at the same functional level as other board committees, demonstrating the implementation of sustainable governance. The Sustainability Report is compiled by the disclosure team, which collects relevant information. After being reviewed by department heads, the report is submitted to the committee convener (President) for verification and consolidation. The Sustainable Development Committee then submits it to the Board of Directors for deliberation. Finally, the Board approves the issuance of the report, ensuring that the disclosed information is transparent, accurate and aligned with the expectations of stakeholders.

External Assurance

The financial information disclosed in this Report is based on the consolidated financial statements, as audited and attested by KPMG Taiwan.

The data on the fleet's carbon dioxide emissions are obtained from the verification of fuel oil consumption issued by ClassNK. Additionally, all environmental protection and safety management measures have international certification, as detailed in Chapter 3.1 "Green Shipping". The information disclosed in this Report has been assured by Bureau Veritas Certification (Taiwan), in accordance with AA1000 Assurance Standard (AA1000 AS v3), at Type 1, moderate assurance level. The Assurance Statement can be found in Appendix IV.

Reporting Period and Frequency

The Sustainability Report of Shih Wei Navigation is published annually and is available in both Chinese and English. The publication date of this report is August 2025, and the information disclosure period covered is from January 1 to December 31, 2024.

Contact Information

For any suggestions or feedback, please contact:

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



Shih Wei
Navigation
Official
Website
<https://www.swnav.com.tw/>
[esg/download](https://www.swnav.com.tw/esg/download)



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



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



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

Introduction

Message from the Chair

Faced with challenges of geopolitical turmoil and climate change, how to seek stability in the global economic changes is a test faced by all industries in 2024. Amid an environment as volatile and unpredictable as the open sea, Shih Wei Navigation continue to hold firm to our founding values. Guided by "Small starts, big ESG.", with our vision fixed on sustainability and our hands firm on the helm, we are committed to steering toward a brighter, more resilient future.

Shih Wei Navigation continues to refine its belief that "sustainable development is not only a corporate responsibility, but also a key driver of growth". With the vision of "Together for good", it strives us to become a company that is friendly to the environment, responsible to the society, and caring for our employees. We believe that genuine success is measured not only from financial performance, but also by the positive impact we created for the environment and society. Every action we take reflects our enduring commitment to building a sustainable future.

In view of this, we are committed to optimizing our governance mechanism, enhancing the independence and professionalism of the Board of Directors, and strengthening risk management as strategic focus of corporate governance. In 2024, we became a member of International Association of Dry Cargo Shipowners (Intercargo) and join the DryBMS (Dry Bulk Management Standard) Portal, adopting more rigorous standards to improve vessel's safety and operational management. Through these efforts, we fully implement Shih Wei policy of ensuring "the safety of people, ships, cargoes and the environment".

The achievement of this objective has been remarkable: in its first participation in the Taiwan Corporate Sustainability Award (TCSA), the Company was honored with the Gold Award (Category 2) for Sustainability Reporting in the transportation sector. This recognition affirms our dedication to excellence in sustainability disclosure and

performance. We are not complacent with this. The Board established the Sustainable Development Committee at the end of the year to further strengthen a transparent and accountable governance framework. This serves as a solid foundation for sustainable development, fulfilling our long-term commitment to stakeholders, and advancing towards a more resilient governance model by 2025.

Furthermore, the impact of climate change is becoming increasingly significant, and the carbon emissions and ecological challenges of the shipping industry cannot be overlooked. As an integral member of the global marine transportation network, the Company assumes the responsibility of decarbonization and continues to invest in energy-saving technologies. In 2024, three aging ships were disposed and one new eco ship was delivered and join the fleet. Two new eco ships are scheduled for delivery in the coming years. To mitigate the potential impacts of operational activities on marine biodiversity, we have expanded the use of organosilicon-based antifouling paints on hulls and voluntarily participated in the "Protecting Blue Whales and Blue Skies Incentive Program". Through speed reduction measure in designated areas, the Company helps safeguard North Atlantic right whales and other cetaceans, thereby contributing to the sustainability of the ocean.

We always regard our employees as the most important partners of the company and continue to optimize the workplace environment and welfare measures. Beginning in 2024, we collaborated with the Taipei Medical University Hospital (TMUH) to provide 24-hour telemedicine services to ensure that seafarers can receive timely medical support to alleviate physical discomfort and psychological stress. At the same time, Reverse Osmosis (RO) Maifan-stone water purifiers and garbage compactors were introduced across the fleet to improve the quality of drinking water, reduce the reliance on bottled water, and further mitigate the risks associated with plastic waste and accumulation of microplastic in human body.

Introduction

To strengthen seafarers' sense of belonging and relieve work-related stress, the "Shih Wei Photo Contest – From Seafarer's Angle", encouraging crews to creatively capture and share their life at sea. Selected works were integrated into our corporate identity. With the efforts of onshore employees, we transformed a photo into a "marine waste wall" by re-using materials collected during beach clean-ups. We continue to promote the "Donate Blood for Extra Leave" program, encourage employees to participate in public welfare activities. Through this initiative, the spirit of compassion becomes ingrained in the Company's DNA, embodying our commitment to both employee well-being and environmental sustainability, and creating a win-win outcome for society and the environment.

The value of a company is reflected not only in its economic performance, but also in its care for society. Since the end of 2021, we have continuously sponsored the aboriginal tribe in Wutai Township, Pingtung County (hereinafter referred to as "Wutai Base") for three consecutive years. In 2024, we expanded the scope of support by building on existing achievements, mobilizing additional resources, and engaging external partners. For example, in collaboration with local suppliers in Pingtung, we provided fresh fruit to children at the Wutai Base, strengthening their immunity while reducing transportation-related carbon footprint and promoting local agriculture. In addition to donating Mandarin dictionaries to children in need, we also procured the marine environment education board game "Being a Sea Turtle" and to shared with the 81 bases of After School Association of Taiwan, prompting ocean literacy through play. For the first time, we co-organized the "Little Picassos Painting Contest 2024" with three bases in Hualien,

enabling children traumatized by the earthquake to express their emotions through painting and to find healing in art. These precious creations were further transformed into the visual design of this report, weaving children's innocence and emotions into its pages.

Looking back on 2024, we upheld the spirit of "Small Acts, Wide Impact" and steadily advanced our sustainability objectives. Looking ahead, we will continue to deepen Shih Wei Navigation's ESG strategy, strengthen our green shipping initiatives, enhance corporate governance practices, and expand our social responsibility efforts. We sincerely thank all our partners for their continued support and trust, and we are committed to moving forward with determination to create more value for a sustainable society and environment.

Chairwoman & President

Shin-Chyi Lan



Introduction

Sustainability Performance

What we have done in 2024...



Greenhouse Gas Management Process

- Completed GHG inventory for HQ in 2024; fleet verification scheduled for 2025.

Investment in Energy-Saving and Carbon-Reduction Technologies

- Expanded use of organosilicon-based and high-performance antifouling paints to reduce sailing resistance and fuel consumption.
- Gradually replaced vessel lighting with LED systems, enhancing fuel efficiency, reducing carbon emissions, and lowering logistics-related carbon footprints and electronic waste through improved durability and ease of maintenance.
- Implemented the StormGeo s-Insight system to ensure compliance with EU-MRV, IMO DCS, EEXI, and CII regulations.

Marine Ecology Protection

- The fleet operated a total of 519,8775 days in Emission Control Areas (ECAs), and voluntarily reduced speed to 10 knots in Seasonal Management Areas (SMAs) to protect North Atlantic right whales and other cetaceans.
- Voluntarily participated in the “Protecting Blue Whales and Blue Skies Incentive Program” and received Blue Sky recognition in California.

Beach Cleaning and Plastic Reduction Achievements

- The Elite Squad Program cleared a total of 2,110 kg of marine waste, achieving a per-person-hour collection of 20.85 kg, a fortyfold increase compared with 2021. (Note: In 2024, two beach cleanups were conducted, removing a combined 2,110 kg of marine waste. The 20.85 kg per person-hour figure refers to the second cleanup event.)
- Introduced RO maifan-stone water purifiers and garbage compactors across the fleet, expected to reduce 200,000 plastic bottles annually.



Long-Term Rural Engagement

- Sponsored the after-school program for aboriginal tribe in Wutai, Pingtung, for three consecutive years.
- Organized the Little Picassos Painting Contest 2024 to support children traumatized by the earthquake in Hualien, with selected artworks incorporated into the Report.
- Procured honey date gift sets from local farmers in Gaoshu to support local agriculture.

Seafarer Health and Well-being

- Partnered with TMUH to provide telemedicine services, two emergency consultations were conducted in 2024.
- Installed RO maifan-stone water purifiers across 46% of the fleet (12 out of 26 vessels) to improve drinking water quality.

Workplace Safety – Zero Major Incidents

- Achieved a total of 1,267,113 working hours with no fatalities or very serious accidents.

Human Rights Safeguards

- Maintained zero incidents of discrimination, forced labor, or child labor.
- Three new suppliers signed human rights commitments; 102 suppliers were evaluated, with 100% compliance.



Enhanced Sustainability Governance

- Established a Sustainability Committee under the Board of Directors, at the functional committee level.
- Received the TCSA Gold Award (Category II) in the Transportation Sector, for sustainability reporting.

Board Diversity and Independence

- The Board consists of seven directors, with independent directors accounting for 57.14% and female directors 43%.
- Both the Remuneration Committee and Sustainable Development Committee engaged one external expert member outside the Board.
- All directors received a total of 88 training hours (an average of 12.6 hours per director), exceeding regulatory requirements.

Integrity and Compliance – no violations

- Completed 70 internal control audits, with no incidents of fraud, insider trading, or corruption.

Information Security – Zero Major Incidents

- Zero complaints related to customer data or privacy.
- 100% of the fleet's satellite communication systems are equipped with backup satellites.
- Achieved 100% compliance in licensed software audits.





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2024

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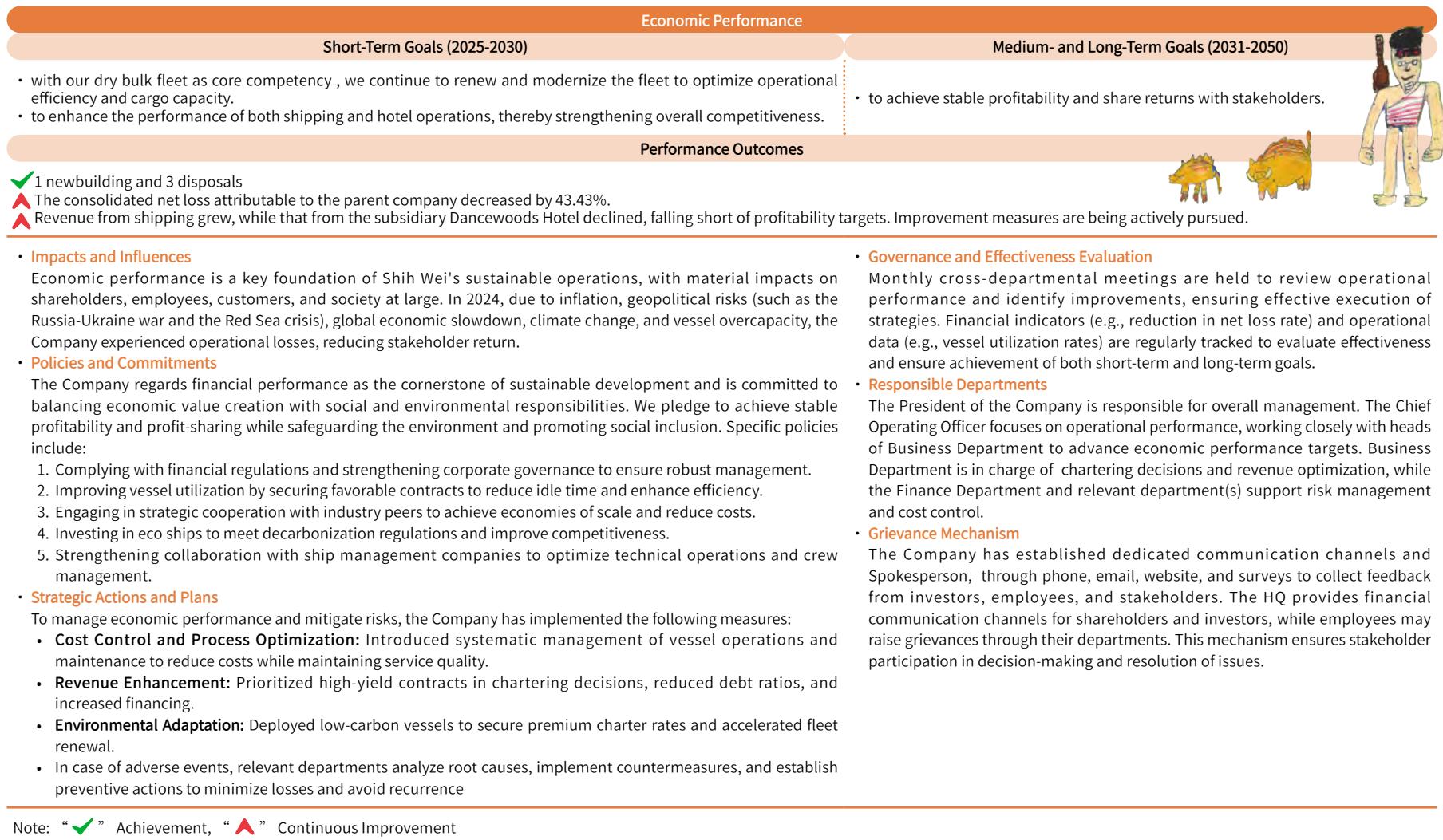
CHAPTER 2. Sustainable Operation and Value Creation

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Sustainable Operation and Value Creation

Management Approach – Economic Performance



Sustainable Operation and Value Creation

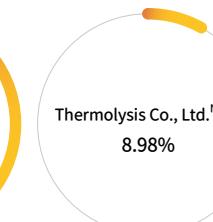
2.1 Company Overview

Shih Wei Navigation Profile

Shih Wei Navigation specializes in dry bulk shipping services, ship agency services, brokering/chartering as well as Sale & Purchase. The Company was founded on March 11, 1985, and was listed on the Taiwan Stock Exchange (TWSE) on August 25, 2003, following its OTC listing on July 3, 2001.

To expand its global operations and diversify its business portfolio, the Company established two wholly-owned subsidiaries in Panama: Dong Lien Maritime S.A. Panama (1994) and Fortunate Maritime S.A. Panama (2006). As of December 31, 2024, Shih Wei Navigation and its subsidiaries operated 27 vessels with an average fleet age of approximately 11 years. Looking ahead, the Company will continue to pursue business diversification, enhance service quality, and strengthen its financial structure to maximize value for shareholders.

The Company also diversifies into hospitality through its subsidiary Dancewoods Hotel, Taiwan's first resort integrating hotel services and Japanese garden themes. As of December 31, 2024, Shih Wei Navigation held a 55.43% stake in the Green Dance Hotel.

Company profile				
Company Name	Established / Listed	Headquarters		
SHIH WEI NAVIGATION CO., LTD.	March 11, 1985/August 25, 2003 Stock Code: 5608	Fusing N. Road 167 16F, Song-Shan District, Taipei 105403, Taiwan		
Domestic and Overseas Operating Bases	Paid-in Capital	Employees		
Taipei, Taiwan (None of the overseas subsidiaries have established physical offices.)	NT\$ 3,892,716,140	571 74 Onshore; 497 Seafaring		
Industry	Core Businesses	Transported Products		
Shipping (Marine Transportation)	Ship agency services; Shipping services; wholesale and retail of vessels and spare parts *All business activities that are not prohibited or restricted by law, except those that are subject to special approval.	Grains, coal, steel products/ machinery equipment, concentrate, wood products, fertilizers, industrial chemicals, etc.		
Chairperson & President	Shareholding of affiliates			
Shin-Chyi Lan	 Dong Lien Maritime S.A. Panama 100% wholly-owned subsidiary 100%	 Fortunate Maritime S.A. Panama 100%	 Dancewoods Hotel & Resorts 55.43%	 Thermolysis Co., Ltd. ^{Note3} 8.98%

Note:

1. Data as of December 31, 2024
2. Consolidated financial statements available at: (<http://www.swnav.com.tw/inv>)
3. See 3.2 Investment in Green Energy for detailed information of Thermolysis Co., Ltd.

Sustainable Operation and Value Creation

Business Model and Industry Overview

Dry Bulk shipping refers to the transportation of commodities such as grains, steel, coal, and concentrates. Unlike container shipping, bulk shipping does not operate on fixed routes but instead adjusts to cargo destinations and Charterers' requirements. Due to the seasonal and directional nature of bulk cargo flows, routing is highly uncertain, requiring flexibility in supply arrangements, vessel maintenance and repair, and port selection.

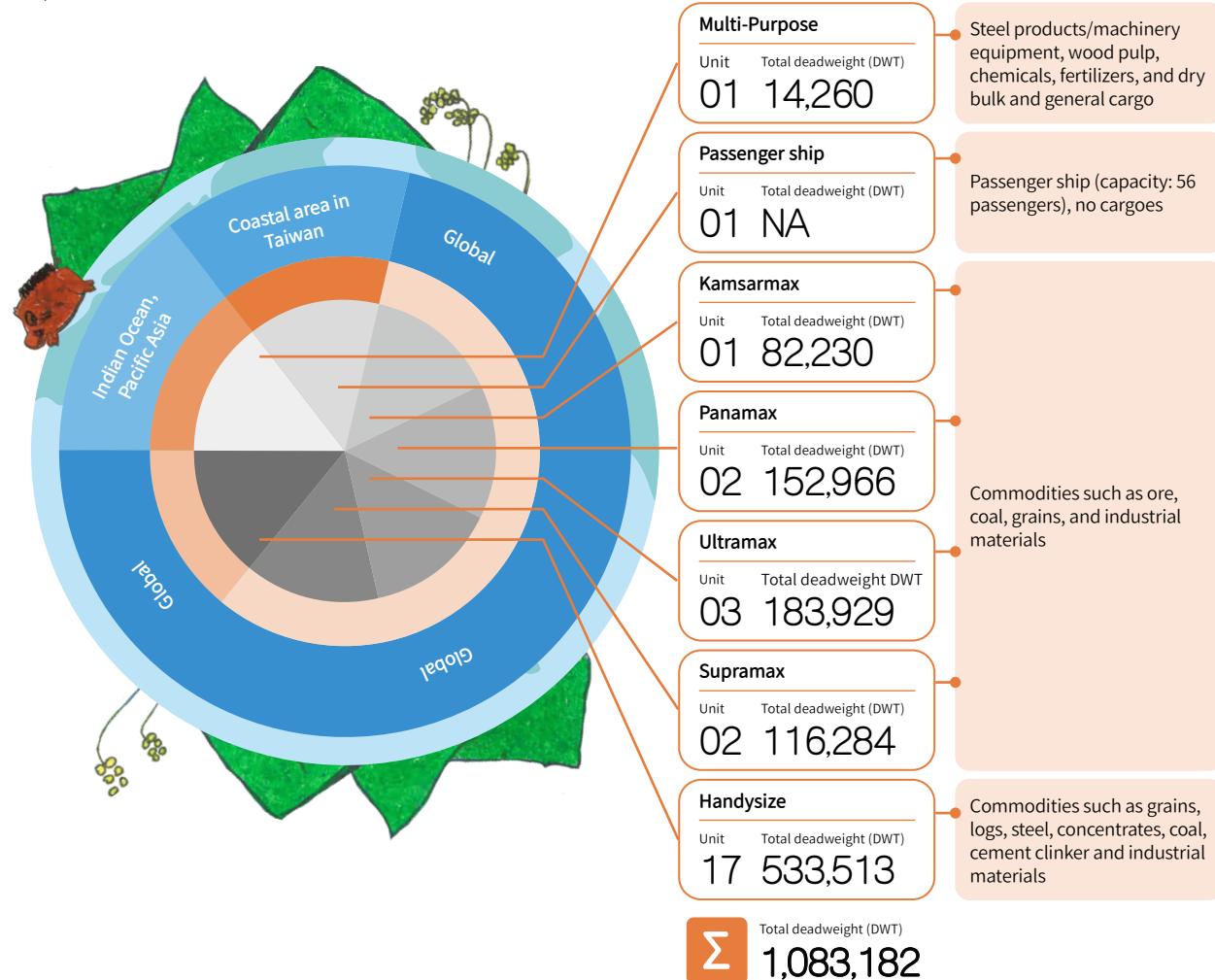
Unlike traditional manufacturing, bulk shipping does not involve production processes or raw material supply and therefore lacks a conventional upstream and downstream industrial chain.

Correlation Diagram of Bulk and General Cargo Shipping Industry in Taiwan



Fleet Service Overview

As of the end of 2024, the Company operates the fleet of 27 vessels, including one passenger ship and 26 bulk carriers with a total deadweight of 1,083,182. During the reporting year, the Company disposed 2 Handysize and 1 Multi-purpose vessel, while acquiring 1 upramax.



Sustainable Operation and Value Creation

Service Regions

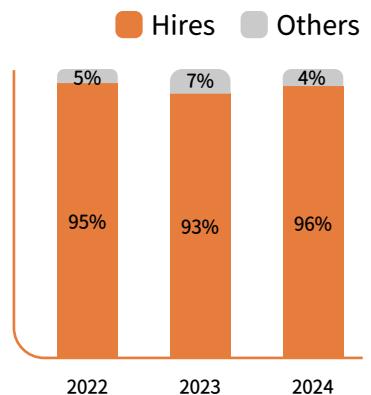
The Company operates a global service network covering Asia, the Middle East, Europe, the Americas, Africa, and Oceania, meeting the needs of both regional and international trade. Operating under a tramp shipping model, the Company flexibly allocates fleet deployment in line with trade demands.

Upholding its corporate values of Shih Wei Policy, the Company prohibits navigation to sanctioned countries, closely monitors global developments, and operates safe, efficient, and cost-effective routes to maximize value for clients and shareholders while advancing sustainable growth.

Market Share	Market Share						
	Handysize		Handymax		Panamax/Kamsarmax		
	DWT 10,000 ~ 44,999	DWT 45,000 ~ 69,999	DWT 70,000 ~ 99,999	DWT	DWT	DWT	DWT
Market Share	Number of ships	Total Deadweight	Number of ships	Total Deadweight	Number of ships	Total Deadweight	
Global	3,707	112,874,482	4,131	237,328,734	3,175	258,249,637	
Shih Wei	18	547,773	5	300,213	3	235,196	
Market Share	0.486%	0.485%	0.121%	0.126%	0.094%	0.091%	

Business Proportion

Source of Income\Year	2022	2023	2024
Hires	96%	93%	95%
Freights	-	-	-
Services	-	-	-
Others	4%	7%	5%
Total	100%	100%	100%

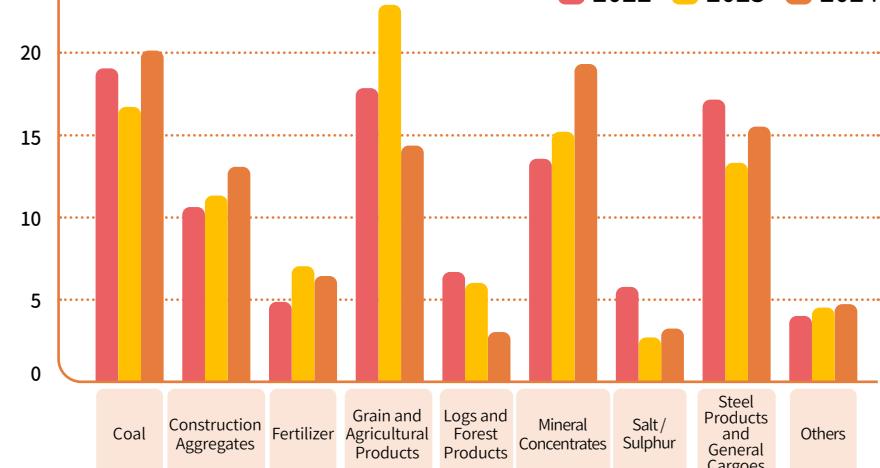


Proportion of Different Cargo Types and Revenue Contribution by Vessel Type

The Company operates a fleet of bulk carriers and general cargo ships, carrying commodities such as grain, coal, steel, machineries concentrates, wood products, fertilizers, industrial chemicals and etc.

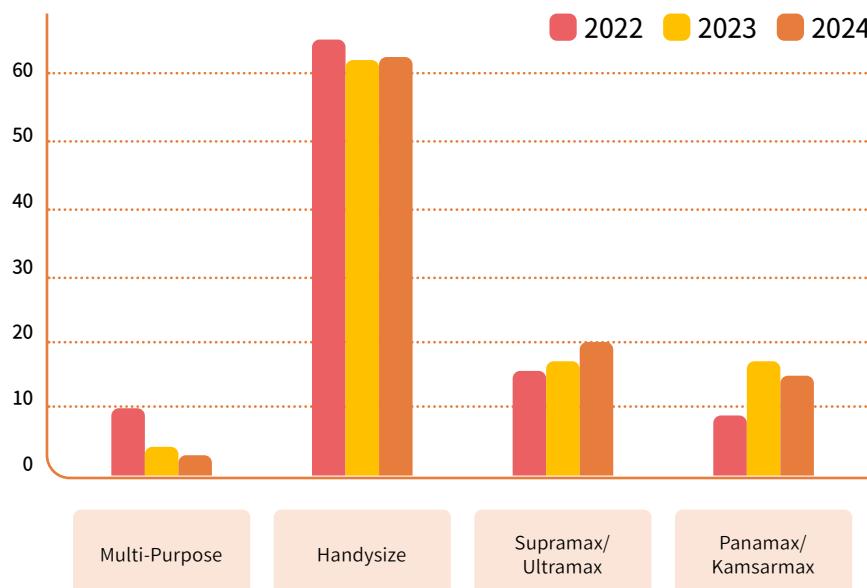
Cargo type	2022	2023	2024
Coal	19.19%	16.82%	20.21%
Construction Aggregates	10.71%	11.37%	13.09%
Fertilizer	4.86%	7.03%	6.47%
Grain and Agricultural Products	17.96%	22.97%	14.39%
Logs and Forest Products	6.73%	6.01%	3.04%
Mineral Concentrates	13.58%	15.24%	19.35%
Salt / Sulphur	5.76%	2.70%	3.22%
Steel Products and General Cargoes	17.23%	13.35%	15.52%
Others	3.98%	4.51%	4.71%

2022 2023 2024

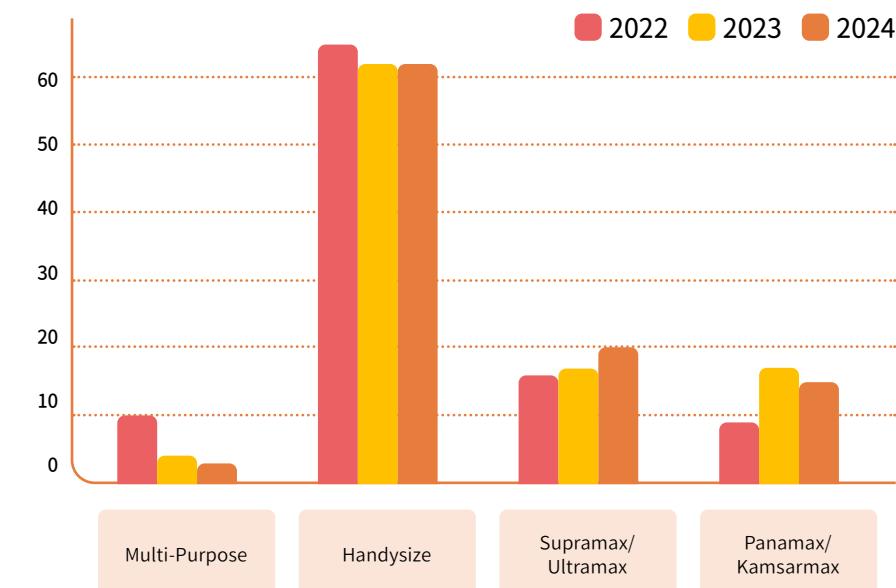


Sustainable Operation and Value Creation

Ship type	2022	2023	2024
Multi-Purpose	9.97%	4.18%	2.78%
Handysize	65.34%	61.96%	62.32%
Supramax / Ultramax	15.62%	16.98%	20.08%
Panamax / Kamsarmax	9.07%	16.87%	14.82%



Proportion of revenue of various types of ships	2022	2023	2024
Multi-Purpose	10%	4%	3%
Handysize	65%	62%	62%
Supramax / Ultramax	16%	17%	20%
Panamax / Kamsarmax	9%	17%	14.82%
Total	100%	100%	100%



Sustainable Operation and Value Creation

2.2 Business Performance

In 2024, the shipping industry was challenged by global economic headwinds, including persistent inflationary and interest rate pressures, the prolonged Russia-Ukraine conflict, and slowing economic growth in China. These factors intensified market volatility, resulting in only a slight year-over-year increase in Shih Wei Navigation's operating revenue. Looking ahead, the Company will continue to advance its fleet renewal program, improve vessel operational efficiency and cargo capacity, and strengthen business performance to enhance competitiveness and achieve stable revenue growth.

Consolidated Financial Performance (2022–2024):

		Economic performance in the past three years			Unit: NT\$: thousand
		2022	2023	2024	
Direct economic value generated	Operating revenues	6,715,813	3,461,132	3,492,772	
	Non-operating revenues	250,567	321,435	355,924	
Economic value distributed	Operating costs	3,545,284	3,325,045	3,180,361	
	Employee Wages & Benefits	1,358,575	1,164,271	1,037,398	
	Payment to Investor	959,880	614,485	514,108	
	Income tax	123,606	225,280	(586)	
	Government fines	302	0	492	
	Social participation and engagement	2,111	1,270	1,232	
	Political donations	0	0	0	

Dividend Policy

In response to market competition, the Company's dividend policy prioritizes maintaining a sound long-term financial structure and supporting future operational growth and expansion. After retaining sufficient capital for operational and expansion requirements, any remaining distributable earnings may be paid out in the form of cash or stock dividends, with cash dividends representing no less than 10% of the total dividend payout.

Government Subsidies

In 2024, Shih Wei Navigation received the following financial subsidies in line with government policies:

Program	Granting Unit	Amount granted
Subsidy for the Youth Employment Ultimate Plan	Taipei-Keelung-Yilan-Hualien-Kinmen-Matsu Regional Branch, Workforce Development Agency, Ministry of Labor	108,000
Subsidy for Energy-Efficient Equipment Replacement (Refrigerator)	Corporate Synergy Development Center	3,000
Tax Reduction for Energy-Efficient Equipment (Refrigerator)	National Taxation Bureau of Taipei, Songshan Branch, Ministry of Finance	2,000
Total		113,000



Financial Report

<https://www.swnav.com.tw/investors/financial>



Investor Conference

<https://www.swnav.com.tw/investors/investor-conference-information>



Sustainable Operation and Value Creation

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2.3 Sustainable Management

Sustainable Management Framework

To realize its vision for corporate sustainability, the Company has progressively advanced sustainability policies, systems, and management guidelines, under the supervision and guidance of the Board of Directors. In 2022, the Company integrated the United Nations Sustainable Development Goals (SDGs) and formulated the 2030 Sustainability Vision Blueprint.

In 2024, with Board authorization, the Company officially established the Sustainable Development Committee (following the dissolution of the CSR Promotion Task Force after achieving its phased objectives). The Committee addresses sustainability topics through five key dimensions: Safety, Wisdom, Navigation, Accountability, and Values. The Board also approved relevant regulations, including the Sustainability Practice Principles, Sustainability Information Management Guidelines, and the Risk Management Policy and Procedures.

The Administration Department serves as the coordinating unit for sustainability-related affairs. Under the Sustainable Development Committee, cross-functional working groups are established, including the Sustainability Information Disclosure Task Force, the GHG Inventory Task Force, and the Corporate Social Impact Team, with the President acting as convener. These groups oversee environmental, social, and governance (ESG) topics, advance sustainability projects, manage disclosures, and support external ESG evaluations. The Committee reports to the Board at least annually to ensure effective oversight.

After consolidation, sustainability work items are submitted to the Board of Directors for deliberation to inform the formulation or revision of sustainability-related strategies. During the reporting year, the Company reported to the Board on the status of sustainability goals and strategy implementation, covering: ESG strategic objectives, public welfare strategy, participation in the Corporate Governance Evaluation, Task Force on Climate-related Financial Disclosures (TCFD) identification and assessment, ESG information disclosure, and progress on the preparation of the Sustainability Report. For details, please refer to [5.1](#)

["Governance Structure — Board Operations."](#)

Working group	Members	Responsibilities	Description	Reporting Frequency to the Board
 Sustainable Report Disclosure Task Force	Led by the President; composed of department heads and staff	Prepare the Sustainability Report in line with domestic and international standards	<ul style="list-style-type: none"> collect ESG data; organize ESG training; prepare the Sustainability Report; ensure internal and external assurance; report to and discuss with the Board publish the Sustainability Report 	Annually
 GHG Inventory Task Force		Conduct organizational GHG inventory in line with ISO 14064-1	<ul style="list-style-type: none"> collect fleet GHG activity data; compile activity lists and emission reports; ensure assurance; organize training 	Quarterly
 Risk Management Team		Implement risk management projects	<ul style="list-style-type: none"> analyze and identify the sources and categories of corporate risks, and regularly review their relevance and applicability; Assist and supervise the implementation of risk management activities across departments implement Board and Audit Committee decisions; organize training 	Annually
 Corporate Social Impact Team		Organize social engagement activities	<ul style="list-style-type: none"> according to the Company's public welfare strategy, social engagement activities are planned and implemented, with regular reviews of their effectiveness. disclose activities externally; communicate with employees 	Annually

Sustainable Operation and Value Creation

SDGs Sustainability Visions and SDGs Alignment

Shih Wei Navigation advances its operations with accountability, while aligning with the Universal Declaration of Human Rights, UN Global Compact, and the UN Guiding Principles on Business and Human Rights. Commitments cover:

Human Rights

Respecting the rights of all stakeholders; prohibiting forced labor, child labor, and all forms of discrimination. (See [4.2 Human Rights Management](#) and [our website](#))

Environmental Protection

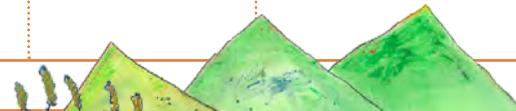
Promoting low-carbon operations, minimizing environmental footprints, and complying with international conventions on marine environmental protection. (See [3.3 Climate Change Mitigation](#) and [3.7 Protection of Marine Ecology](#))

Ethics and Integrity

Operating with integrity, complying with laws and regulations, and implementing anti-corruption and anti-bribery measures. (See [5.2 Ethics and Integrity](#))

Note: Certain internal policies remain unpublished due to their nature as internal governance documents.

Integrated the UN SDGs, the 2030 Sustainability Vision Blueprint establishes ESG goals and action strategies based on five dimensions, adjusted in response to global trends, to drive continuous sustainability progress:

5 Dimensions	SAFETY	WISDOM	NAVIGATION	ACCOUNTABILITY	VALUES
Commitments	<ul style="list-style-type: none"> Safety of lives Safety of ships Safety of cargoes Safety of environment Compliance with safety policies 	Enhancing collective knowledge and resilience	Addressing climate change; prioritizing environmental protection	Embedding ESG into corporate culture; delivering on commitments	Balancing profit with environmental and social impact; Creating sustainable value of Shih Wei
Corresponding sustainable issues * material topics for 2024 are in red	<ul style="list-style-type: none"> Ship Safety Occupational Safety & Health Risk Management 	<ul style="list-style-type: none"> Climate Change Management Risk Management Sustainable Development Strategies Ethics & Integrity; Privacy and Data Security 	<ul style="list-style-type: none"> Climate Change Management GHG Emissions and Energy Management Air Quality Management Waste Management Water Resource Management 	<ul style="list-style-type: none"> Sustainable Development Strategies Ethics & Integrity 	<ul style="list-style-type: none"> Economic Performance Social Engagement Biodiversity
Relevant SDGs	   				
Goals and Actions	<p>Governance Committed to Compliance, Driven by Quality</p> <ul style="list-style-type: none"> Continue to publish sustainability reports and improve the quality of disclosure Follow GRI, TCFD, SASB and other international standards to strengthen information disclosure. Strengthen corporate governance, optimize and improve measures. 	<p>Environmental Collaborative Action for Earth's Sustainability</p> <ul style="list-style-type: none"> Conducted an organizational-level GHG inventory in accordance with ISO 14064-1 and obtained third-party verification Implemented climate action initiatives, actively enhancing energy efficiency and reducing carbon emissions 	<p>Social Fulfillment of Responsibility, together for good.</p> <ul style="list-style-type: none"> Care for and support employees, with strong emphasis on workplace safety Continue sponsoring Children Tuoring Program in Wutai, Pingtung; advancing public welfare initiatives, and promoting local procurement Continue promoting welfare education programs to enhance collective knowledge and intelligence 		

Sustainable Operation and Value Creation

2.4 Stakeholder Engagement

To identify stakeholders each year, our Sustainability Information Disclosure Task Force follows the AA1000 Stakeholder Engagement Standard (AA1000 SES), applying its five key principles (dependency, responsibility, influence, diverse perspectives, and tension). Through questionnaires and discussions, the Company identified the following eight stakeholder groups in 2024: Competent Authorities (Government), Employees, Suppliers / Contractors, Clients, Shareholders / Investors, Banks / Financial Institutions, Industry Associations, Public Welfare Organizations / Disadvantaged Groups.

To better understand stakeholder needs and concerns, corresponding responsible units have been established to enable real-time communication, response, review, and improvement.

Stakeholder	Importance	key issues	Communication channels/ frequency	Communication performance
Competent Authorities (Government)	The Company strictly complies with laws, regulations, and policies, cooperates with inspections and supervision, and seeks to achieve sustainability goals through public-private partnerships.	<ul style="list-style-type: none"> Sustainable Development Strategies Air Quality Management Biodiversity Ethics & Integrity GHG Emissions and Energy Management* 	<ul style="list-style-type: none"> Stakeholder Questionnaire (Annually) Official correspondence, regulatory briefings, advocacy sessions, forums, domestic and foreign authorities, port state authorities (as needed) 	<ul style="list-style-type: none"> Responded 26 times e-questionnaires from TWSE Participated in 22 government regulatory briefings; 1 compliance inspection or corrective action Participated in 54 seminars / training sessions by authorities 107 Port State Control (PSC) inspections: 207 deficiencies, 2 detentions, and 51 inspections with no deficiencies 16 Flag State inspections: 16 deficiencies, and 9 inspections with no deficiencies
Employees	Employees are the Company's most important asset and the cornerstone of sustainable growth.	<ul style="list-style-type: none"> Occupational Safety and Health* Employee Rights and Benefits Ship Safety* Talent Development Risk Management* 	<ul style="list-style-type: none"> Sexual Harassment hotline/ email, phone number and email of Administration Department, company website, HR contact, (real-time) Labor-management meetings, Employee Welfare Committee meetings (quarterly) Performance evaluations, employee interviews, stakeholder questionnaire (annually) 	<p>Onshore Employees</p> <ul style="list-style-type: none"> 151 training sessions, 4 labor-management meetings 4 Employee Welfare Committee meetings 2 Team Building activities 1 slash-life sharing session 1 in-house table hockey tournament <p>Seafaring employees</p> <ul style="list-style-type: none"> 18 training sessions, 1 photography contest 1 anonymous grievance filed by a seafarer. After review by the Company's designated personnel in accordance with the "Onboard Complaint Procedure", it was determined that the allegation was unfounded. The case was subsequently reported to the Board and formally closed.
Suppliers/ Contractors	Long-term partners that collaborate with the Company toward sustainable operations.	<ul style="list-style-type: none"> Occupational Safety and Health* Ethics & Integrity Customer Service and Satisfaction Privacy and Data Security Sustainable Development Strategies 	<ul style="list-style-type: none"> Telephone/email (real-time) Supplier evaluation (Annually) Stakeholder Questionnaire (Annually) 	<ul style="list-style-type: none"> 1 supplier evaluation conducted. Participated in 41 supplier/ contractor training sessions



Sustainable Operation and Value Creation

GRI
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Stakeholder	Importance	key issues	Communication channels/ frequency	Communication performance
Customers	The Company is committed to providing high-quality shipping services, striving to meet customer needs and expectations to become an indispensable partner in value creation.	<ul style="list-style-type: none"> Ship Safety* Risk Management* Occupational Safety & Health* Human Rights Management; Privacy and Data Security 	<ul style="list-style-type: none"> Telephone/email (real-time) Stakeholder Questionnaire (Annually) Direct meetings, customer satisfaction surveys (as needed) 	<ul style="list-style-type: none"> No customer complaints in 2024 94 direct client meetings held
Shareholders and Investors	Shareholder and investor support enables ongoing development and progress, serving as the foundation for sustainable operations.	<ul style="list-style-type: none"> Occupational Safety & Health* Customer Service and Satisfaction Ship Safety* Ethics & Integrity Risk Management* 	<ul style="list-style-type: none"> MOPS, Company website, Mega Securities Register & Transfer Agency, contact by phone/email (real-time) Investor Conferences, Shareholders' meetings, Stakeholder Questionnaire (Annually) 	<ul style="list-style-type: none"> 4 Investor Conferences held. 1 shareholders' meeting held.
Bank/ Financial Institutions	Capital plays a critical role in supporting corporate operations and advancing sustainability, requiring strong backing from banks and financial institutions.	<ul style="list-style-type: none"> Occupational Safety & Health* Economic Performance* GHG Emissions and Energy Management* Risk Management* Ship Safety* 	<ul style="list-style-type: none"> Telephone/email (real-time) Financial reports (Quarterly), Annual Reports, Sustainability Reports (Annually) Meetings and credit reviews (as needed) 	<ul style="list-style-type: none"> 16 direct meetings held
Industry associations	Shipping-related industry associations provide regulatory information, help maintain vessel seaworthiness and safety, and promote green shipping, human rights, and vessel safety.	<ul style="list-style-type: none"> Sustainability Strategies Ethics & Integrity Management Ship Safety* Privacy and Data Security Occupational Safety & Health* 	<ul style="list-style-type: none"> Telephone/email (real-time) Stakeholder Questionnaire (Annually) Meetings, Questionnaire (as needed) 	<ul style="list-style-type: none"> 13 meetings with Classification Societies (Class) and Gallagher Marine Systems 25 deficiencies by Class Participated 24 training sessions with Class, Seafarers'union and etc. 15 networking meetings with Shipping Agencies Association, Seafarers'Union, Class, Shipowners' Association, and Port Authorities.
Public Welfare Groups/ Disadvantaged Groups	Long-term partnerships with welfare organizations amplify social impact, maximize resource effectiveness, and provide substantive support for vulnerable groups.	<ul style="list-style-type: none"> GHG Emissions and Energy Management* Water Resource Management Air Quality Management Waste Management Sustainability Strategies 	<ul style="list-style-type: none"> Telephone, EMAIL (Immediate) Stakeholder Questionnaire (Annual) Meetings (Irregular) 	<ul style="list-style-type: none"> Organized 17 public welfare activities, including 2 beach cleanups and 6 material recycling events. Organize a Little Picassos painting competition.

Note: Material topics for this reporting year are marked with *

Sustainable Operation and Value Creation

Participation in Industry Associations

In addition to advancing its business operations, Shih Wei Navigation contributes to the sustainable development of Taiwan's shipping industry. The Chair and senior management actively participate in public affairs, serving in various positions within industry associations, fostering collaboration, resource-sharing, and consensus-building.

Name of Association	Position Held
CR Classification Society (CR)	Director; Committee member (Classification Committee, Quality Management Committee)
Log Carriers Group Foundation, Association of Shipping Services, R.O. C.	Chairperson
Association of Shipping Services, R. O. C. (AOSS)	Director; Committee member (Bulk Cargo Committee)
Taipei Shipowners' Association	Member Representative
Taipei Shipping Agencies Association	Member Representative
Taiwan Entrepreneurs Association	Member
NTOU Alumni Association	Director
The Master Mariners Association	Director
National Association of Chinese Shipowners	Member Representative
Bureau Veritas Asia & Australia Committee	Committee member
ClassNK	Committee member (Taiwan Committee,; Technical committee)
The Britannia Steam Ship Insurance Association (Britannia P&I Club)	Director; Chair (Nomination Committee); Committee Member (Standard Committee)
International Association of Dry Cargo Shipowners (Intercargo)	Associate Member
Dry Bulk Centre of Excellence (DBCE)	Member



Sustainable Operation and Value Creation

2.5 Material Topics Analysis

The Company, in alignment with the GRI Standards 2021 (GRI 3), adheres to the principles of inclusiveness, materiality, and reliability, as well as the eight reporting principles (accuracy, balance, clarity, comparability, completeness, context of sustainability, timeliness, and verifiability). The Company systematically evaluates stakeholders' concerns and expectations on sustainability issues through a four-stage process of identification, prioritization, validation, and review. This analysis assesses both actual and potential positive and negative impacts arising from business operations. The identification process encompasses environmental, social, and governance (ESG) aspects, evaluating the scale, scope, and likelihood of impacts to determine material topics. For potential or actual negative impacts, the Company conducts due diligence and implements remedial or preventive measures to mitigate impacts and enhance positive outcomes. These management approaches form the core foundation of disclosure in this report, aimed at responding to stakeholders' needs and demonstrating Shih Wei's commitment to sustainability.

Identification process

STEP1 Identification



Understand organizational context

- Define 8 categories of stakeholders.

Shih Wei referred to international sustainability standards and frameworks, including GRI Standards, TCFD, SASB, as well as SDGs and ESG rating agencies (e.g., DJSI, MSCI). In accordance with the "Taiwan Stock Exchange Guidelines for the Preparation and Filing of Sustainability Reports by TWSE-Listed Companies", the Company systematically compiled sustainability issues. Through daily operational activities, stakeholder engagement, and consultation with external experts, an initial list of 21 sustainability issues related to actual or potential impacts was consolidated. After convergence and integration, 14 key sustainability issues specific to Shih Wei were finalized.



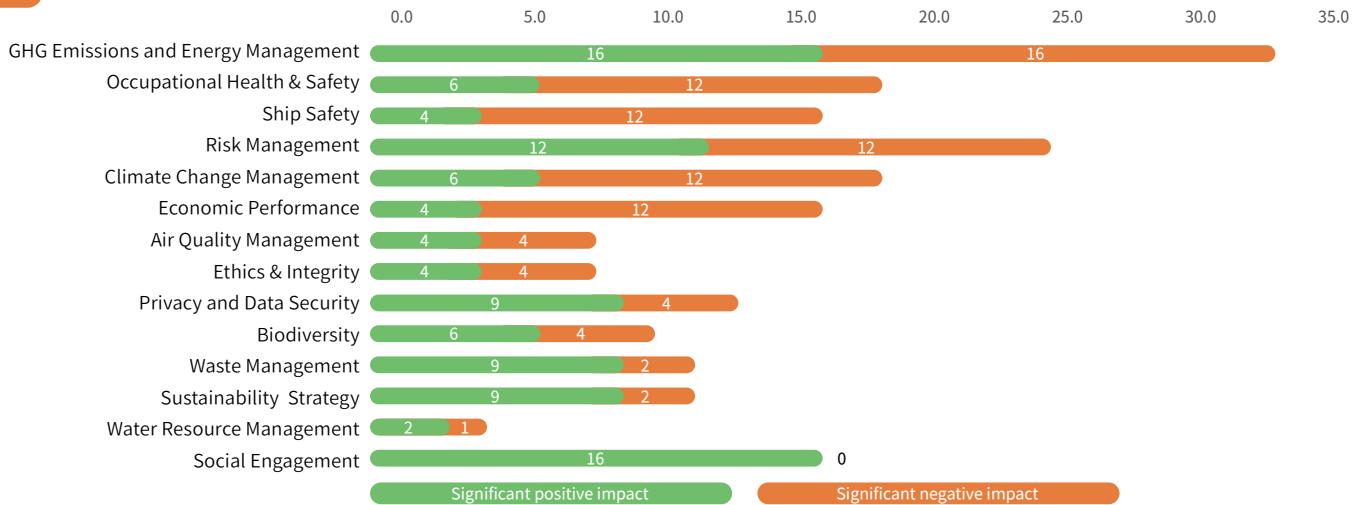
Identify actual and potential impacts

- The Company conducted an online survey with eight categories of stakeholders on the 21 identified sustainability issues, collecting 160 valid stakeholder responses as a basis for materiality analysis.
- Following GRI Standards 2021, the Company evaluated economic, environmental, and human (human rights) impacts. With oversight from the President and participation of department heads and external consultants, we systematically analyzed the actual and potential positive and negative impacts of each issue to ensure a comprehensive and representative process.

Sustainable Operation and Value Creation

STEP2 Prioritization


Assess the significance of impacts for each sustainability issue



STEP3 Validation


Prioritize the most significant impacts for reporting

- Based on the impact scores of the 14 sustainability issues, both negative and positive impacts exceeding 10 points were ranked. After discussions among the President, department heads, and external consultants, 7 material topics were confirmed as the 2024 priority items for management approaches.

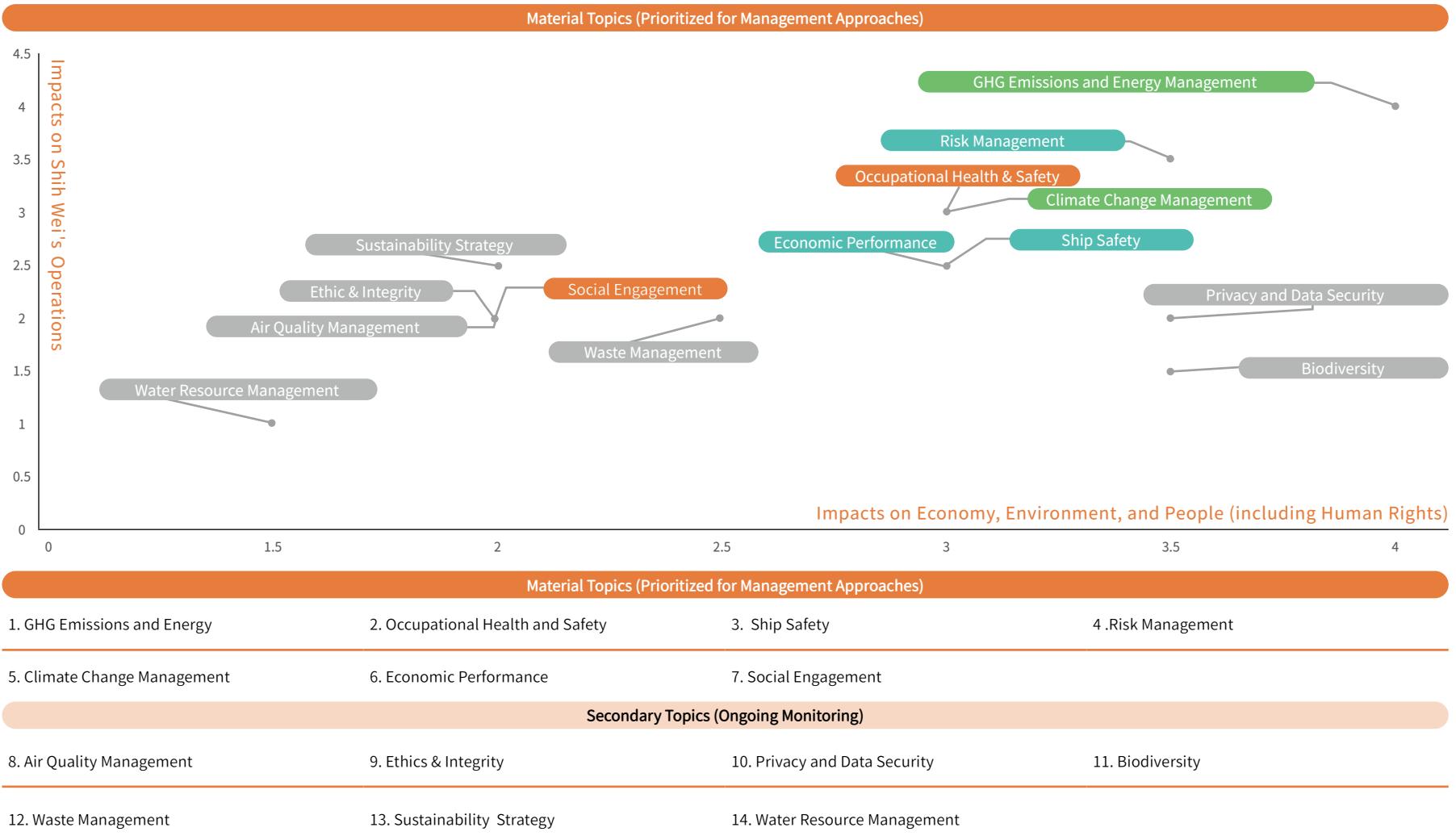
STEP4 Review


Response and management of material topics

- The Company designated relevant departments to provide supporting data for each confirmed material topic. These were compiled and reviewed against the Company's current status and management objectives, with gaps analyzed and management approaches adjusted accordingly. Relevant information is fully disclosed in this report, serving as a foundation for continuous improvement and advancement of sustainability, reflecting the Company's transparency and accountability to stakeholders.

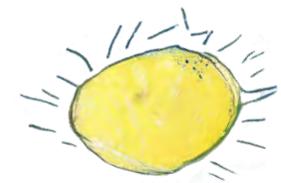
Sustainable Operation and Value Creation

Identification results



Sustainable Operation and Value Creation

List of material topics



Material Topics	Management Objectives	Value Chain Impact			Report Chapter Reference
		Upstream	Shih Wei	Downstream	
Governance					
Economic Performance	Stable economic performance underpins sustainable development and stakeholder well-being. The objective is to achieve stable profitability and optimize resources through cost control and green investment, thereby enhancing competitiveness and creating long-term value.	!	!	∞	2 Sustainable Operation and Value Creation
Risk Management	Effectively identify and manage regulatory, operational, and climate-related risks to ensure safety of lives, ships, cargo, and the environment. The objective is to minimize impacts and comply with sustainability principles through systematic analysis and response strategies, ensuring resilient operations.	!	∞		5 Integrity Governance and Risk Control
Ship Safety	Ensuring vessel safety is critical to protecting lives, cargo, and environment. The objective is zero accidents and compliance with international regulations through equipment maintenance and training to reduce risks, safeguard stable operations, and uphold corporate reputation.	!	!	∞	
Environmental					
GHG Emissions and Energy Management	Reducing greenhouse gas emissions and energy consumption is central to addressing climate change and regulatory requirements. The objective is to lower carbon footprint, enhance energy efficiency, and align with IMO decarbonization targets through energy-saving equipment and low-carbon fuels, ensuring both environmental sustainability and operational competitiveness.	∞	!	∞	3 Climate Action and Environmental Sustainability
Climate Change Management	Addressing climate change impacts is key to environmental and operational resilience. The objective is to mitigate and adapt simultaneously through emissions reduction and climate risk assessments, thereby protecting ecosystems and enhancing the climate resilience of vessels and operations.	!	!	∞	
Social					
Occupational Safety and Health	Safeguarding the physical and mental well-being of employees and crew is both a corporate responsibility and a cornerstone of sustainability. The objective is zero accidents and fatalities, achieved through safety training and health management to reduce occupational risks and enhance workplace quality and employee well-being.	!	∞		4 Employee Well-being and Social Inclusion
Social Engagement	Deepening social engagement is a means of fulfilling corporate citizenship and the principle of shared value. The objective is to support community development and environmental education through philanthropy and local partnerships, thereby promoting social well-being and creating sustainable impact.	!			

Notes:

1. Upstream of the value chain refers to suppliers/contractors; downstream refers to customers.

2. Impact involvement: “!” denotes direct impact; “!” denotes contribution to impact; “∞” denotes linkage through business relationships.

3. Shih Wei values Privacy and Data Security and continues to strengthen management. In 2024, there were no significant cybersecurity incidents, zero customer privacy complaints, and minimal internal and external impacts, therefore categorized as a secondary topic for ongoing monitoring.





Environmental . Social . Governance

2024
SHI WEI
NAVIGATION

SUSTAINABILITY
REPORT

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Climate Action and Environmental Sustainability



Sustainability from Small Actions to Broader Impact

From a Grain of Sand to the Entire Planet

From a single grain of sand on Keelung's Waimushan coast, the lens slowly expands to reveal the shoreline, connecting towns, islands, and eventually the entirety of Taiwan. From space, the blue and green silhouette of the Earth comes into view. This imagery reflects Shih Wei Navigation's sustainability journey: beginning with small actions that gradually connect and expand into broader influence, protecting the future of our planet.



Starting with a Point: The Small Power of Coastal Cleanups

In 2021, Shih Wei Navigation launched its self-initiated coastal cleanup campaign. From Zhuangwei, Yilan to Keziliao, Kaohsiung, every piece of waste collected symbolized a promise to the ocean. By 2024, this effort had evolved into the “Elite Squad” Program - a team of 20 dedicated employees conducting cleanups during workdays, focusing on Keelung's Waimushan coast. Within just 3 hours, the team cleaned 1,251 kg of marine wastes, averaging 62.55 kg/person and achieving 20.85 kg/hour, a fortyfold increase compared with 2021.

This was more than a leap in numbers; it represented environmental stewardship starting from a single “point.” Every PET bottle or piece of polystyrene collected reduced the chance of it returning to the ocean and harming ecosystems. The campaign emphasized sustainability throughout—using recycled gloves and bags, and collaborating with local cleaning squad for waste sorting—ensuring no added burden to the environment. These actions align with SDG 14: Life Below Water.



Climate Action and Environmental Sustainability

From Shoreline Cleanups to a Plastic-Reduction Mission at Sea

The impact of a single action is limited, so Shih Wei expanded its vision into a “line.” Building on the success of coastal cleanup efforts, the Company launched a fleet-wide plastic-reduction mission, with a particular focus on PET/plastic bottles - the most common form of marine waste.

With 571 employees, if each reduces just one PET bottle per day, more than 200,000 bottles can be avoided annually. To further support this mission, vessels are equipped with hydraulic compactors that compress waste, saving storage space and lowering transport-related carbon emissions, thereby advancing resource circularity in alignment with SDG 12: Responsible Consumption and Production.

Improving the quality of onboard freshwater was another essential step. The Company plans to install RO maifan stone filters to enhance the taste and safety of desalinated water. Awareness campaigns also help dispel misconceptions about desalinated water, encouraging crew to rely less on bottled water. In addition, regular cleaning of tanks and pipelines ensures safe and reliable supply, supporting SDG 6: Clean Water and Sanitation. Through these actions, Shih Wei connects shoreline cleanups with a plastic-reduction mission at sea, weaving a sustainable bond between people and the environment.



Expanding into a Surface: Marine Education and Broader Sustainable Impact

Shih Wei's environmental vision extends beyond points and lines to a “surface,” embedding sustainability into communities and employee well-being.

The Elite Squad Program not only safeguards coastlines but also raises awareness through collaboration with, enhancing employees' and stakeholders' understanding of plastic reduction. To encourage participation, the Company plans to grant extra paid leave to cleanup volunteers. At the same time, improvements to onboard water systems reduce bottled water expenses and enhance crew living standards. Beyond operations, Shih Wei supports marine education by donating the “Be a Sea Turtle” board game to rural schools, nurturing conservation awareness among children.

Through these interlinked efforts, we connect marine protection with social well-being, contributing to SDG 13: Climate Action and SDG 8: Decent Work and Economic Growth, building a foundation for a sustainable ocean future.

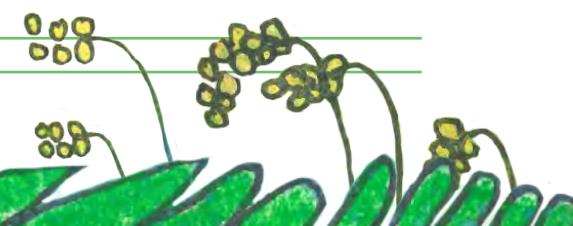


Climate Action and Environmental Sustainability

Management Approach – Climate Change Management

Climate Change Management, GHG Emissions and Energy Management	
Short-term goals (2024~2030)	Medium- and long-term goals (2031~2050)
<p>Base year: 2023</p> <ul style="list-style-type: none"> Reduce carbon emissions at HQ by 20%, implementing recommendations from the Energy-Saving Patrol. Achieve a 20% reduction in fleet carbon emissions. 	<ul style="list-style-type: none"> Achieve a 70% reduction in fleet carbon emissions by 2040. Achieve net-zero emissions by 2050, maintaining energy efficiency policies and complying with government requirements.
Performance Results	
<p>✓ Sold 3 old ships and delivered 1 new Eco ship.</p> <p>▲ Electricity consumption at HQ increased by 1.9%, with energy conservation measures implemented.</p> <p>▲ In 2024, only one vessel received a CII rating of Grade E; corrective actions have been developed and approved by Class.</p>	
<p>• Impacts</p> <p>Climate change has a significant impact on Shih Wei's operations. In 2024, rising temperatures led to a 1.9% increase in electricity consumption on HQ compared with 2023. For the fleet, insufficient emission reductions may result in higher operating costs and reduced Charter opportunities, driven by increasing investor and customer demand for low-carbon vessels, as well as new regulations such as EU ETS and FuelEU, which may impose carbon fees or penalties, and government-mandated speed restrictions. In addition, severe weather events (e.g., fuel frozen due to sudden cold snaps, more frequent typhoons) may pose risks to navigation safety and efficiency. Conversely, effective GHG emissions management helps reduce carbon tax burdens, meet low-carbon market demands, increase charter opportunities for eco-friendly vessels, enhance corporate reputation, and mitigate environmental impacts.</p> <p>• Policies and Commitments</p> <p>Shih Wei follows the International Maritime Organization (IMO) carbon reduction strategy and domestic policies, setting reduction targets and progressively adjusting company policies. We are committed to safeguarding safety of lives, ships, cargo and environment. The HQ evaluates energy-saving measures under the Subsidy Program for Smart Carbon Reduction in the Commercial and Service Industry of Ministry of Economic Affairs and the Taipei City Service Industry Energy-Efficient Equipment Replacement Subsidy Guidelines. The fleet has joined the Protecting Blue Whales and Blue Skies (BWBS) Incentive Program, and initiated GHG inventories with external verification.</p>	
<p>• Action Strategies and Plans</p> <p>To manage the impacts of climate change, Shih Wei implements the following measures:</p> <ol style="list-style-type: none"> Headquarters Energy-Saving Measures: Commissioned the Taiwan Energy-Saving Patrol to review electricity usage and provide recommendations. Since February 2024, adopted hybrid vehicles for official use and piloted a rotating schedule for chiller systems to save energy. Fleet Emission Reduction: Adopted low-sulfur fuel and silicone-based antifouling or high-performance paints; implemented speed reduction while entering ports to improve air quality; replaced onboard lighting with LED systems (one vessel upgraded in 2024); sold 3 old ships and delivered 1 new Eco ship. Some were equipped with Engine Power Limitation (EPL) devices to meet EEXI requirements, and new vessel designs incorporate closed-loop water piping systems. Regulatory Compliance: Achieved qualification for carbon quota trading and management under the EU ETS. Digitally manage and report annual fleet carbon emissions within EU waters, submit EU Allowances (EUA), and assess the use of biofuels to further reduce emissions. Route Optimization: Integrated weather forecasting with software-based CII monitoring to reduce fuel consumption. 	
<p>• Management and Effectiveness Measurement</p> <p>The Company Strengthened GHG and energy management. HQ records water and electricity consumption on a regular basis to assess energy efficiency. The fleet implements third-party verification of GHG inventories, utilizing the StormGeo s-Insight system and annual CII certification by ClassNK.</p> <p>For vessels receiving an unsatisfactory CII rating (e.g., Grade E), develop corrective action plans and integrate them into the Ship Energy Efficiency Management Plan (SEEMP).</p> <p>Conduct monthly reviews of CII and energy-saving performance, assess climate risks and opportunities, and incorporate findings into operational decision-making to ensure the achievement of carbon reduction targets.</p> <p>• Designated Department</p> <p>Administration Department is responsible for implementing energy-saving measures at HQ. Marine Department, Risk Management Department, and Business Department are responsible for fleet emission reduction and regulatory compliance. The Company invests in energy-efficient technologies (e.g., LED lighting, hybrid vehicles, silicone-based antifouling paints), fleet renewal, and third-party verification to ensure effective execution of climate strategies.</p> <p>• Grievance Mechanism</p> <p>We collect stakeholder feedback through telephone, email, and the official website. A shared grievance mechanism is available for HQ and fleet, ensuring that investors, clients, and employees can participate in climate-related decision-making and provide feedback.</p>	

Note: “✓” Achievement, “▲” Continuous Improvement



Climate Action and Environmental Sustainability

3.1 Green Shipping

The global maritime industry emits approximately 1 billion metric tons of GHG annually, accounting for about 3% of total global emissions, which significantly impacts the environment. Since the 27th UN Climate Change Conference (COP27) in 2022, the Green Shipping Challenge has encouraged governments, ports, businesses, and stakeholders across the maritime value chain to commit to specific actions, aiming to catalyze global efforts toward the decarbonization of the shipping industry.

Shih Wei Navigation has established an environmental management system aligned with the industry's characteristics and compliant with the IMO's regulations on safe ship operations and environmental protection. This system manages the safe operation of the fleet and environmental protection, and its effectiveness is verified annually by the third-party inspection organization ClassNK.

International environmental protection, carbon reduction, and safety management certificates held by our fleet include:

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

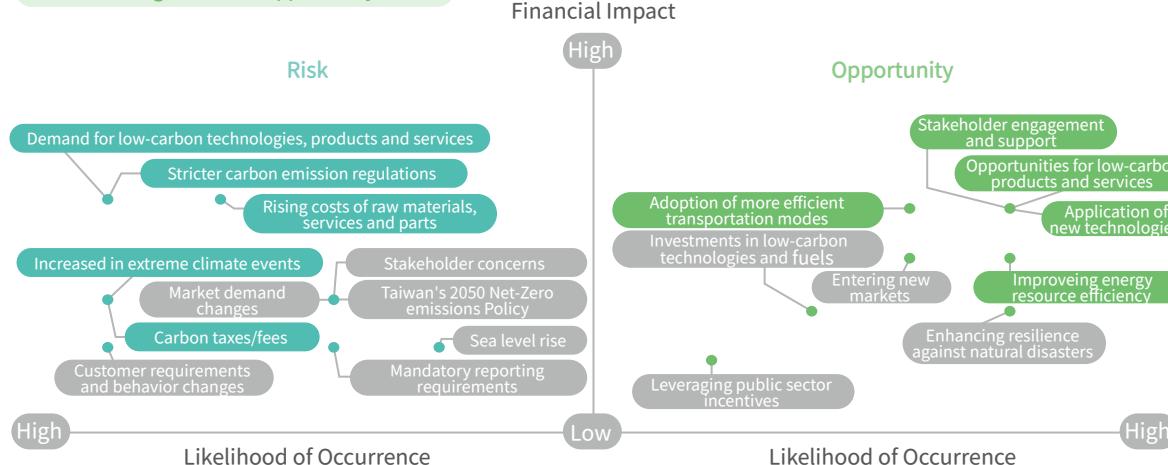
With the EU Emissions Trading System (EU ETS) expanding to the maritime industry in 2024, and the IMO's revised decarbonization strategy (2023), Shih Wei has adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework to systematically analyze risks and opportunities associated with climate change. Guided by the four TCFD pillars - Governance, Strategy, Risk Management, and Metrics & Targets - the Company systematically analyze potential climate-related risks and opportunities, formulate climate strategies, identify physical and transition risks, adopt carbon reduction technologies and transition to low-carbon fuels, and set specific emission reduction targets to mitigate financial impacts, strengthen operational resilience, and capture low-carbon market opportunities.

Climate Risk Management Framework

Governance

The Board of Directors is the highest governance body overseeing sustainability, with direct supervision by the Chair. Shih Wei has established a cross-departmental Risk Management Team and a GHG Inventory Task Force to manage operational risks (including climate change) and GHG inventories. TCFD results are approved by the Chair and reported to the Board before the publication of the Sustainability Report to ensure effective oversight. Climate-related risk management and GHG reduction progress are reported to the Board quarterly, and TCFD content is updated annually to align with operations and stakeholder needs.

Climate Change Risk and Opportunity Matrix



Climate Action and Environmental Sustainability

Climate Risk, Opportunities and Responses

We actively formulate solutions to mitigate the operational and financial impacts of climate change and to enhance resilience. For high-risk climate factors, response measures are planned, and financial impacts are evaluated to strengthen preparedness.

Risk	Content	Impact	Countermeasures	Financial Impact	Future Opportunities
Transition Risks - Policy and Legal	<ul style="list-style-type: none"> Stricter emission regulations; Carbon taxes/fees Rising material/service costs. 	<ul style="list-style-type: none"> If GHG emissions are not effectively managed, non-compliance with port regulations, international environmental requirements, and market trends may result in vessels being prohibited from operation or denied port entry, reducing business opportunities and competitiveness and increasing carbon tax/fee burdens. 	<p>Short-term: Accelerate fleet renewal and progressively apply silicone-based antifouling or high-performance coatings to maintain a younger, eco-efficient fleet; continuously track R&D trends in alternative green energy and emerging technologies to reduce exposure to carbon taxes/fees.</p> <p>Medium-term: Construct Eco newbuildings; expand low-carbon service; retrofit vessel equipment; schedule hull cleaning to achieve carbon-reduction effects; adopt biofuels; and continue building a technical performance database to monitor the effectiveness of each technology.</p> <p>Long-term: Adopt green energy and improve equipment efficiency.</p>		Successful green transition will reduce carbon costs and enhance competitiveness.
Transition Risks- Market Opportunities	<ul style="list-style-type: none"> Rapid shifts in customer preferences are expected to catalyze increased investment by shipping companies in green, low-carbon technologies and renewable-energy-powered vessels. 	<ul style="list-style-type: none"> Green inflation is driving up raw material and fuel costs, necessitating investment in low-carbon vessels. Rising costs may compress profit margins. 			
Transition Risks- Technology and Innovation	<ul style="list-style-type: none"> Demand for low-carbon technology transition and replacement/upgrade of existing equipment Application of new technologies on vessels 	<ul style="list-style-type: none"> IMO EEXI/CII compliance requirements necessitate replacing energy-consuming equipment and undergoing verification Technology lag may lower operational efficiency and cause regulatory non-compliance and fines Adoption and application of new technologies can mitigate climate-related impacts and create opportunities for the Company 	<ul style="list-style-type: none"> Replace energy-consuming equipment and install energy-saving devices to improve energy efficiency. Use data analytics to develop inventory strategies for critical components or individual materials to prevent failures and contingencies. Establish a technical knowledge database, compiling training outputs and past vessel incidents into training plans and materials. Strengthen technical knowledge exchange with onboard crew and provide upskilling for the Company's technical personnel to facilitate the smooth adoption of new technologies. 	Increased operating and capital costs	A successful green transition will help drive business growth and strengthen corporate resilience.
Physical Risks- Acute	<ul style="list-style-type: none"> Increase in extreme Weather events 	<ul style="list-style-type: none"> Frequent storms and typhoons can lead to additional fuel costs and may necessitate route adjustments or temporary suspension of sailing. The risk of vessel damage increases, and reduced operational efficiency may adversely affect earnings. 	<ul style="list-style-type: none"> In addition to adopting weather routing, port captains assist masters in accurately assessing meteorological information and forthcoming conditions; the company's technical staff provide immediate support in emergencies arising from extreme weather. Weather clauses are incorporated into contracts. New technologies are applied to optimize routing. 		Flexible and stable route planning enhances vessel resilience, reduces operational risk, and increases customer utilization.

Climate Action and Environmental Sustainability

Risk Management

In accordance with the Company's Risk Management Policy and Procedures, we implemented an Enterprise Risk Management (ERM) mechanism in 2023 and integrated climate-change risk factors to understand their linkage to the Company's Top 10 corporate risks, assess the resulting financial impacts on operations, and identify corresponding response strategies. See Section 5.3, Risk Management.

Integration of Climate Risks with the Top 10 Corporate Risks:

Top 10 Corporate Risks			
Rank	Item	Climate Risk Factor	Risk Type
2	Asset acquisition and disposal	Replacement/upgrade of existing vessel equipment	Transition Risk – Technology & Innovation
5	Damage to cargo/assets/equipment	Rapidly changing customer trends driving the use of low-carbon technologies and renewable-energy-powered vessels	Transition Risk – Market Opportunities
3	Ship inspection and rating	Carbon tax/fee, cap-and-trade and emissions trading	Transition Risk – Policy & Legal
9	Regulation and compliance	Extreme climate change intensifying weather and ocean impacts	Physical Risk – Acute
10	Environmental risk		

Metrics & Targets

Shih Wei is committed to Net-Zero by 2050 with management strategies and monitoring the management performance regularly. Based on the IMO's GHG reduction strategy, we set medium- to long-term emission targets and will adjust strategies dynamically in line with global trends and emerging technologies.

Carbon Reduction Timeline and Targets			
Year	2030	2040	2050
Description	Short-term Target	Medium-term Target	Long-term Target
Target	20% reduction vs. base year	70% reduction vs. base year	Net-Zero
Strategies and Measures	<ol style="list-style-type: none"> 1. Dispose older or non-popular vessel type to form a modern and eco fleet. 2. Energy-saving retrofit projects: install Propeller Boss Cap Fins (PBCF) and silicone-based or high-performance antifouling paints to increase energy 3. In accordance with International Convention for the Prevention of Pollution from Ships (MARPOL) Annex VI and IMO Resolution MEPC.213(63), the Company engages independent third-party verification bodies to verify each vessel's Energy Efficiency Existing Ship Index (EEXI). Based on each vessel's verification results, we implement the necessary energy-saving and decarbonization measures to ensure compliance with the Ship Energy Efficiency Management Plan (SEEMP) Part III. Thereafter, we conduct annual GHG inventories, set specific emission-reduction targets, review target attainment, and adjust decarbonization actions on a rolling basis to prepare for the impacts of future carbon taxes/fees or emissions trading schemes. 4. In-port slow steaming to cut emissions and improve local air quality. 5. Water/resource management to reduce wastewater and waste at source. 	<ol style="list-style-type: none"> 1. Pursue low-carbon innovations and evaluate decarbonization projects to reduce GHG emissions. 2. Align with shipbuilding technologies, new fuels and policies to achieve green shipbuilding and green shipping. 	seek cost-effective green alternative energy.

Notes:

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 baseline year, reduce emissions by at least 2.9% annually to achieve a 20% reduction by 2030.



Climate Action and Environmental Sustainability

GRI
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Green Energy Investment

Since 2022, the Company has invested in Thermolysis Co., Ltd. to support circular economy initiatives and Net-Zero policies. In December 2023, the Company allocated US\$155,000 to Chile Sustainable Bonds (P21CHILE1; code F17301). In November 2024, we further invested NT\$102,000 in Green Bonds issued by Century Iron & Steel Industrial Co., Ltd., certified by TPEx. For more information, please visit our website.



Thermolysis Official Website

<https://www.thermolysis-asia.com/>



Sustainable Investing 2023

https://www.swnav.com.tw/uploads/files/shares/ESG_REPORT/operational-overview/20231221.pdf



Sustainable Investing 2024

https://www.swnav.com.tw/uploads/files/shares/ESG_REPORT/operational-overview/20241114.pdf

To effectively manage GHG emissions and energy usage across our fleet, we have implemented the StormGeo s-Insight system on all vessels. Relevant data is reported daily, enabling us to monitor real-time performance through the digital platform and ensure compliance with regulations such as EU-MRV, IMO DCS, EEXI, and CII.



2024 GHG Emissions Statistics			2024 Emissions		Unit: tCO ₂ e		
Category of Emissions							
Scope 1	Category 1	Direct GHG emissions	Parent company	14.8687			
			Passenger ship	7.6315	331,223.5777		
			Fleet	331,201.0775			
Scope 2	Category 2	Indirect GHG emissions from imported energy	Parent company	83.6796			
			Passenger ship (Shore power)	9.2406	185.3218		
			Fleet (Shore power)	92.4016			
Total emissions from Scope 1 and Scope 2				331,408.8995			
Scope 3	Category 3	Indirect GHG emissions from transportation and distribution			36.8822		
Scope 3	Category 4	Indirect GHG emissions from use of sold products			82,860.9236		
Total emissions from Scope 3				82,897.8058			
Total GHG emissions				414,306.705			

3.3 Climate Change Mitigation

GHG Management

To strengthen GHG control and disclosure, Shih Wei completed self-inventories for 2019 ~ 2022 for parent company and its subsidiaries (HQ and Fleet) and formally adopted ISO 14064-1:2018 in 2023, defining organizational boundaries under operational control. The target is to obtain external verification for the parent company in 2024 and for the subsidiaries (fleet) in 2025. Execution progress has been reported to the Board quarterly since 2022.

Implementation Timeline for GHG Inventory			
2021 ~ 2022	2023	2024	2025 ~
Self-inventory in line with the GHG Protocol (HQ and fleet).	Adopted ISO 14064-1:2018 and completed inventories for HQ and fleet.	<ul style="list-style-type: none"> Promote external verification for HQ. Continue inventory for subsidiaries (fleet). 	Obtain external verification for subsidiaries (fleet).



Climate Action and Environmental Sustainability

GRI
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Source of emission	Year	Three-Year GHG Statistics			Unit: tCO ₂ e
		2022	2023	2024	
Parent company	Scope 1	N/A	22.8104	22.5002	
	Scope 2	93.5900	88.9947	92.9202	
	Scope 3	N/A	49.3688	58.7606	
Subsidiaries (fleet)	Scope 1	380,858.7560	369,588.7050	331,201.0775	
	Scope 1: Fuel	380,858.7589	363,950.2699	324,338.2160	
	Fleet count	33	33	29	
	Ton-nautical Mile (t-nm)	395,132,066,870	398,541,712,578	385,525,733,199.091	
	steaming distance (Nautical Mile, nm)	1,578,730	1,545,048	1,377,582	
	GHG emission intensity (tCO ₂ e / t-nm)	0.000000964	0.000000913	0.000000841	
	Scope 1	380,858.7589	369,611.5154	331,223.5777	
	Scope 2	93.5900	115.3234	185.3218	
	Scope 3	N/A	93,069.6186	82,897.8058	
Total GHG emissions	Total	380,952.349	462,796.457	414,306.705	

Notes:

1. Adopt IPCC AR6 global warming potential (GWP) values.
2. Since ISO 14064-1 was adopted in 2023: for the fleet's Scope 1 emissions, fuel consumption is based on ClassNK fuel consumption verifications, and calculations use emission factors from the IMO Fourth GHG Study and IMO DCS (diesel: 3.206, HFO: 3.114, LFO: 3.151). For the HQ and passenger ship Scope 2 emissions, electricity use is taken from utility bills and calculated with the Bureau of Energy, MOEA annual grid emission factors.
3. Ton-nautical miles = Cargo weight (metric tons) x Distance traveled (nautical miles)
4. GHG emission intensity = vessel fuel emissions (tCO₂e) / ton-mile.
5. Emissions data reflect the most recent internal verification; external assurance for 2023 and 2024 is planned for 2025.
6. To ensure year-on-year comparability, historical figures have been re-compiled (restated) using the revised calculation methodology above.

GHG Reduction Actions

Type of operating location	Countermeasures
Fleet	<ul style="list-style-type: none"> Sold 3 aging vessels; added 1 eco vessel (main-engine daily fuel consumption reduction about avg. 29.65 MT; equivalent to 10.6740 tCO₂e reduction). Based on ClassNK Consulting Service Co., Ltd. (NKCS) calculations, EPL installation on selected vessels to meet EEXI. Use of silicone-based antifouling paint on hull to reduce hydrodynamic drag, improve fuel efficiency, and protect marine biodiversity. The installation of PBCF on vessels to effectively reduce fuel consumption. Full LED lighting retrofit on board. In 2024, one vessel completed full-ship LED conversion, reducing annual fuel consumption by about 28.64 MT per vessel and about 10.3104 tCO₂e per vessel per year.
Headquarters	<ul style="list-style-type: none"> Replaced fuel-powered company cars with 2 hybrid vehicles, saving 799.6 Liters of fuel versus 2023 (31.61% reduction) and reducing GHG emissions by about 2.3348 tCO₂e per year (Note 1). Monitored HQ's air conditioning system and optimized operating schedules to conserve energy. Confidential-document destruction by hydropulping; in 2024, 2,010 kg were processed, reducing GHG emissions by 0.7236 tCO₂e compared with traditional incineration (Note 2). Hosted the employee portal on microsoft azure cloud servers; compared with traditional rack-mounted servers, it's estimated to reduce GHG emissions by about 2.0568 tCO₂e per year (Note 3).

Notes:

1. Conversions adopt the Taiwan Ministry of Environment carbon footprint emission factor for mobile gasoline sources: 2.92 kgCO₂e/L.
2. Conversions follow the factor announced on the Product Carbon Footprint Information Platform: 1 metric ton (mt) = 3.60E+2 kgCO₂e
3. The cloud service provider Microsoft has committed to achieve company-wide carbon neutrality by 2030. Its global data centers emphasize energy efficiency and actively use green energy (e.g., wind and solar) to reduce reliance on conventional energy and lower carbon emissions by consolidating computing resources, improving energy efficiency, and adopting renewables. Scope 2 electricity calculations use the grid emission factor of 0.474 kgCO₂e/kWh announced by the Energy Administration, MOEA, 2025.



Climate Action and Environmental Sustainability

Energy Management

Shih Wei Navigation has established an Energy Management Policy (EMP) and prepares the Ship Energy Efficiency Management Plan (SEEMP) in accordance with MARPOL Annex VI and IMO Resolution MEPC.213(63) to manage fuel consumption and reduce GHG emissions from vessel operations. All shore-based and seafaring personnel are required to follow the Company's EMP when implementing SEEMP. Records, monitoring/analysis, and improvement actions are consolidated to lay the groundwork for the next iteration of improvement. Through SEEMP, both the Company and its vessels operate an energy-efficiency PDCA cycle (Planing, Doing, Checking, Assessment) for continual improvement.

Marine fuel is the fleet's primary energy source. To comply with the IMO 2020 global sulphur cap, the fleet uses 0.5% LSFO worldwide; $\leq 0.1\%$ sulphur fuel in Emission Control Areas (ECAs); and $\leq 0.1\%$ sulphur distillate (MGO/MDO) within 24 nautical miles off the California coastline. These measures reduce SOx at source, help lower air pollution, and improve the Air Quality Index (AQI).

The fleet strictly complies with international environmental conventions and applicable regional environmental regulations, and implements operational controls and decarbonization strategies to reduce energy consumption—delivering safe, high-quality transportation services while contributing to marine ecology and planetary health. At the HQ, Shih Wei promotes green procurement, purchasing energy-efficient, power-saving certified products to reduce electricity use.

Type of operating location	Energy source
Fleet	Fuel oil (main engines, generators, auxiliaries)
HQ	Purchased electricity

Item	Three-Year Energy Consumption			Unit: tCO ₂ e
	Year	2022	2023	
Subsidiaries (Fleet)	Diesel (MT)	9,019	7,766	7,596
	HFO (MT)	111,071	106,962	94,583
	Total (MT)	120,090	114,728	102,179
	Diesel (GJ)	368,579.263	317,372.941	319,368.768
	HFO(GJ)	4,746,087.462	4,566,272.546	4,034,523.470
	Total fuel consumption (GJ)	5,114,666.725	4,883,645.488	4,353,892.238
	Ton-Nautical Mile (t-nm)	395,132,066,870	398,541,712,578	385,525,733,199
	Energy intensity (GJ/ t-nm)	0.0000129442	0.0000122538	0.0000112934
	Purchased electricity	184,952.190	174,471.223	176,539.340
	Purchased electricity- Shore power for passenger ship (kWh)	N/A	5,680,000	19,495,000
Parent company (HQ and passenger ship(s))	Total electricity consumption (GJ)	665.828	648.480	705.724
	Diesel (MT) passenger ship(s)	0	1.075	2.990
	Diesel (GJ) passenger ship(s)	0	43.932	122.192
	Employees	74	74	74
	Energy intensity (GJ/ employees)	8.998	8.763	9.537
	Total energy consumption (GJ)	5,115,332.553	4,884,293.967	4,354,597.962
Percentage of HFO		92.78%	93.49%	92.65%

Notes:

1. The Company currently does not use renewable energy.
2. HQ electricity includes exclusive (tenant) use and common-area use. Exclusive use is based on monthly utility bills (kWh) and allocated by each year's date range; common-area use is prorated by the office's share of the building's gross floor area (GFA). Fleet energy use is derived from ClassNK fuel consumption verifications and heating-value factors: for 2022-2023, diesel 8,400 kcal/L and HFO 9,600 kcal/L; from 2024 onward, annual average calorific values published by the Taiwan Ministry of Environment are applied. Unit conversions follow the official table: 1 kWh = 3.6×10^9 J; 1 Gcal = 4.184 GJ.
3. From 2023, the parent company's energy statistics include the passenger ship *Dancewood No. 1*; in 2022 the vessel was lay-up therefore no data are available.
4. To ensure year-on-year comparability, historical figures have been recompiled (restated) using the revised calculation methodology above.

Energy Efficiency Design Index (EEDI)

The Energy Efficiency Design Index (EEDI) quantifies a ship's carbon emissions, expressed as g CO₂/t · nm, calculated from the fuel required to deliver propulsion power at a specified speed under the ship's design maximum loading condition. A lower EEDI indicates higher design energy efficiency. Shih Wei Navigation currently has three vessels with verified EEDI; the average EEDI is 4.763 g CO₂/t · nm.

Climate Action and Environmental Sustainability

3.4 Water Resources Management

Headquarter

Shih Wei HQ is located in Taiwan. According to the WRI Aqueduct Tools assessment, the regional water risk is Low to Medium (Medium 1–2). However, due to steep terrain (which limits storage) and the impacts of climate change, Taiwan frequently faces droughts. Effective water resources management helps conserve water, reduce the Company's environmental footprint, and mitigate operational risks.

Office water is 100% supplied by Taiwan Water Corporation; no surface water or groundwater is used. Water is used primarily for employee/visitor drinking, Air Conditioning (AC) systems, and cleaning, resulting in minimal impact on sources. To conserve water, employees are encouraged to set faucets to low-flow; certified vendors regularly clean water dispensers and replace filters. RO drinking water is provided Company-wide to ensure potable water safety, balancing conservation with employee health.

Fleet

Shih Wei, on its fleet, manages water resources with a focus on both efficiency and environmental protection, in line with international standards and local regulations. Freshwater is mainly produced onboard: evaporators use waste-heat recovery to distill seawater into freshwater. Most units adopt internal recirculation, so as to reuse freshwater by heating and cooling repeatedly. Shortfalls are supplemented by shore-supplied freshwater. Produced freshwater is used for main/auxiliary engine cooling, boiler make-up, washing cargo holds and decks, and for crew domestic and drinking needs.

Sewage and oily water are treated and then discharged or landed in accordance with MARPOL 73/78 and area-specific rules. Sewage is disinfected/biodegraded prior to discharge; oily water is processed via an oil-water separator. Clean water is discharged to sea where permitted, while residual waste oil is incinerated onboard or delivered to licensed port reception facilities. Freshwater suppliers are required to provide water-quality reports compliant with local health and safety standards to ensure water safety and minimize impacts on marine ecosystems.

Three-Year Water Withdrawal

Operation	Source	2022	2023	2024
Fleet	Third-party water (shore supply)	17.497	11.353	8.255
	Seawater (produced freshwater) ^{Note 3}	N/A	N/A	N/A
HQ	Third-party water (municipal)	1.428	1.711	1.573

Notes:

1. 1 megaliters = 1,000 m³.
2. 1 metric ton = 1,000 liters.

3. Freshwater produced by onboard evaporators is difficult to quantify; fleet withdrawal is therefore reported based on shore-supplied water.

4. The fleet's 2023 withdrawal has been restated from 11.033 to 11.353 due to data correction.



3.5 Waste Management

Headquarter

As a general office environment, waste is generated mainly from routine activities. If not properly managed, it may increase environmental burdens (resource loss, landfill pressure). In alignment with Company policy and applicable regulations, we sort waste into general waste and recyclables (paper, PET bottles, and metal cans) and engage a licensed cleaning company for unified handling. Recyclables are properly recovered; the remainder is treated via incineration or landfilling as required.

In 2024, the Company continued to require 100% reusable lunch boxes for meetings and prohibited single-use tableware. Through employee bring-your-own practices and partnerships with nearby restaurants to provide customized reusable meal services, municipal waste was effectively reduced. In addition, confidential documents are now destroyed via hydropulping instead of incineration to reduce GHG emissions, further advancing environmental goals.

Note: For the reduction effect from hydropulping, see the "GHG Reduction Actions" section of this Report.)

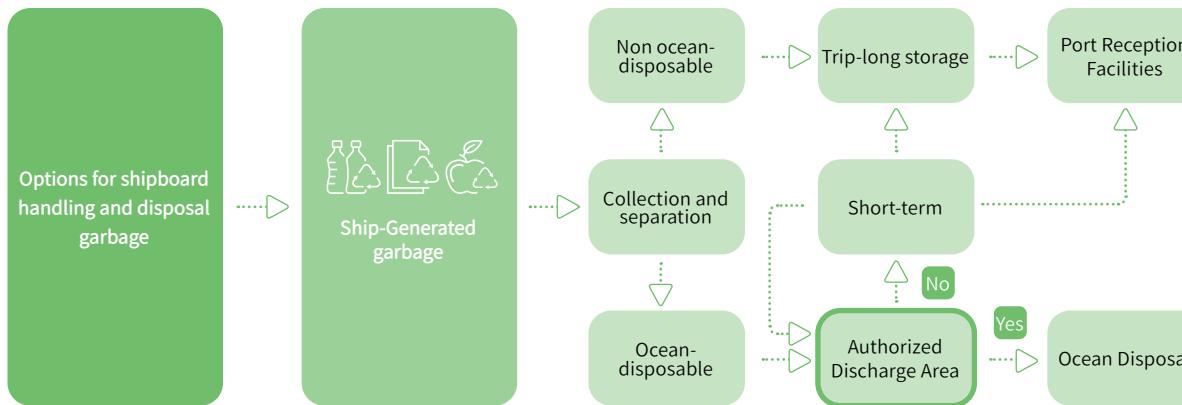
Fleet

As a Shipowner, Shih Wei recognizes that shipboard waste can significantly impact the ocean if not properly managed. Waste streams include domestic waste, cooking oil and food waste, plastics, e-waste, cargo residues, fishing gear, and animal carcasses. To prevent marine pollution, the Company updated its Garbage Management Plan, effective 1 March 2018, pursuant to IMO MEPC Resolution MEPC.277(70), which governs collection, handling, storage, and discharge procedures for the fleet in accordance with the Guidelines for the Development of Garbage Management Plans to advance the goal of waste reduction and environmental protection.

Because shipboard waste is generated continuously during normal operations, source reduction is prioritized. In 2024, RO maifan filters to replace crew purchases of bottled water, improving crew well-being and significantly reducing plastic waste. The fleet also installed garbage compactors to reduce volume, optimize limited space, and improve handling efficiency. Combustible waste is incinerated onboard in accordance with incinerator design and regulations; remaining waste is strictly sorted and stored, then delivered to licensed port reception facilities upon berthing, ocean dumping is strictly prohibited. While handling waste, crew must complete the Garbage Record Book to ensure traceability and transparency, jointly protecting the marine environment.

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Ship garbage disposal process is as follows



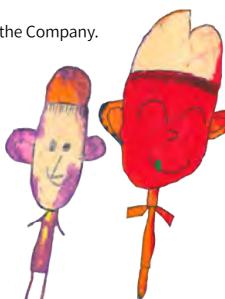
Three Year Statistics of Fleet waste management

Unit: Metric ton

Category	2022	2023	2024	Treatment Method
A. Plastic	9.280	7.219	10.918	Incineration, port reception
B. Food waste	137.898	105.346	101.368	Ocean dumping, incineration, port reception
C. Domestic waste	28.142	18.483	33.865	Incineration, port reception
D. Cooking oil	1.970	2.572	2.352	Incineration, port reception
E. Incinerator ash (combustion residue)	5.297	7.226	8.912	Port reception
F. Operational wastes	42.635	31.254	27.944	Port reception
G. Animal carcasses	0.000	0.000	0.000	Ocean dumping
H. Fishing gear	0.000	0.000	0.000	Port reception
I. Electronic waste	6.059	2.413	6.489	Port reception
J. Cargo residues (not harmful to the marine environment)	151.784	236.292	676.263	Ocean dumping, port reception
K. Cargo residues (harmful to the marine environment)	0.000	0.000	0.000	Port reception
Total	383.063	410.805	868.111	

Notes:

1. Onboard incineration is used to reduce the volume of waste requiring subsequent handling.
2. "Port reception" means wastes are handed over via the port agent to a contractor approved by the port authority and treated in accordance with local regulations; the final treatment pathway of port-received waste cannot be traced by the Company.
3. Shipboard wastes are measured in cubic meters (m³) and converted to metric tons using category-specific conversion factors; totals are the sum of converted figures, rounded to three decimals.
4. Fleet waste data are sourced from each vessel's Garbage Record Book.
5. Port reception entries are supported by port facility manifests.



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3.6 Air Pollutant Management

Shih Wei manages nitrogen oxides (NOx) and sulfur oxides (SOx) across vessel design/build, equipment replacement, and voyage operations to ensure full compliance and reduce air emissions. To meet the IMO 2020 global sulfur cap, the fleet uses 0.5% LSFO worldwide; $\leq 0.1\%$ sulfur fuel in Emission Control Areas (ECAs); and $\leq 0.1\%$ sulfur distillate (MGO/MDO) within 24 nautical miles off the California coastline. To comply with NOx emission limits for marine engines, engines are tuned and operated to meet Tier I or Tier II requirements. In 2024, the Company did not emit ozone-depleting substances (ODS) during vessel operations.

Category	Three Years statistics for air pollutant emissions from Fleet			Unit: Metric ton
	2022	2023	2024	
Nox	8,941.756	8,558.826	7,609.619	
Sox	1,103.385	1,060.769	939.428	
PM ₁₀	525.000	504.499	446.968	

Notes:

1. Activity data are based on ClassNK fuel consumption verification.

2. Calculations adopt emission factors and formulas from the IMO Fourth GHG Study and related methodologies.

3.7 Protection Marine Ecology

The biodiversity of marine ecosystems underpins harmony between people and nature. With global trade expanding, over 80% of goods move by sea, ballast water and hull-fouling organisms can introduce non-native species into unfamiliar waters, threatening local ecosystems. Shih Wei is committed to international ocean-protection rules and to reducing the environmental footprint of marine transport. The Company's HQ is not located in a protected area or other site of high biodiversity value.

Marine Protected Areas (MPAs), established by law or other effective means—safeguard ecological and cultural assets. As of 2024, MPAs cover 8.19% of the world's oceans; within national waters they account for 18.76%, while only 1.44% of areas beyond national jurisdiction are protected. From the Cook Islands' Marae Moana (1.976 million km², coral reef conservation) to Antarctica's Ross Sea (1.55 million km², polar habitats), MPAs help maintain biodiversity, regulate climate, and support sustainable fisheries.

Shipping poses risks including ship strikes, underwater noise, ballast-water-borne invasive species, and air/water pollution linked to sulfur oxides. The IMO has limited marine fuel sulfur content to 0.5% globally since 2020; in designated Emission Control Areas, the limit is 0.1%. In 2024, Shih Wei's fleet sailed 519.88 days in ECAs and MPAs and operated in strict compliance with applicable rules.

To protect North Atlantic right whales, Shih Wei complies with National Oceanic and Atmospheric Administration (NOAA) seasonal management areas by reducing speed to ≤ 10 knots, lowering collision and noise risks. In 2024, the Company participated for a second year in the Protecting Blue Whales and Blue Skies (BWBS) program and received the "Blue Sky" recognition—the only Taiwan-based bulk carrier Shipowners on the list. In 2024, participation by 743 vessels globally helped achieve: 50% fewer fatal whale strikes, 38% less underwater noise, $\sim 1,400$ mt less SOx, and nearly 50,000 mt less GHG emissions.

<https://www.bluewhalesblueskies.org/press/2024-season-environmental-results>

Encyclopaedia of Shipping

2024 Vessel Speed Reduction (VSR) Zones — California, USA

- San Francisco Bay Area: Encompasses the Bay and adjacent waters. Coordinates include: 39° 0.049' N, 124° 9.929' W; 37° 46.221' N, 123° 46.96' W; 35° 33.1964' N, 121° 37.8288' W.
- Southern California Region: From Point Arguello (Santa Barbara County) to the Dana point, Los Angeles/Long Beach area. Coordinates include: 34° 34.7488' N, 121° 12.7234' W; 33° 18.066' N, 121° 12.7234' W; 33° 18.066' N, 117° 29.988' W.

MPAs are specific ocean regions that are protected and managed, by law or other effective means, to conserve areas with distinctive natural features, important cultural heritage, or ecological resources, with the aim of safeguarding marine biodiversity and ensuring the sustainable use of resources. As of 2024, MPAs cover about 8.19% of the global ocean area; within national waters they account for 18.76%, while only 1.44% of Areas Beyond National Jurisdiction (ABNJ) are designated as protected, with less than 1% of the high seas under protection.

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Commitment to International Marine Environmental Regulations

Because ocean transport relies on ballast water for vessel stability, transoceanic voyages risk transferring pathogens or non-native organisms via ballast discharge or hull fouling. Shih Wei's fleet complies with IMO Ballast Water Management requirements and MARPOL, effectively managing ballast water and fulfilling responsibilities for marine environmental protection.

Shipping activities can also affect terrestrial ecosystems. In February 2024, the US Department of Agriculture (USDA) and Canadian Food Inspection Agency (CFIA) issued the annual Flighted Spongy Moth Complex (FSMC; formerly Asian Gypsy Moth) risk-period guidance for Far East ports. Vessels calling in risk areas must:

1. Undergo inspection and obtain FSMC-free certification to avoid delays or positive findings on arrival.
2. Conduct comprehensive self-inspections before arriving in North America; vessels may be ordered to divert or clean if contamination is found.
3. Submit the previous two years of port-call history 96 hours prior to arrival.

If introduced into non-native regions, these moths can defoliate and weaken trees; two consecutive years of severe infestation may cause extensive forest and orchard mortality, posing serious threats to agriculture and the environment.

Since 2023, Shih Wei has applied silicone-based antifouling coatings on hull whose low-friction surfaces reduce fuel consumption and contain lower biocide levels, more ocean-friendly. Two additional vessels adopted this coating in 2024, advancing the Company's marine protection goals.

∴ Shih Wei complies with IMO international regulations and laws, advancing the Company's marine sustainability goal

International Regulations 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

Within IMO, the Maritime Safety Committee (MSC) and the Marine Environment Protection Committee (MEPC) meet each year, within their respective mandates, to deliberate issues related to maritime safety and marine environmental protection. In 2024, the following marine-environment regulations adopted at MEPC 79 entered into force:

- Arctic ports may join regional arrangements for Port Reception Facilities (PRF) (oil, noxious liquid substances, sewage, garbage, and air emissions). Effective on 1 May 2024.
- Garbage Record Book scope expanded to ships of ≥ 100 GT (previously ≥ 400 GT). Effective on 1 May 2024.
- The Mediterranean Sea has been designated a Sulphur Oxides Emission Control Area (SOx ECA)—covering SOx and particulate matter (PM). effective on 1 May 2024.

Note: Existing SOx ECAs include the Baltic Sea Area, North Sea Area, North American ECA, and the US Caribbean Sea ECA.



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Encyclopedia of Shipping

Blue Skies and Whales Shih Wei's Actions and Recognition



In modern life, we often remind ourselves to slow down and appreciate what surrounds us. Yet beneath the blue surface, whales and countless marine species also depend on our ships to pass gently, so they can roam freely in warm waters. In 2001, a humpback whale survived a propeller strike that left scars up to 30 cm deep; later nicknamed “Blade Runner,” it became a stark reminder of human-ocean encounters and a call to action.

Since 2023, Shih Wei Navigation has participated in the Protecting Blue Whales and Blue Skies (BWBS) Incentive Program,

taking concrete steps to protect marine life and contribute to climate action. The program, jointly advanced by U.S. agencies, environmental organizations and foundations, calls on vessels to slow to 10 knots or under in sensitive waters off Southern California, the San Francisco Bay Area, and Monterey Bay to reduce both collision risks and air pollution.

In 2023, our M.V. Indigo SW was an early participant (with Charterer's consent) and honored with the Blue Sky (speed reduction rate >35%) from the California Marine Sanctuary Foundation.

Slowing down reduces emissions and collision risks while creating safer habitat for marine species. It is a firm step toward green shipping and a sincere commitment to ocean stewardship, aiming for human progress with minimal environmental impact, and a future where people and nature thrive together.

Let's slow our pace and move forward together to safeguard our shared blue home and the life it sustains.”



Blade Runner

Over twenty years on, the humpback whale ‘Blade Runner’ reappeared off the coast of New South Wales, Australia, on August 26, 2023, to the surprise and delight of whale watchers.

Photo credit: ABC South East NSW
<https://www.abc.net.au/news/2023-08-27/rare-whale-bladerunner-spotted-nsw/1027819>



Climate Action and Environmental Sustainability

Ballast Water Management

Ocean transport relies on ballast water for vessel stability; however, transoceanic voyages may transfer pathogens and non-native species through ballast discharge or hull fouling. Once introduced, invasive species are difficult and costly to eradicate and can proliferate rapidly, threatening native species and coastal ecosystems.

Shih Wei complies with the International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention, 2004). With the exception of the passenger ship (exempt due to its characteristics), all vessels implement ballast water management and hold flag-state certificates.

In line with IMO ballast-water requirements and MARPOL, the fleet has established standard management measures; vessels are equipped with ballast water treatment systems and maintain the Ballast Water Management Plan, certificate, and record book to meet discharge rules in each jurisdiction and prevent ecological impacts. This reflects our corporate responsibility to protect the marine environment.

To strengthen professional capabilities, Shih Wei provided training subsidies and role-based courses, helping crew obtain key certifications:

- Electronic Chart Display and Information System (ECDIS) certification courses offered in Taiwan and China. Assistance in obtaining Panama Certificates of Competency (CoC).
- Online “Ballast Water Treatment System” training delivered by Headway Company (4 hours/person) to 86 seafarers, covering system principles, operation, and maintenance, ensuring sound operation, environmental protection, compliance with international rules, and improved operational efficiency.



IAFS CERTIFICATE



BWM CERTIFICATE

Encyclopedia of Shipping

How does ballast water management maintain biodiversity?

Ballast water is seawater, river water, or lake water that is taken into a ship's ballast tanks during navigation to maintain the vessel's stability and balance by increasing its weight. These waters usually contain organisms such as microorganisms, plankton, algae, animals, etc., from different waters. When ships travel to different regions, organisms in ballast water may be released into new environments, potentially introducing invasive species that pose serious threats to local ecosystems and lead to biodiversity loss.

Therefore, effective ballast water management is crucial for protecting marine biodiversity and maintaining ecological balance. Management measures include the followings.

- **Filtration and disinfection:** Many countries and regions require ships to filter and disinfect ballast water before discharging it to remove or kill any harmful organisms.
- **Use of harmless ballast water treatment technologies:** Modern technologies such as ultraviolet light, ozone, or filtration can effectively remove microorganisms from ballast water, reducing the risk of introducing alien species.
- **Monitoring and reporting:** Vessels are monitored to ensure compliance with regulations and detailed records are maintained on the source and treatment of ballast water.
- **Geographical regional management:** Some countries or regions have established regional ballast water management regulations, requiring ships to comply with stricter standards when discharging ballast water in specific waters.





Environmental . Social . Governance

2024
**SHI WEI
NAVIGATION**

SUSTAINABILITY
REPORT

**CHAPTER 4 .
Happy Workplace and
Social Inclusion**

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Happy Workplace and Social Inclusion



Sustainability from Small Actions to Broader Impact



From a Seed of Hope to a Shared Future

Focusing on an afterschool classroom in Wutai, Pingtung, Shih Wei planted a seed of social participation, an initial “point” of hope. As the view widens, this classroom connects with additional community bases, forming a “line” of education and care. Pulling back further, these actions weave into the “surface” of community life and cultural heritage, advancing our ethos of “together for good”, and lighting the way toward a future where everyone can thrive.

Starting with a Point: Kindling Hope in Wutai After-School Support

In 2021, Shih Wei formed a Corporate Social Impact Team and partnered with the After School Association of Taiwan. In late December 2021, we sponsored the Wutai aboriginal base (Wutai base) in Pingtung to ignite a spark of sustainable education.

Through the After-school tutoring, we provide dinners and fruit, and a safe learning environment for 20+ Rukai children, helping fill resource gaps in grandparent-headed (skip-generation) households. Each donated dictionary, each piece of fresh fruit, is a small step that accumulates into transformative support for children's growth. Contributes to SDG 4: Quality Education.

Extending into a Line:

Cross-Base Reading and Creative Expression

A single base is not enough to change reality, so Shih Wei extended care into a “line. Since 2022, In collaboration with Kst Education and The Eastern Publishing, we donated 249 Chinese dictionaries and 387 picture books to 11 afterschool bases to spark reading interest. We hosted the Little Picassos Painting Contest in Pingtung (2023) and Hualien (2024); 63 students expressed their dreams through art. Selected works were incorporated into this Sustainability Report as enduring marks of hope. These acts link afterschool bases across Taiwan, supporting educational equity and psychosocial well-being. Contributes to SDG 10: Reduced Inequalities.

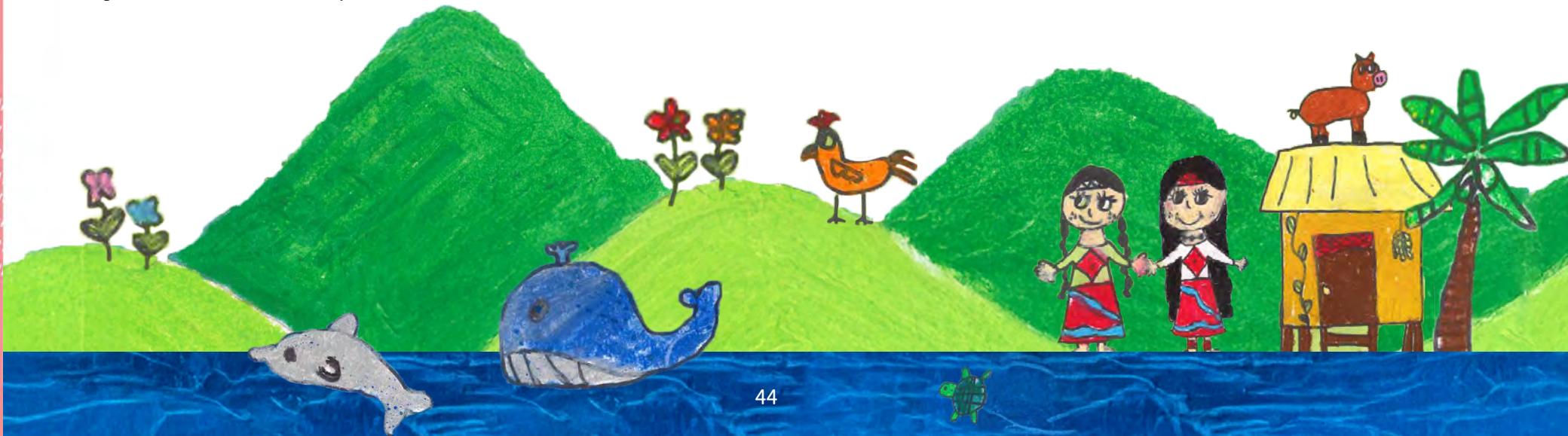


Expanding into a Surface:

Cultural Heritage and Intergenerational Support

As the lens pulls back, the “surface” of social participation takes shape in Wutai and radiates outward. We plan to launch “Maritime Career Exploration Day”, Introduce children to ocean and shipping careers, broadening horizons for future pathways and “Passing on Hope: From Base to Future”, Invite alumni to return and give back, sustaining Rukai cultural transmission and reinforcing a poverty-alleviation mindset.

From Wutai to Hualien, and across Taiwan, education, community, and culture are interwoven to build sustainable communities. Contributes to SDG 11: Sustainable Cities and Communities.



Happy Workplace and Social Inclusion

Management Approach - Occupational Safety and Health

Occupational Safety and Health (OSH)		
Short-Term Targets (2024 ~ 2030)		Medium- & long-term Targets (2031 ~ 2050)
<p>Headquarter:</p> <ul style="list-style-type: none"> Class-2 OSH Supervisor(s) and qualified office first-aiders complete refresher training as required by law. To strengthen safety awareness prior to ship visits, conduct cross-functional pre-boarding OSH training for staff, with enhanced risk communication and related precautions. 	<p>Fleet:</p> <ul style="list-style-type: none"> Hold crew trainings from time to time to improve safety awareness. Introduce digital systems to strengthen management and rigorously assess the physical and mental health of new crew. Conduct ad hoc ship visits to enhance exchanges with onboard crew and encourage the return of high-performing seafarers. 	<p>Continue to strengthen training and legal/regulatory communication to enhance OSH awareness among shore-based and seagoing personnel, implement Shih Wei policies, and strive to build a safe and healthy workplace with zero occupational accidents</p>
Performance Results		
<p>▲ HQ conducted one hands-on exercise using fire extinguishers and indoor hydrants; participation rate was 51% (below the 90% target). No deficiencies were found in labor inspections.</p> <p>▲ Implemented health checks for employees aged > 45 to understand staff' physical health status.</p> <p>▲ The fleet received 1 grievance and 4 work-injury insurance claims; a telemedicine cooperation was signed with medical institutions to provide more comprehensive care.</p> <p>▲ Department heads and staff attended 7 ship-management courses (met the ≥ 5 times/year target).</p> <p>▲ Provided full subsidies for some seafarers to attend ship-related professional training.</p> <p>▲ Regularly held the “Shih Wei Photo Contest – from Seafarers' Angle” to help crew relieve stress through photography.</p>		



• Impacts

The soundness of OSH directly affects employee well-being and the Company's operational efficiency. Employees are a key asset; a safe and healthy work environment boosts morale and service quality, thereby enhancing operation efficiency and corporate reputation. The HQ experienced no actual negative impacts in 2024 and continues risk prevention under the PDCA principle; the fleet received 1 anonymous grievance and 4 work-injury insurance claims (see Chapters 4.1 and 4.3), indicating a need to strengthen accident prevention. If not properly managed, incidents could lead to casualties, property losses, and reputational damage, affecting crew confidence and operations.

• Policies and Commitments

Shih Wei upholds “Safety First, Health Foremost,” creating a secure work environment for HQ and the fleet. We comply with international and domestic OSH laws and regulations, establish policies, and conduct regular audits and ad hoc ship visits by professionals (internal auditors and third-party bodies) to ensure the highest level of safety for personnel whether in the office or at sea. We are committed to continuous improvement in safety management and to achieving zero major occupational accidents, building a healthy, safe, and sustainable workplace with all employees.

• Action Strategies and Plans

To enhance OSH, the Company adopts the following measures:

- 1. HQ:** Establish a Human Rights Policy and promote it to suppliers; conduct fire drills and health-promotion training; provide reflective thermal vests, workwear, and helmets to personnel visiting ships; offer flexible telework arrangements based on job requirements; and implement health checks exceeding legal requirements.
- 2. Fleet:** Conduct ad hoc safety and health trainings and share real cases; investigate incident causes and formulate preventive measures; monitor weather and sea conditions to issue alerts and assist ships in choosing optimal and safe routes; supervise high-risk operations and ensure use of protective equipment; urge labor service companies to strengthen pre-employment training; and, in the event of casualties, assist the individual or family with proper insurance handling.
- 3. Digitalization and Training:** Plan to introduce electronic SMS documentation and complete cloud HR system deployment to improve management efficiency and facilitate crew access to rules.

Happy Workplace and Social Inclusion

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• Management and Effectiveness Measurement

The HQ provides multiple communication channels to gather employee feedback, strictly enforces safety policies, and continues training, aiming for zero incidents. In addition to providing the fleet with legally required medical supplies and medicines as per the MLC Compliance Manual, general medicines are also available for crew as needed. For maritime medical incidents, the master can contact the International Radio Medical Center or the Company's contracted telemedicine service to minimize injury/illness. Post-incident, root causes are analyzed and the management system improved to prevent further losses. Overall effectiveness is measured by training participation rate, completion rate of health checks, and incident statistics.

• Designated Department

The General Affairs & OSH Section, Administration Department oversees safety management at the HQ. Heads of Crew Management Department, Marine Department, Risk Management Department, and Business Department together with each vessel's Person-In-Charge manage fleet OSH. The Company allocates resources to training (≥ 5 management trainings per year), health checks, telemedicine cooperation, and digital systems to ensure policy implementation.

• Grievance Mechanism

The HQ has a sexual-harassment prevention hotline, a grievance mailbox, and an unlawful infringement reporting form. For the Fleet, contact information is posted in public areas such as the bridge to enable employees and crew to lodge grievances, ensuring that feedback reaches management and is incorporated into improvement actions.

Note: “✓” Achievement, “▲” Continuous Improvement

Management Approach – Social Engagement

Social Engagement	
Short-Term targets (2024 ~ 2030)	Medium- & long-term targets (2031 ~ 2050)
<ul style="list-style-type: none"> • Maintain existing activities • Introduce additional carbon reduction actions • Conduct Maritime Career Exploration Day 	<ul style="list-style-type: none"> Accumulate 20 beach or mountain cleanups; build diverse partnerships to co-create a better community.

Performance Results
<ul style="list-style-type: none"> ✓ Completed 2 beach cleanups and 1 marine debris mural. ✓ Donated proceeds from table-hockey games and gift box sales ✓ Continued sponsorship of After School Association's Wutai base and the fruit-support program. ▲ Progressively installed RO maifan filters to improve crew drinking-water health.



Happy Workplace and Social Inclusion

• Impacts

Social engagement is the key to embedding ESG into Shih Wei's corporate culture, influencing employees, communities, and the environment. Guided by the ethos of "together for good", we focus on marine biodiversity, waste reduction, and GHG mitigation, while supporting disadvantaged groups and cultural heritage to foster positive social cycles. Potential positive impacts include heightened employee purpose, improved community well-being, and a stronger corporate image; potential negative impacts may include misalignment with beneficiary needs, limited activity effectiveness, or higher operating costs. Through social participation, the Company responds to the SDGs (e.g., SDG 3, 4, 6, 11, 13, 14, 17), advancing education, environmental sustainability, and partnerships to progressively build a culture of sustainability.

• Policies and Commitments

Following the principle of "Small acts, Wide impact", Shih Wei has formulated a "Together for good" public-interest strategy and invests in long-term social participation aligned with the SDGs. The Company commits to safeguarding lives, vessels, cargo, and environment, and extends this to social care, supporting SDG 4 (Quality Education), SDG 13 (Climate Action), SDG 11 (Sustainable Cities and Communities), and SDG 17 (Partnerships for the Goals), to enhance social impact and promote environmental and local development.

• Action Strategies and Plans

To achieve its social engagement objectives, the Company adopts the following measures:

1. Environmental action: Held 2 coastal cleanups; created 1 marine-debris mural; promoted marine and environmental education.
2. Education support: Sponsored the After School Association's Wutai base in Pingtung for 3 consecutive years; donated fruit, dictionaries, and 82 sets of the board game "Be a Sea Turtle"; hosted the 2024 Little Picassos Painting Contest; provided learning resources for aboriginal children.
3. Community care: Donated ASUS "Refurbished Computer – Hope Project"; donated second-hand warm clothing to an animal protection association; donated second-hand goods to Hualien 5 way house and Wanhua Dashuigou 2nd hand shop to advance the circular economy.
4. Employee engagement: Organized an in-house table hockey game and gift-box charity sales and donated the proceeds; employees sponsored the Dream Gift Program; employees could exchange blood donations for extra leave; purchased small farmer honey date gift boxes and Mikania micrantha (mile-a-minute weed) product sets for holiday gifting; purchased vouchers via "Buy Directly from Farmers" to support the local economy and employee well-being.

Long-term Plan: Start from the After School Association of Taiwan, and integrate the core shipping business to explore children's career education.

• Management and Effectiveness Measurement

A cross-functional Corporate Social Impact team coordinates programs and reports to the Sustainability Development Committee at least once per year, consolidating activity data (e.g., cleanup results) to guide improvement. Effectiveness evaluation focuses on participation counts, social impact, and the enhancement of employee purpose, ensuring alignment with SDG targets and continuous improvement.

• Designated Department

The Corporate Social Impact Team is responsible for planning and execution, with the Administration Department coordinating cross-departmental collaboration. The Company allocates resources to activity budgets (e.g., cleanups, marine-debris mural), donated materials (e.g., board games, computers), and local procurement to ensure the social-participation strategy is implemented.

• Grievance Mechanism

Internally, employee feedback is gathered to collect opinions; externally, the Company conducts interviews and experience-sharing with nonprofit partners, adjusting programs to improve resource effectiveness. Communication channels include questionnaires, phone calls, email, and in-person visits to ensure stakeholder participation and reduce execution bias.

Note: "✓" Achievement, "▲" Continuous Improvement



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4.1 Happy Workplace

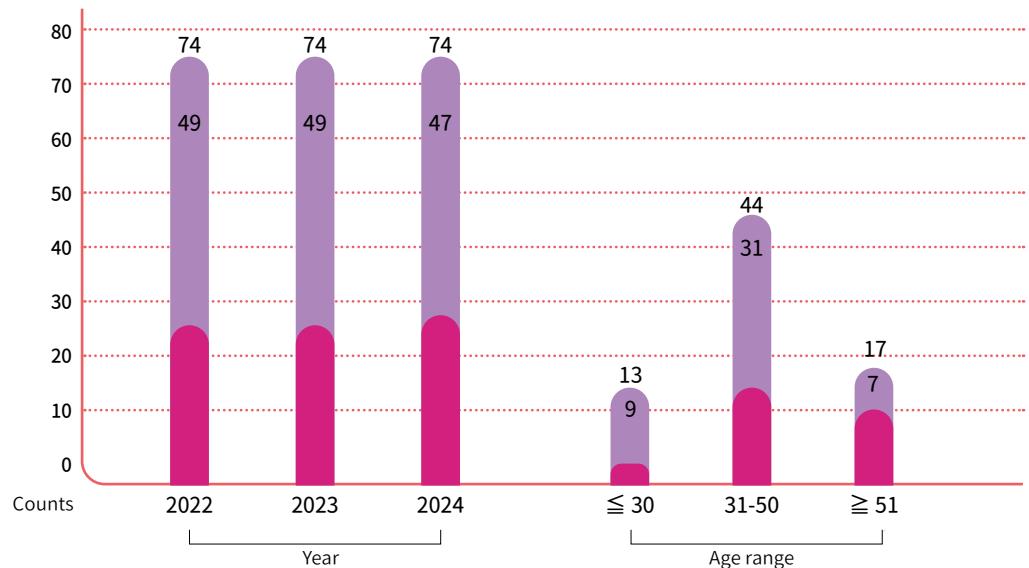
Workplace Composition

Due to the characteristics of the industry, Shih Wei divides employees into onshore and seafaring personnel; both are core assets that ensure stable operations. We comply with domestic and international laws and value labor and human rights. Management policies are formulated according to job characteristics, covering performance appraisal, compensation and benefits, training and continuing education, with the aim of safeguarding employee rights and promoting sustainable operations.



Note: All Company's employees are full-time. There are no agency-dispatched workers, part time student workers, interns, or volunteers (i.e. non-employee workers), and no employees hired on zero-hour or temporary contracts.

3 years of onshore counts and workplace composition



Happy Workplace and Social Inclusion

Onshore Personnel

The Company's operations HQ is located in Taipei. Onshore employees total 74 (including senior management), comprising 73 Taiwan nationals and 1 Hong Kong national; 100% of senior management are Taiwan nationals.

The Company operates in accordance with Taiwan regulations and is committed to providing equal employment opportunities to disadvantaged groups. In 2024, the Company employed 1 person with a disability, demonstrating a commitment to diversity and inclusion. In the event of significant operational changes that may affect employees' labor rights, the Company strictly adheres to the Labor Standards Act and other laws, and provides advance notice based on years of service to ensure sufficient time and mental preparedness for adjustment.

3 years New Hires / Separations Statistics												
Year	2022				2023				2024			
Gender	Female		Male		Female		Male		Female		Male	
Item/Age	Count	New Hire rate (%)	Count	New Hire rate (%)	Count	New Hire rate (%)	Count	New Hire rate (%)	Count	New Hire rate (%)	Count	New Hire rate (%)
≤ 30	4	26.7%	4	26.7%	1	10.0%	5	50.0%	1	11.1%	2	22.2%
31-50	3	20.0%	4	26.7%	2	20.0%	2	20.0%	1	11.1%	4	44.5%
≥ 51	0	0%	0	0%	0	0%	0	0%	0	0%	1	11.1%
Item/Age	Count	Separation rate (%)	Count	Separation rate (%)	Count	Separation rate (%)	Count	Separation rate (%)	Count	Separation rate (%)	Count	Separation rate (%)
≤ 30	4	40.0%	1	10.0%	1	10.0%	4	40.0%	2	22.2%	2	22.2%
31-50	4	40.0%	1	10.0%	2	20.0%	3	30.0%	0	0%	1	11.1%
≥ 51	0	0%	0	0%	0	0%	0	0%	2	22.2%	2	22.2%

Notes:

1. New-hire rate (%) = number of new hires in the category (gender, age) in the year / total number of new hires in the year.

2. New-hire counts are not reduced by mid-year separations.

3. Separation rate (%) = number of separations in the category (gender, age) in the year / total number of separations in the year.

4. Separation counts include voluntary resignations, dismissals, retirements, or work-related fatalities.

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



Employee turnover of onshore personnel in the past three years



Happy Workplace and Social Inclusion

Workplace Diversity and Equality

Shih Wei is committed to fair treatment. Pay and positions do not differ by gender, age, nationality, or ethnicity; we ensure equal pay for equal work and equal promotion opportunities. In 2024, the Company employed 1 foreign professional and 1 aboriginal; female senior managers (senior manager and above) accounted for 75%, demonstrating inclusion outcomes. To uphold gender equality and personal dignity, the Company has formulated the “Measures for the Prevention of Sexual Harassment, Grievances, and Discipline”, invited the Women and Children Protection Division of the Taipei City Police Department to deliver training during the reporting year, and holds ad hoc gender-equality education to strengthen a culture of workplace equality.

Employee Category	2 year Onshore personnel composition			
	2023		2024	
	Female Count	%	Female Count	%
Senior management	7	9.5	5	6.8
Management	16	21.6	9	12.2
Staff	26	35.0	11	14.9
Senior management	7	9.5	7	9.5
Management	16	21.6	11	14.9
Staff	24	32.4	13	17.6

Note:

1. Senior Management: Heads of departments and senior manager level and above.
2. Management: Supervisors other than staff and senior management.
3. Staff: Below deputy section chief (exclusive).

Seafaring Personnel

Seafaring personnel are seafarers. Most are assigned by crewing agencies, which fulfill related obligations and arrange applicable insurance. Each contract averages about 10 months, with signing-off upon contract completion. These seafarers do not have a direct contractual relationship with the Company, and whether they return to serve on our fleet in the future depends on the crewing agency's arrangement; therefore, new-hire and separation figures for seagoing employees cannot be calculated.

Anyone aged 18 or older holding legally compliant seafarer certificates and a passed medical examination may be engaged, regardless of gender. In 2024, most assigned seafarers were PRC nationals, followed by Indian and Bangladeshi nationals, totaling 497 persons; among all seafarers, 1 was female and the rest male.

Note: “National vessels” refers to ships flying the Taiwan flag.

Employee Care

Employee Compensations and Incentives

Onshore Personnel



Shih Wei provides fair and market-competitive compensation to attract, retain, and motivate talent. An annual performance appraisal is conducted for all employees and serves as the basis for bonus distribution. Compensation primarily includes monthly salary (base pay and meal allowance), performance bonus, festival bonus, and employee remuneration.

Link between Business Performance and Employee Compensation

Shih Wei implements an employee remuneration system that closely links personal development with the Company's vision, sharing business results. The bonus scheme is based on annual operating profit after tax and allocated by seniority and performance appraisal to motivate morale. Under Article 32 of the Company's Articles of Incorporation, if there is annual profit (before employee and director remuneration, and before tax), no less than 2% is appropriated as employee remuneration and no more than 5% as director remuneration; eligible employees of subsidiaries may be included. If there is an accumulated loss (including adjusted Undistributed Surplus Earnings), the amount shall first be retained to cover the loss. This system enhances employee participation and promotes sustainable development.

Equal Pay for Equal Work

The Company complies with labor laws and the Act of Gender Equality in Employment. Starting salaries for new hires are higher than the statutory minimum wage. Pay is referenced to job content, experience, and seniority, and selection is based primarily on professional competence. Equal pay for equal work is upheld; no preferential treatment or discrimination is permitted on the basis of gender, age, ethnicity, nationality, religion, or political stance.

For new hires, salaries are determined with reference to prior work experience, competencies, and market rates for the position, yet higher than the statutory minimum wage. In 2024, the average salary for entry-level employees (female and male) was 1.72× Taiwan's local minimum wage.



Happy Workplace and Social Inclusion



Employee Category	Base salary		Compensation	
	Female	Male	Female	Male
Senior management	0.85	1	0.85	1
Management	0.72	1	0.83	1
Staff	0.87	1	1.17	1

Note:

1. Base salary: Monthly fixed recurring pay, including base pay and meal allowance.
2. Total compensation: Annual total remuneration, including performance bonus, festival bonus, employee remuneration, etc.
3. Statistics include those still employed as of December 31 of the year; no exclusions were made for seniority, skills, or job content.
4. Calculations are based on fixed pay in December of the year.

2024 Annual Total Compensation Ratio (Highest-Paid Individual vs. Median of All Employees)

Annual total compensation ratio ^{Note1}	3.72
Annual change ratio in total compensation ^{Note2}	0.19

Note:

1. Annual total compensation ratio = Annual total compensation of the highest-paid individual / median of all employees' annual total compensation (excluding the highest-paid individual).
2. Annual change ratio in total compensation = Percentage increase in the highest-paid individual's annual total compensation / Percentage increase in the median of all employees' annual total compensation (excluding the highest-paid individual).
3. The Company uses the TWSE requirement for disclosure of "Salary information of full-time employees not in managerial positions" as the statistical basis to disclose the highest individual's annual total compensation and the median of full-time employees. "All employees" includes those newly hired or separated during the year; for calculation, their annual compensation is annualized.

Detailed averages/medians for full-time employees not in managerial positions, and year-over-year changes, are available on MOPS: <https://mops.twse.com.tw/mops/#/web/t100sb15>

Seafaring Personnel

Salaries are determined with reference to job content, experience, competencies, and certificates, upholding equal pay for equal work. Seafarer wage baselines follow International Transport Workers' Federation (ITF) standards and do not vary due to gender, age, ethnicity, religion, political stance, or marital status.

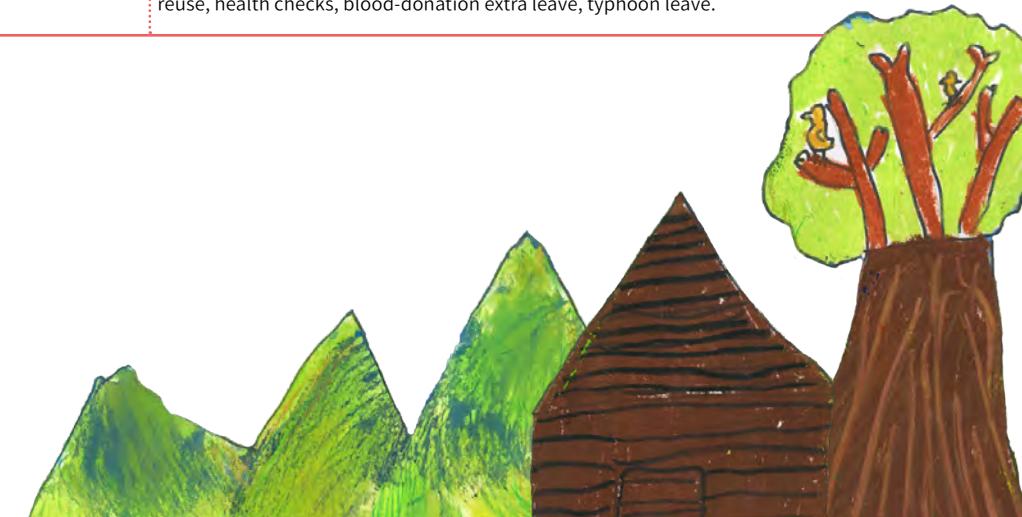
Depending on circumstances, each seafarer may receive bonuses such as seniority/return bonuses, cleaning and hatch-operation bonuses, deck/engine maintenance bonuses, or additional awards for special meritorious performance as approved by the Company's Rewards and Penalties Committee. Bonus calculations vary by seniority or work assignment; therefore, it is difficult to calculate a female/male ratio for salary and total compensation.

Benefits System

Onshore Benefits

To provide a quality work environment, in addition to statutory benefits the Company offers many benefits exceeding legal requirements. For example, a 7-hour workday to support work-life balance. For colleagues with special needs, hybrid work (remote and on-site) is flexibly arranged to accommodate family and work. See the table below for an overview of benefits beyond legal requirements.

Category	Benefit items
Statutory	Labor insurance, National Health Insurance, various leave types, pension contributions.
Beyond legal requirements	Group insurance, festival gifts, scholarships, assistance for marriage/funeral/sick leave and emergency relief, team-building activities, year-end party, employee travel subsidy, pandemic-prevention measures, flexible schedules, 3C device reuse, health checks, blood-donation extra leave, typhoon leave.



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Overview of Benefits Beyond Legal Requirements

Item	Description	Amount (NT\$)/ Note
Festival bonuses & performance bonuses	In accordance with the Employee's Work Rules and the bonus policy	The Company adopts a pay-confidentiality system; amounts are not disclosed
Working hours	Better than the statutory weekly hours; the Company's weekly hours are 35	N/A
Group insurance/Travel insurance	Group insurance for every employee (accident, medical, inpatient and injury inpatient, etc.); additional travel insurance for overseas business trips	435,971
Festival gifts	Gift vouchers or gifts for Dragon Boat Festival, Mid-Autumn Festival, and Lunar New Year	410,140
Scholarship	Scholarships for eligible employees (children) upon submission of each semester's transcript	64,000
Marriage/funeral/sick-leave assistance & emergency relief	Applications accepted with supporting documents per policy	56,500
Team-building activities	Themed group activities and team competitions to foster collaboration and department cohesion	80,466
Year-end party	Year-end party with cash gifts or raffle	447,000
Employee travel subsidy	Irregular employee trips; full subsidy for the employee and one dependent	919,544
Flexible shifts	Annual survey of needs; three shift options are available as a standing policy (not limited to pandemics)	N/A
3C device reuse	Decommissioned work phones offered to employees at favorable prices	Irregular replacements
Health check	Annual items adjusted with Ministry of Health and Welfare (MOHW) serious-illness list; in the reporting year, colorectal cancer and intestinal health were added, subsidizing painless colonoscopy. For employees ineligible by age, non-invasive alternatives were offered (sex-specific ultrasound and cancer biomarkers).	114,000
Blood donation for extra leave	With proof, an employee may convert blood donations to extra leave: up to 12 hours per year; each donation = 4 hours. Dependents' donations also apply: 2 hours each, up to 4 applications.	In 2024, 33 applications (incl. dependents), totaling 106 hours
Typhoon leave	No on-site work required on typhoon days; no pay or leave deducted	5 days in 2024 (7/24, 7/25, 10/02, 10/03, 10/31); total payroll for all employees for 5 days: 845,381

Leave System

Supervisors approve leave requests when employees need to care for family. Employees may take annual leave, family-care leave, and other applicable leave to balance work and family. In alignment with government policy, the Company provides childcare-friendly subsidies to support professional childcare so parents can work with peace of mind; the Employee Welfare Committee also grants a one-time childbirth subsidy.

Parental Leave (Application and Return-to-Work) Statistics

Gender / Total	2022			2023			2024		
	Femail	Male	Total	Femail	Male	Total	Femail	Male	Total
A. Employees eligible to apply for parental leave	5	1	6	7	3	10	6	3	9
B. Employees who actually applied for parental leave in the year	1	0	1	1	0	1	0	0	0
C. Employees due to return to work in the year	2	0	2	0	0	0	1	0	1
D. Employees who actually returned to work in the year	2	0	2	0	0	0	1	0	1
E. Employees who actually returned to work (previous year)	0	0	0	2	0	2	0	0	0
F. Employees who remained employed for at least one year after returning (previous year)	0	0	0	2	0	2	0	0	0
Return-to-work rate (%) (in the year) = D/C	100	-	100	-	-	-	100	-	100
Retention rate (in the year) (%) = F/E	-	-	-	100	-	100	-	-	-

Note: The number of employees eligible to apply for parental leave (A) is calculated by counting those who applied within the preceding three years, measured backward from the current year.

Happy Workplace and Social Inclusion

Seafaring Benefits



Provide high-quality, above-regulatory working conditions.

- Seafarers receive seniority/return bonuses, meal allowances for the three major holidays, newspaper and magazine allowances, and bonuses for entering high-risk areas.
- When vessels sail through piracy high-risk areas (e.g. Gulf of Aden), the Company deploys armed guards, coordinates naval convoy, installs anti-boarding measures (e.g., razor-wire barriers), and provides substantial bonuses.
- If a seafarer is injured or ill and be sent at any port for treatment, in addition to contractual medical benefits, graded disability compensation is provided as per the collective agreement in cases of permanent impairment due to accidents.
- Taiwanese seafarers sign fixed-term employment contracts under the Seafarers' Employment Contract (per Article 13 of the Seafarers Act) and a collective agreement with the National Chinese Seamen's Union.
- PRC seafarer labor service companies provide five social insurances and one fund (pension, medical, unemployment, work injury, maternity; housing provident fund). Given the profession's nature, contributions are fully paid monthly by the labor service company and cannot be arbitrarily suspended, whether the seafarer is on board or on leave at home.
- Strictly comply with MLC work/rest-hour arrangements; overtime pay is provided for hours worked beyond limits.
- Fixed-term contracts are generally 10 months; if a seafarer has served ≥ 7 months and the ship calls at a convenient, economical port, early leave may be treated as contract completion upon request.
- Telemedicine services are provided through an agreement with TMUH to ensure timely professional guidance during illness or accidents, alleviating physical discomfort and psychological stress.

Promote physical and mental well-being and build a work-life balance environment.

- Vessels are progressively fitted with RO maifan filters to improve drinking water quality, reduce reliance on bottled water, and achieve environmental benefits.
- Ensure suitable accommodation and recreational facilities on board.
- Ensure catering in accordance with hygiene standards; employ trained and certified cooks and provide quality equipment.
- Provide pandemic-prevention supplies to effectively reduce infection risk.
- Provide 2 hours of free Wi-Fi per day for communication with family and friends.
- Offer cross-border remittance services, so crew can send accumulated cash home safely, conveniently, and at low cost through lawful channels.
- Hold the regular "Photo Contest – from Seafarer's Angle" to encourage sharing of beautiful moments at work, relieve stress, and recognize outstanding works with monetary awards.
- The Company covers shore-pass fees so seafarers can go ashore for sightseeing, enhancing social interaction.
- For details, see Chapter 4.3 Health Promotion and Medical Services.

For details, see Chapter [4.3 Health Promotion and Medical Services](#).



Happy Workplace and Social Inclusion

Retirement System and Implementation Status

Onshore Personnel

In accordance with the “Labor Standards Act” and the “Labor Pension Act”, the Company has established “Labor Pension Measures”. Retirement benefits are calculated based on years of service and regular wages prior to retirement. Under the old system, 5.2% of total monthly salary is appropriated to the Labor Pension Reserve and deposited in a dedicated account at the Bank of Taiwan under the supervision of the Labor Pension Supervisory Committee. Effective on July 1, 2005, with the implementation of the Labor Pension Act (hereinafter refer to as “new system”), employees who opted into the new system and all new hires thereafter adopt a defined-contribution approach: the Company contributes 6% of the employee's monthly wages to the employee's individual account at the Bureau of Labor Insurance.

- Old-system appropriation: An actuary conducts an annual valuation to ensure adequate funding; NT\$1,022,985 was appropriated in 2024.
- New-system contributions: Employer contribution rate 6% of employee's monthly pay. (2024 employer contributions: NT\$3,650,012 / Annual insured payroll total: NT\$61,304,400).
- As of end of 2024, the Labor Pension Reserve was sufficient to cover the retirement payments for employees eligible to retire in 2025.

Seafaring Personnel

Seafarers serving on Company vessels sign fixed-term employment contracts/collective agreements under Article 13 of the Seafarers Act or the MLC. For National vessels (note), Taiwanese seafarers contribute pensions during the Labor Insurance coverage period. For flag-of-convenience vessels with non-Taiwan seafarers, retirement plans are handled in accordance with the terms of the fixed-term collective agreement; Shih Wei entrusts its labor service companies to fulfill related obligations under the laws of the respective countries and to arrange corresponding retirement and insurance.

Note: “National vessels” refers to ships flying the Taiwan flag.

Talent Cultivation

Performance Development

Onshore Personnel

To attract and retain outstanding talent, foster development, and motivate employees to contribute, thereby creating maximum corporate value, Shih Wei sets annual performance-bonus standards in accordance with the Company's Employee's Work Rules on performance appraisal. Appraisals are conducted annually.

Personnel Appraisal Implementation		
Proportion of employees receiving appraisal	Gender	
	Female	Male
	100%	100%

Notes:

1.The appraisal period is calculated through December 31, 2024.

2.The appraisal applies to all regular employees below the President.

3.The Chairperson concurrently serves as President; the Chairperson's performance is appraised by the Board of Directors and is included in the proportion of female employees receiving appraisal.

Seafaring Personnel

In the reporting year, 100% of seafaring personnel, regardless of gender or rank, received quarterly performance appraisals. Appraisal items include work attitude, technical capabilities, conduct, and knowledge. Results serve as the basis for future crew return (re-hire) and promotion, thereby improving overall crew quality.

Assessment Target	Assessment Timing	Responsible Appraiser	Description
Deck Department Crew		Chief Officer	<ul style="list-style-type: none"> The Chief Officer (C/O) and Chief Engineer (C/E) must appraise crew members in their respective departments fairly, justly, and objectively. Results are entered on the Crew Appraisal Form, submitted to the Master for review and signature, then emailed to the Crew Management Department for managerial review and filing as the basis for future crew dispatch.
Engine Department Crew	• Quarterly • At sign-off	Chief Engineer	<ul style="list-style-type: none"> The Master completes appraisal of the C/O and C/E; forms are filed via email to the Crew Management Department for review and archiving.
Chief Officer, Chief Engineer		Master	<ul style="list-style-type: none"> If a crew member is found not competent, the C/O and C/E shall report to the Master and provide retraining to give the crew member an opportunity to improve; retraining outcomes are recorded on the appraisal form. If retraining is not feasible, the Master shall request replacement via the Crew Management Department.
Master	At sign-off	HQ department heads	After the Master signs off upon contract completion, the Crew Management Department fills out the appraisal; managers of the Risk Management Department, Business Department, and Marine Department add their assessments; the package is then submitted to the President for review and filing.

Note: Seafarers with a service period of less than one month are not included within the appraisal scope.

Happy Workplace and Social Inclusion

Education and Training

Onshore Personnel

Shih Wei has established the “In-service Education and Training Management Measures” to encourage employees to pursue self-development, enhance professional knowledge and skills, and improve work efficiency. To ensure familiarity with maritime regulations and to strengthen fleet safety management, employees are assigned to external trainings from time to time, such as the “International Safety Management Code (ISM)” and the “International Ship and Port Facility Security Code (ISPS)”. To meet internationalization needs, the Company subsidizes foreign-language courses. New employees receive onboarding training; personnel in accounting, audit, and corporate governance undertake annual continuing education at the Company's full expense. In 2024, employees attended 151 professional/education courses, totaling 3,017.95 hours, with 1,238 training participations; the total cost was NTD 197,796, demonstrating our commitment to talent development.

Year	2022				2023				2024			
	Employee category	headcount	Total training hours (hour)	Average training hours (hour/person)	headcount	Total training hours (hour)	Average training hours (hour/person)	headcount	Total training hours (hour)	Average training hours (hour/person)	headcount	
Senior management	Female	5	246.54	49.31	7	441.72	63.10	7	442.95	63.28		
	Male	5	207.33	41.47	5	281.67	56.33	3	149.00	49.67		
Full-time employee	Female	49	1,449.02	29.57	49	1,785.72	36.44	47	1,957.45	41.65		
	Male	25	631.15	25.25	25	1,211.25	48.45	27	1,060.50	39.28		
Total hours		2,080.17				2,996.97				3,017.95		

Notes:

1. Senior Management refers to the highest head of each department and assistant manager level and above.

2. Full-time Employees include all employees.

3. Average training hours (male or female) for each category = total training hours for that gender in the category / year-end headcount for that gender in the category.

Training Investment and Average Training Cost per Person (Past Three Years)			Unit: NTD
Year	2022	2023	2024
Total training investment	245,900	178,878	197,796
Average training cost per person	3,323	2,417	2,673

Note: Average training cost per person = total training investment / total number of onshore employees

Seafaring Personnel

Regardless of gender and rank, in 2024 the average per-person time for onboard drills and related training was 77 hours; including ship-shore joint interactive exercises and quarterly drill-related training, the average exceeded 88 hours per person. To enhance crew competencies, the Company provides training subsidies and role-based courses to help seafarers obtain requisite certificates.



Happy Workplace and Social Inclusion

Multi-channel Communication

The Company has internal communication channels such as labor-management meetings, the Employee Welfare Committee, and manager's meetings. Over the years, labor and management have operated smoothly with mutual respect for labor-management ethics; no major labor disputes occurred in 2024.

Communication and Grievance Mechanism

Onshore personnel



Internal Communication

Employees are our key asset for enhancing competitiveness, and a harmonious labor-management relationship is the cornerstone of sustainable operations. We are committed to a workplace that respects human rights, is free from discrimination and harassment, and provides a safe, healthy, and work-life-balanced environment. Multiple communication channels are provided to listen and respond to employees' voices.



Labor-management Meetings

The Company has no labor union; in accordance with law, quarterly labor-management meetings are convened. Each meeting comprises three employer representatives and three employee representatives to ensure smooth proceedings, safeguard employees' lawful rights and interests, promote understanding of Company operations and major policies, coordinate labor-management relations, and strengthen cooperation.



Employee Welfare Committee

To foster labor-management relations and provide additional benefits and assistance in special circumstances, Shih Wei has, in accordance with law, established an Employee Welfare Committee that offers marriage, funeral, maternity, and sickness assistance, as well as scholarships. The Committee also holds birthday gatherings and grants birthday cash gifts. In addition, on special holidays, group activities, team competitions, and customized e-greeting cards are organized according to local customs to enhance collegiality and teamwork.



Opinions Exchanges

Employees are encouraged to communicate with their management through various methods and channels. Hotlines and Emailboxes are set up for different matters so that voices can be heard and answered.

Hotlines

- Human resource (02)8712-1888 ext. 213
- Occupational Safety & Health (02)8712-1888 ext. 210/226
- Sustainability (02)8712-1888 ext. 225



Grievance Mechanism

The Company has established the "Measures for the Prevention of Sexual Harassment, Complaints, and Discipline" to ensure that employees and job applicants encountering sexual-harassment incidents in the workplace can file grievances through dedicated mailboxes and hotlines. Pursuant to the "Occupational Safety and Health Act", anyone who becomes aware of or witnesses workplace violence may also lodge a grievance through the same channels. All cases are investigated confidentially and, once substantiated, handled in accordance with regulations to uphold a fair and safe workplace.

- Hotline: (02) 8712-6686
- Email: posh@swnav.com.tw

The Company will handle cases pursuant to the above procedures and reply in writing to the complainant with the investigation results to ensure proper case closure.



Measures of Prevention, Complaint and Punishment of Sexual Harassment

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

Seafaring Personnel

To ensure fair, effective, and prompt handling of seafarer complaints alleging violations of the MLC 2006 that infringe seafarers' rights, Shih Wei has established Onboard Complaint Procedures in compliance with the MLC and the laws of Taiwan (for Taiwan-flagged vessels) and Panama (for Panama-flagged vessels).

In 2024, after receiving an anonymous complaint, the Company promptly assigned personnel to investigate and handle the matter in accordance with procedure. The cause was identified as a failure to rectify the situation in a timely manner. Following thorough communication, the Company clarified the handling channels and the case was resolved satisfactorily.

Happy Workplace and Social Inclusion

4.2 Human Rights Management

Shih Wei regards human-rights protection as the core foundation of sustainable operations. We follow internationally recognized human-rights conventions, formulate commitments and implementation guidelines, and ensure that all employees are treated fairly and with respect. We safeguard employees' freedom of association and collective bargaining; seafarers may freely choose to join a seafarers' union or a masters' association, and the Company does not interfere. The Human Rights Policy applies to all entities within the Group (including subsidiaries), all employees, and all operations. The same standards are extended to suppliers, outsourcers, contractors, and customers across the value chain. Since 2023, the Human Rights Policy URL has been added to the order system and email signatures to improve accessibility; advocacy continues so that value-chain partners jointly respect human rights.

In 2024, the Marine Department evaluated long-term suppliers in accordance with Safety Management System documents, conducting annual reviews based on price, quality, service attitude, and environmental & human-rights performance as the basis for cooperation in the following year. New partners are required to sign a Human Rights Agreement to strengthen supply chain human-rights management. During the reporting period, no major suppliers were found to be involved in discrimination, child labor, or forced labor, reflecting the effectiveness of policy implementation. Shih Wei will continue to deepen communication and oversight, joining value chain partners to uphold human rights and promote sustainable development.

During the reporting period

0 DISCRIMINATION
INCIDENTS

0 FORCED
LABOR

0 CHILD
LABOR



Shih Wei Navigation - Human Rights Management

<https://www.swnav.com.tw/sustainability/social/Human-Rights-Management>

:: Examples of implementing human rights commitments

- ✓ Ensure safe and hygienic workplaces and living accommodations, and actively protect employees' physical and mental health.

Example 1: Progressive installation of RO maifan filters across the fleet; completion rate 46% (12 completed out of 26 vessels)

Example 2: On March 25, 2024, Shih Wei and TMUH signed a Telemedicine Care Cooperation Agreement. During the reporting year, 2 emergency telemedicine activations were initiated and successfully completed, with crew members arranged for immediate medical visits upon berthing as per physicians' advice, upholding Shih Wei's policy that personnel safety is the top priority.

Little drops for Sustainability

<https://www.swnav.com.tw/news/662f076e50f95/detail>

- ✓ Safeguard employees' freedom of association and the right to form and join various associations.

Example 3: C/O Ya-Sheng Ma was awarded the Seafarer Award by Chinese Federation of Labour. Link to the News Center:

<https://www.swnav.com.tw/news/66fb6f9159009/detail>



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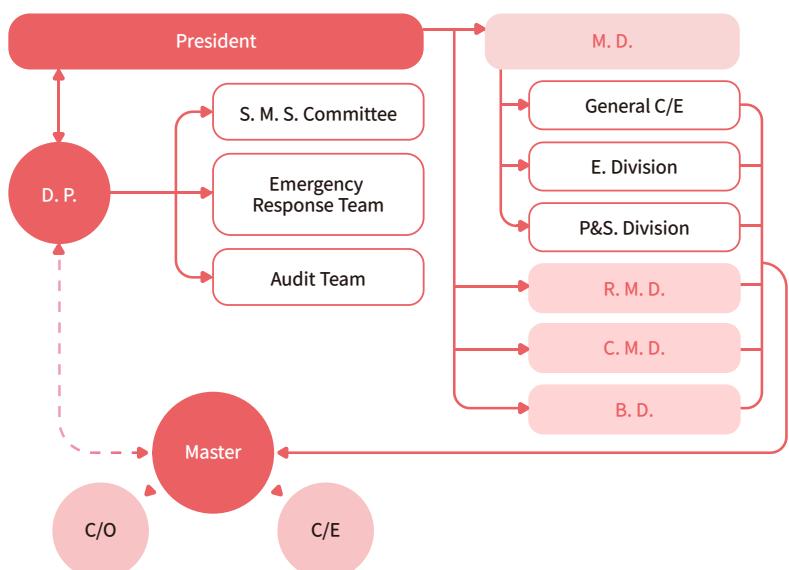
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4.3 Occupational Safety and Health

■ Management System and Regulatory Basis

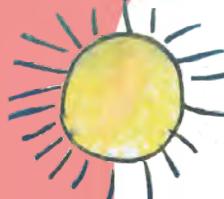
Shih Wei Navigation adheres to four core safety policies “safety of lives, ships, cargo and the environment”, and is committed to safeguarding the work safety of both HQ employees and seafarers. The Administration Department, Crew Management Department, and Risk Management Department jointly maintain a safe and hygienic workplace. Through regular training and communication, the Company raises employees' safety awareness and skills to reduce occupational incidents. Personnel safety comes first. If an employee identifies an imminent danger in the workplace, they may stop work and evacuate to a safe area to protect life and will not be subject to disciplinary action.

With approval from the President, the Company has established a “Safety Management Committee” to formulate and revise the “Safety Management System Manual (SMSM)”, review management procedures, analyze deficiencies, and investigate incidents and accidents. The Committee Chair bears final decision-making responsibility to ensure effective implementation. Each vessel has a Safety and Health Committee (Master, Safety & Health Officer, and Safety Representative). Shipboard Safety and Health Committee meetings are chaired by the Master at least monthly. All crew must attend, and a copy of the minutes is submitted to the Company for review. The Master and the Company ensure timely consultation and handling of issues raised by the Committee or during safety and health audits.



The HQ is a general office environment without production lines or machinery. Headcount does not meet the threshold under the “Occupational Safety and Health Act” to mandate an OSH management system. Nevertheless, to protect workplace health and safety, the Company has established an “Occupational Safety and Health Management Plan” and “Safety and Health Work Rules” pursuant to law. Management follows a PDCA cycle (Plan–Do–Check–Act) with ongoing audits, prompt corrective and preventive actions, and continuous performance improvement to prevent workplace incidents.

For the fleet, to ensure effective management and implementation of safety and environmental policies, Shih Wei complies with international regulations, including the MLC, STCW, ISM Code, and SOLAS, and operates an OSH management system covering hazard identification, risk assessment, and incident investigation. The Company has issued the SMSM and the MLC Compliance Manual to govern all personnel, activities, and workplaces on board; qualified internal auditors and third-party bodies conduct regular shipboard audits and ad hoc ship visits to ensure effective implementation.



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Hazard Identification, Prevention and Risk Management

Shih Wei identifies and manages potential hazards based on workplace and operational characteristics and draws lessons from past incidents and near misses to continuously improve the management system, preventing recurrence and strengthening OSH protection.

HQ: With reference to the Ministry of Labor's "Guidelines for Preventing Unlawful Infringement in the Performance of Duties", the Company conducts hazard identification and risk assessment for potential unlawful acts, implements corresponding controls, and periodically reviews whether current measures require supplementation or improvement, while evaluating effectiveness for future enhancement. The office environment has no special operations, and no risks or incidents of unlawful infringement were identified in the reporting year.

Fleet: Routine occupational hazards include machinery operation and ship maintenance, exposure to chemicals/oils/electrical systems, and uncertain weather/sea conditions (e.g., storms, heavy seas). Non-routine hazards include emergencies (e.g., fire, explosion) and special situations (e.g., piracy, rescue).

Controls include monthly, quarterly, and annual drills to build proficiency in machinery operation, firefighting, and escape procedures. The Company has procedures for crew health and job safety risk assessment, and established a Safety Committee, and designates the C/O as the ISM and ISPS Safety Officer. Monthly safety and health meetings review the effectiveness of pre-work risk assessments. To prevent occupational accidents, injuries, and illnesses, the Company implements a comprehensive protection program and continuously improves safety measures. Where elimination/substitution is not feasible and engineering/administrative controls are already in place, crew may proceed with operations only after a detailed risk assessment and with Personal Protective Equipment (PPE) compliant with regulations.

If an initial risk assessment indicates medium or higher risk, a detailed assessment and additional preventive measures are required until risk is minimized. The C/O inspects passages, work environments, and equipment instructions quarterly; crew quarterly inventory their PPE and report any damage/loss for replacement. Each vessel submits at least one Near-Miss Report per month, analyzing causes and proposing corrective and preventive measures to enhance vigilance.

In line with SOLAS III/19, vessels conduct entry and rescue drills every two months for High-risk work, specifically for enclosed spaces. A risk assessment must be completed before entry; if

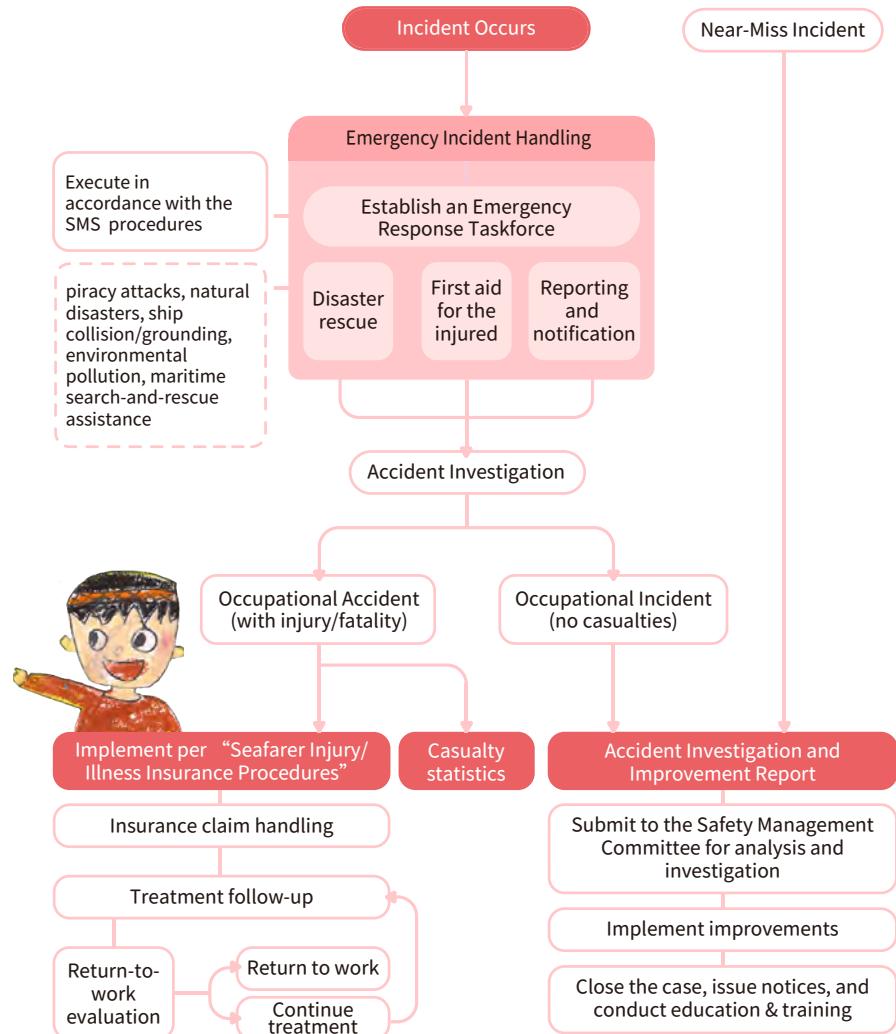
the risk score exceeds 3, controls (e.g., ventilation, gas testing) must be strengthened until within a safe range, after which the Master issues a permit. Permit conditions include adequate ventilation, calibrated gas detector confirming sufficient oxygen and absence of toxic gases, communication and rescue equipment ready; and a watchman at the entrance. Before commencing work, a Toolbox Meeting addresses the work plan, safety procedures, accident prevention, and emergency plans to heighten awareness and response capability in hazardous areas.

Risk Level (Score)	Severity	Recommended Response
1	Trivial	No action required; no recordkeeping needed.
2	Tolerable	No additional controls required; continue monitoring to ensure existing controls remain effective. Consider further controls where feasible without added cost burden.
3	Moderate	Reduce risk with prudent cost control; take timely measures within a defined period. Where moderate risk could entail serious consequences, conduct a detailed assessment to better estimate the likelihood and determine improved controls.
4	Substantial	Do not commence work until risk is reduced; allocate additional resources as needed. If the work is already underway, take emergency measures.
5	Intolerable	Do not start or continue work until risk is reduced. If all resources are exhausted and risk cannot be lowered, the work must be prohibited.

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Occupational Safety Training

To enhance employees' safety and disaster-preparedness awareness, the HQ hold (or participated in) 2 OSH education and training sessions in the reporting year, totaling 129 hours with 103 participations.

For the fleet, we provide general training for crew (e.g., lifesaving, firefighting) and specialized training for specific hazards (e.g., enclosed spaces, high-risk operations). The Master supervises the C/O and C/E in regularly instructing the use of lifesaving and firefighting equipment, conducting drills and recordkeeping in accordance with SOLAS. The C/O conducts monthly lifeboat operations and firefighting drills. The C/E guides safe operation of equipment. The Second Officer (2/O) is responsible for first aid and electronic-equipment training. Quarterly, all ship safety equipment is inspected to ensure crew familiarity with response measures and to reduce accident losses.

Fleet Safety Management Routine Training and Advocacy

Training Category	Content
General training	Lifesaving and firefighting, bunkering, work on/under deck and in machinery spaces (including but not limited to hazardous-activity training such as anchoring/windlass/mooring line operations), enclosed space training, high-risk work, emergency towing drills.
Hazardous-activity training	Enclosed space training, high-risk work, emergency towing drills.
Hazardous-condition training	Accident and emergency response, man-overboard rescue drill
Health training	Regular safety and health training and instruction for crew, including special-hazard information; use of audiovisual materials to raise safety and health awareness, such as Programme of Personal Safety (POPS) training manuals/DVDs and Company E-Circulars featuring real fleet cases.
Safety advocacy for non-crew personnel	Before starting work, conduct a Toolbox Meeting to communicate with non-crew personnel about the work plan and tasks, safety standards and procedures, accident and accident prevention, and emergency response plans.



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■ Health Promotion and Medical Services

Onshore Personnel

Since August 2022, pursuant to Article 20 of the “Occupational Safety and Health Act”, the HQ has provided health check subsidies for new and current employees. In the reporting year, 70 current employees and 4 new employees completed examinations, with no occupational disease cases. In addition to items exceeding legal requirements, employees aged 45 and above were offered painless colonoscopy, ultrasound, and cancer biomarker testing as advanced items.

Employees additionally enjoy group insurance (accident, medical, inpatient). Whether injured on duty or off duty, they are protected. The workplace provides steamers and microwaves to encourage bringing lunch; meeting lunchboxes use reusable tableware; air-conditioning is cleaned annually. To relieve work stress, the Company set up a table hockey room, organized beach cleanups and team-building outdoor activities to encourage exercise and getting outdoors; yoga balls were purchased to reduce sedentary-work injury risk; slash-life sharing session (e.g., singing-bowl workshops) were held to promote mental calm. A Grade-1 energy-efficient refrigerator was installed, enhancing a healthy work environment and a positive atmosphere.

Seafaring Personnel

In accordance with the 2006 MLC Compliance Manual, vessels are equipped with a medicine chest, medical equipment, and guidelines as required by the competent authority. The Master and C/O receive medical training and are responsible for crew health; the 2/O manages the medical room and medical supplies. In the event of accidents or illness at sea, the Master may contact the International Radio Medical Center (C.I.R.M.) or shoreside physicians for tele-diagnosis and medication advice. Upon berthing, the port agent arranges medical visits or brings physicians on board. Quarterly budgets are allocated to procure common medicines (e.g., for colds, sprains), and compliant medicines are provided per the “International Medical Guide for Ships”. The fleet also raises health awareness through safety and health training (including POPS materials and Company E-Circulars) and conducts ad hoc urine tests to prevent drug abuse from affecting mental/physical health and ship safety.

To relieve stress and embody harmony with the environment, the Company continued the third “Photo Contest – from Seafarer's Angle”, encouraging crew to document life on board, share daily moments, and promote interaction.



In Response to World Oceans Day, Excellent Works of the Third "Seafarers' Perspective Photo Competition" are Showcased Publicly at

<https://www.swnav.com.tw/news/667921d59bd7e/detail>

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Occupational-Injury Statistics and Incident Handling

When an incident occurs, an Emergency Response Team must be established, comprising executives and professionals from the Risk Management Department, Marine Department, Crew Management Department, and Business Department, so that when an onboard emergency arises, the necessary professionals can be convened promptly to provide expert assessment and advice, recommending steps the Master should take to ensure fast and correct handling.

An Audit Team (composed of personnel from the Risk Management Department with appropriate training qualifications or external qualified personnel) shall conduct internal audits of Company internal operations and vessels at least once per year. Potential hazards are identified and managed based on the characteristics of the work environment or operational hazards; lessons are drawn from incidents and near-misses to improve system deficiencies and prevent recurrence of similar accidents.

In 2024, the Company's total hours worked were 1,267,113 hours (onshore 129,977 hours; seafaring 1,137,136 hours). There were 11 occupational injury incidents, all involving seafarers. In the reporting year, there were no occupational disease cases diagnosed by physicians, and no fatalities or very serious accidents (Note 1). The Lost-Time Injury Rate (LTIR) (Note 2) for all employees was 8.681 (onshore 0; seafaring 9.673). In addition, the Company had no non-employee workers (e.g., student workers, interns, volunteers).

Note:

1. A very serious accident is defined per IMO MSC Resolution 255(84) as a marine casualty involving a total loss of the ship, fatalities, or serious damage to the environment.
2. LTIR = (Number of lost-time injury cases / Total hours worked) × 1,000,000 hours.

During the reporting year, there were 4 seafaring occupational injury accidents reported to insurance underwriters. After each accident, the Master promptly organized rescue/first-aid, contacted medical institutions, and asked the agents to arrange treatment.

Incident	Emergency response	Follow-up preventive measures
On January 25, when M.V. Indigo SW was transiting the Columbia River, two crew members were affected by swell, resulting in one crew member sustaining fractures in both legs.	Used a stretcher to transfer the injured crew to the medical room; contacted the U.S. Coast Guard to arrange helicopter evacuation.	<ul style="list-style-type: none"> Conduct regular OSH training; issue real-case circulars to raise safety awareness.
On February 29, M.V. Wise SW, while closing hatch covers at an Indonesian port, one crew member's left little finger was crushed and bleeding.	Disinfected and staunched the wound; arranged launch to send the crew ashore for treatment.	<ul style="list-style-type: none"> Investigate causes and implement prevention measures (e.g., improve rope storage, add anti-slip measures).
On March 3, M.V. Aquamarine SW, one crew member slipped while descending stairs, with back and hip pain; later arranged medical treatment and repatriation for examination.	Medication provided for relief; arranged medical visit and repatriation.	<ul style="list-style-type: none"> Strengthen weather/sea-state monitoring, issue early warnings, assist vessels in selecting optimized and safe routes.
On May 6, M.V. Stamina SW, while cleaning the oil separator filter, the lid was not tightened. HFO sprayed out causing burns. One crew member sustained a minor injury and returned to the ship. One was hospitalized 11 days and then returned to the ship.	Performed first aid; transferred both crew to a specialist burns hospital for treatment.	<ul style="list-style-type: none"> For high-risk work, department heads supervise and ensure use of PPE in compliance with safety procedures. Urge labor service companies to strengthen pre-employment safety training for crew. In case of casualties, assist the individual/family in proper insurance handling.

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4.4 Social Care and Investment in Public Welfare

Social Investment Strategy

Shih Wei has long been committed to social participation. Guided by the principle of “together for good”, we continue to support disadvantaged groups and regard social engagement as a lasting commitment to give back to society. Since 2021, the Company has further aligned with the UN SDGs, engaging in social initiatives through diverse approaches to drive positive cycles and sustainable development.

To deepen practice of “together for good”, we established four pillars for social investment, Happy Learning, Environmental Protection, Local Engagement, and Cultural Heritage, and gradually built Shih Wei's social investment strategy. Each year, the Chair convenes the Corporate Social Impact Team to coordinate implementation. In addition to long-term, recurring programs, proposals are discussed and, upon the Chair's approval, a variety of activities are organized to mobilize employees and business partners. Results are reported regularly to the Board to ensure delivery and expand social impact.

Given the characteristics of the maritime industry, Shih Wei has no physical operating sites at ports or terminals overseas, which makes deep local community engagement challenging. We therefore collaborate with the After School Association, Taiwan and sponsor the Wutai Base in Pingtung as a starting point for caring for rural communities. Wutai Township has only one elementary school located in a remote mountain area with inconvenient transport, it faces a shortage of educational resources and lacks after-school tutoring. We support the Association's

after-school center to provide hot meals, homework guidance, and a nurturing learning environment, while fostering awareness and transmission of Rukai culture, offering a safe space for children to learn and grow.

Shih Wei has extended this care to more bases. In early 2024, earthquakes in Hualien and frequent typhoons caused severe impacts. To provide art-based healing and sustain public attention on Hualien, the Company partnered with three Hualien bases to host the “Little Picassos Painting Contest”, giving children a platform to showcase their talents and incorporating their works into this Sustainability Report. Looking ahead, we will continue to cultivate the Wutai base and surrounding communities, balancing Rukai cultural inheritance with local development to realize the vision of sustainable co-prosperity.

On environmental protection and biodiversity, since 2008 Shih Wei has voluntarily reduced speed to 10 knots or below in designated areas to protect North Atlantic right whales and has selected environment-friendly anti-fouling paints during vessel's drydocking to reduce ecological impacts. We promote waste reduction at source, minimize wastewater and waste generation, and discharge shipboard waste in compliance with regulations. All vessels (excluding the passenger ship) have implemented ballast water management and obtained relevant certifications to conserve marine biodiversity. The Company also sets an annual target of at least one beach- or mountain-cleanup event to encourage employee participation and fulfill our environmental commitments.

Social investment pillars	Strategy Description	Corresponding SDGs	Vision	Targets	Target Group	Social impact
Happy Learning	Collaborate with the After School Association to sponsor the Wutai Base in Pingtung and provide diverse sponsorship for other bases so that children can learn happily and grow well.	SDG 4 SDG 17 Extended to SDG 1 SDG 2 SDG 3 SDG 5 SDG 10	<ul style="list-style-type: none"> Reduce the lack of educational resources caused by urban-rural disparities. Provide children with a more diverse stage for development. 	<ul style="list-style-type: none"> Long-term sponsorship of the Wutai base. Enhance children's understanding of the shipping industry. Connect resources to improve the learning environment and support. 	Children in rural areas.	<ul style="list-style-type: none"> Improve education quality. Plant seeds for future career choices by introducing the shipping industry.

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Social investment pillars	Strategy Description	Corresponding SDGs	Vision	Targets	Target Group	Social impact
Environmental Protection	<ul style="list-style-type: none"> Collaborate with external NPOs to plan environmental actions that promote environmental education and raise employees' awareness, contributing to the planet. Since 2008, reduce ship speed to ≤ 10 kts during designated periods/areas along the U.S. East Coast to protect North Atlantic right whales. Since 2023, voluntarily participate in the "Protecting Blue Whales and Blue Skies" program and received Blue Sky recognition. Actively promote waste-reduction at source to minimize wastewater and waste. Implement ballast water management on vessels to prevent and control invasive species impacts. 	SDG 13 SDG 17 Extended to SDG 14 SDG 15	<ul style="list-style-type: none"> Practice environmental sustainability through everyday actions and sustain efforts. 	<ul style="list-style-type: none"> Hold one mountain- or beach-cleanup each year. Raise stakeholders' environmental awareness. Reduce 200,000 PET bottles annually. 	<ul style="list-style-type: none"> Employees Neighboring Communities Marine life 	<ul style="list-style-type: none"> Embed environmental awareness Reduce ecological impacts.
Local Engagement	Participate in nearby community public affairs; care for rural communities and disadvantaged groups; respond to local needs and promote local development through concrete actions.	SDG 11 SDG 17 Extended to SDG 1 SDG 2 SDG 3	<ul style="list-style-type: none"> Promote social inclusion and contribute to a harmonious, inclusive ecosystem. 	<ul style="list-style-type: none"> Advance local-procurement policies to support rural industry development. Assist disadvantaged groups via materials circulation or charity sales/donations. Enhance public recognition of the Company. 	<ul style="list-style-type: none"> Community residents Community organizations 	<ul style="list-style-type: none"> Give back to the community Realize social inclusion.
Cultural Heritage	Expanding from sponsorship of the Wutai base, collaborate with local communities, schools, and NGOs to preserve Rukai culture and promote inter-ethnic harmony.	SDG 11 SDG 17 Extended to SDG 4 SDG10	<ul style="list-style-type: none"> Help promote aboriginal culture and mutual understanding. 	<ul style="list-style-type: none"> Provide children a stage to express unique Rukai arts and culture. Support schools in advancing Rukai cultural education. 	<ul style="list-style-type: none"> Community residents Community organization 	<ul style="list-style-type: none"> Promote Rukai culture and enhance public cultural literacy.

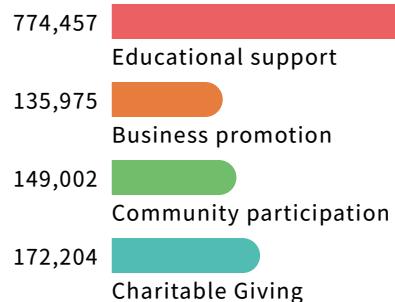
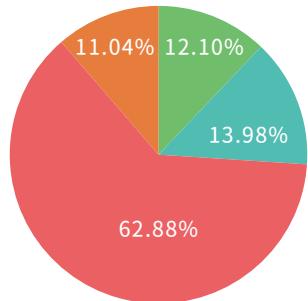


Happy Workplace and Social Inclusion

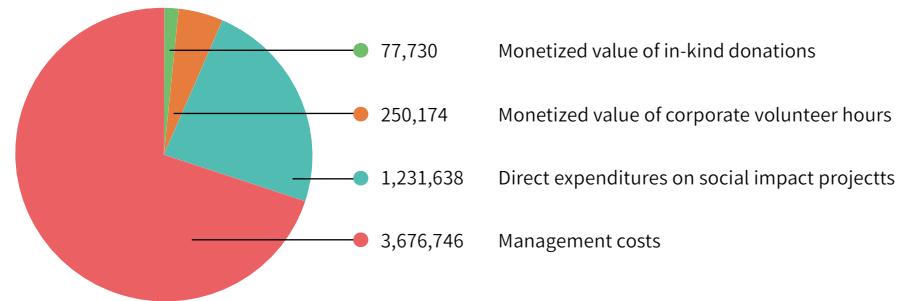
Social Investment Achievements



2024 Types of social investments		Unit: NT\$
Type	Amount	Share
Charitable Giving	172,204	13.98%
Community participation	149,002	12.10%
Business promotion	135,975	11.04%
Educational support	774,457	62.88%



Total Value of ESG-Related Project Investments		Unit: NT\$
Item \ Year	2024	
Direct expenditures on social impact projects	1,231,638	
Monetized value of corporate volunteer hours	250,174	
Monetized value of in-kind donations	77,730	
Management costs	3,676,746	



Happy Workplace and Social Inclusion

In 2024, we continued our collaboration with the After School Association, not only sponsoring the Wutai Base, but also, ahead of the Lunar New Year, supporting base operations through public-interest purchasing by buying fresh honey date gift boxes from the Gaoshu Base's own farm in Pingtung. In addition, the Company joined hands with Wanhua Dashigou 2nd hand Shop, Bali Conservation Center of the Animal Protection Association, and Hualien 5 Way House to launch the "Share to Reduce Carbon" initiative, encouraging employees to donate new or near-new items for reuse by disadvantaged groups, thereby advancing resource circularity and sustainability values.

We believe that while individual efforts may be limited, the aggregation of many small contributions can reach more people in need and create a virtuous cycle of good. Guided by this belief, as of end of 2024 the Company's social participation actions are shown in the table below.

Environmental Protection

Actions List

Beach Cleanup Action

- Organized two Elite Squad cleanups at Waimushan Coast, with 39 participants and a total of 2,110 kg of waste removed.

Circular Economy Response

- Donated 2nd hand items from employees to Hualien 5 Way House and supported Dashigou 2nd hand Shop.
- Responded to the ASUS Foundation "Refurbished Computers for Hope" initiative by donating decommissioned IT equipment, reducing about 3.654 tCO₂e emissions, equivalent to about 304,472 trees not felled.

Source: ASUS Foundation

- Destroyed 2,010 kg of confidential documents using water pulping, which reduced 0.7236 tCO₂e compared with traditional incineration.
- Co-ran New Year and Mid-Autumn charity sales with stakeholders. Proceeds were donated to Yoshi Care Association, Homeless Taiwan Association, and Wanderers' Lodge Association.
- Donated 2nd hand warm clothing to the Bali Conservation Center of the Animal Protection Association



Support for Environmental Advocacy

- Marked World Oceans Day with the 3rd Seafarer's Perspective Photo Contest.
- Marked World Sea Turtle Day with an internal sea-turtle board-game activity, and donated the game to 81 bases, benefiting > 2,000+ children under the After School Association.
- Participated in the BWBS Program

Highlights

Beach Cleanup Action

- Since we set the goal of conducting a beach or mountain cleanup once a year, we have organized two beach cleanup events in 2024. Please visit our official website for details.



Keelung's
Waimushan
Beach



The 3rd Seafarers'
Perspective Photo
Competition

Happy Learning and Local Engagement

Actions List

- Partnered with the After School Association to continue sponsoring the Wutai Base in Pingtung.
- Procured 88 honey date gift boxes from the Association's Gaoshu Base farm in Pingtung
- Donated 55 Mandarin dictionaries to the Association
- Donated 82 sets of the "Be a Sea Turtle" board game to the Association
- Sponsored the fruit program for the Wutai base
- Worked with 3 Hualien bases to organize a painting contest, encouraging children in rural areas to create bravely and express creativity; continued the "Dream Gifts" activity allowing participating children to write down wishes that employees then sponsor. Selected artworks were incorporated into this Sustainability Report's design.

Highlights

This Report features students' artwork as design elements. Both to give them a stage and to let readers appreciate their ideas while reading.



Small
hands, Big
Vision
Protecting
Masterpieces
of Nature - Sea
Turtle Edition



Cultural Development

- Sponsored the 70th Maritime Day event of the National Chinese Shipowners' Association.
- Sponsored the National Taiwan Ocean University Alumni Association.



Environmental . Social . Governance

2024
SHI WEI
NAVIGATION

SUSTAINABILITY
REPORT

CHAPTER 5.
Integrity Governance
and Risk Control

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Integrity Governance and Risk Control



Sustainability Feature

Advancing the Sustainability Vision through Governance

Amid global sustainability trends, proactive corporate governance and sustainability practices have become mainstream. Robust governance is the cornerstone of sustainable development, guiding enterprises to be value-oriented, enhancing competitiveness and social trust, and creating long-term positive impacts on the environment and society.

In November 2024, the Board of Directors established the Sustainable Development Committee and convened its first meeting in December, demonstrating top-down commitment. To align the Board more closely with Company strategy and strengthen its understanding of stakeholders, on November 12 the entire Board, accompanied by senior management and staff, visited the passenger ship Dancewood No. 1 at Keelung Port, gaining first-hand insight into the linkage between vessel operations and sustainable development.

At lunch, the Company deliberately chose a Keelung restaurant rooted in community, environmental sustainability, and local cuisine. Directors sampled dishes featuring local ingredients and sustainable fisheries, introduced by the restaurant owner, and received locally brewed beer as gifts. The ingredients reflected local terroir and the far-reaching significance of sustainable operations for society and ecology, reinforcing symbiosis between the Company and local culture.



After lunch, the Board returned to the office for meetings, including functional committee sessions, held in a paperless manner. Shuttle service used a 20-seater coach to lower the carbon footprint, underscoring a commitment to sustainability starting from everyday actions. The activity both enhanced the Board's understanding of sustainable development and demonstrated Shih Wei's resolve and vision to drive sustainable transformation.

Carbon Reduction Results from the Board's Visit					Unit: kgCO ₂ e
Carbon emissions	Traditional	Low-carbon	Reduction	Reduction efficiency	
Paper use	1.0362	0.0000	1.0362	100%	
commuting	12.3338	5.6056	6.7282	54.55%	
total	13.3700	5.6056	7.7644	58.07%	

Note:

1. Paper-use emissions adopt the average per-meeting carbon figure.

2. Commuting emissions compare two travel modes (self-driving vs. shared coach) for the Nov. 12, 2024 board visit itinerary only.

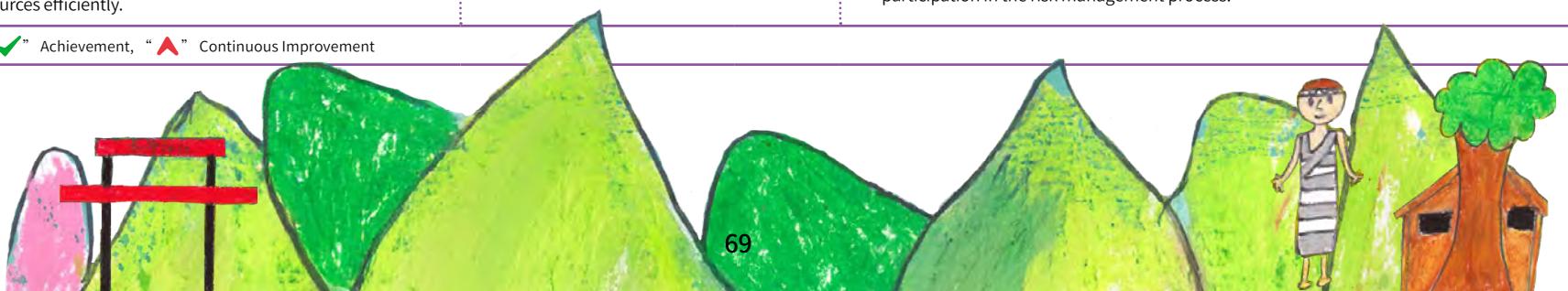


Integrity Governance and Risk Control

Management Approach – Risk Management

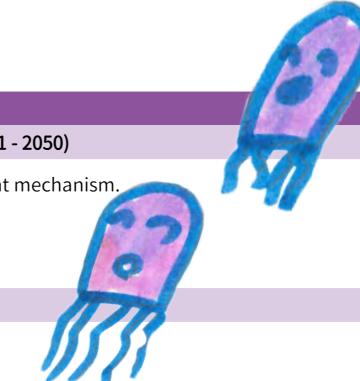
Risk Management	
Short-Term Targets (2024-2030)	Medium- and Long-Term Targets (2031-2050)
<ul style="list-style-type: none"> Maintain quarterly meetings and annual reporting Continue one training per year to strengthen risk management 	<p>Enhance risk-management effectiveness, keep major risks within an acceptable range, and achieve corporate objectives.</p>
Performance results	
<p>✓ Hold one risk management meeting each quarter and report to the Board</p> <p>✓ Conduct at least one risk management training per year to strengthen risk identification and the effective execution of countermeasures.</p>	
<ul style="list-style-type: none"> Impact Effective risk management is critical to sustainable operations. Poor management may cause casualties, financial losses, and operational disruption, undermining strategic goals and reputation. Key impacts include: <ol style="list-style-type: none"> Regulatory risk: IMO decarbonization requirements and carbon border measures may accelerate fleet renewal and increase costs. Operational risk: Unstable supply of low carbon fuels and equipment failures may affect schedules and maintenance costs. Inadequate crew proficiency exacerbates risks. Market risk: Charterers' growing demand for low carbon vessels and transition costs may erode competitiveness and cargo sources. Climate risk: Extreme weather and sea level rise threaten vessel safety and port infrastructure. Effective risk management reduces these impacts and supports steady operations and goal attainment. Policies and Commitments With reference to the “Best-Practice Principles for Risk Management of TWSE/TPEX-listed companies”, Shih Wei established Risk Management Policies and Procedures, committing to safety of lives, ships, cargo, and environmental. We identify potential risks and devise responses, integrating risk into daily management to achieve objectives, improve effectiveness, provide reliable information, and allocate resources efficiently. 	<ul style="list-style-type: none"> Action Strategies and Programs To manage risks, the Company adopts the following measures: <ul style="list-style-type: none"> Fleet renewal: dispose older vessels and acquire eco ships. Regulatory response: Obtain qualification to trade/manage EU ETS allowances and duly surrender EUAs; assess biofuel use to reduce carbon emissions. Personnel training: Strengthen crew skills for low-carbon fuels and equipment operation. Equipment support: Provide antifreeze and other supplies to prevent fuel freezing during cold snaps. Incident analysis: Analyze root causes of actual incidents and PSC deficiencies. Notify the fleet to prevent recurrence. Organizational operation: Establish a Risk Management Task Force to study risk trends and countermeasures on a regular basis. Management and Effectiveness Measurement The Risk Management Task Force (convened by the President and composed of department heads) meets quarterly to assess risk levels, implementation, and trends, with records compiled and at least one report made annually to the Audit Committee and the Board. In 2024, meetings were held on Feb. 27, Jun. 18, Sep. 11, and Dec. 13. Risks are graded by impact and likelihood. With support from external advisors and at least one annual training for new staff, strategies effectively reduce operational impacts. Designated Department The Company holds monthly ship safety meetings, minuting topics for designated personnel to review and file; quarterly cross-functional reviews assess SMS implementation and correct deficiencies. Each Master conducts a 12-month review of safety management (or before relief), with reports filed and commented on. Internal audits are conducted annually in port; external audits are performed by Class per certificate validity. Effectiveness indicators include: management assessment achievement rate (target 100%), improvement in Port State Control (PSC) performance, and major-incident count (2024: ≤ 3) to ensure safety and environmental protection. The Board and Audit Committee supervise the risk management framework (the “Audit Committee Charter” amended Aug. 10, 2023). The Risk Management Task Force coordinates implementation. Departments are responsible for execution. Resources are invested in meeting operations, crew training, and new vessel procurement to ensure risk control capability. Grievance Mechanism Seafarers may contact Company designated personnel directly to report safety or pollution issues. Onshore staff may submit feedback via mailboxes (hr@swnav.com.tw, director@swnav.com.tw, independent_director@swnav.com.tw) to ensure stakeholder participation in the risk management process.

Note: “✓” Achievement, “▲” Continuous Improvement

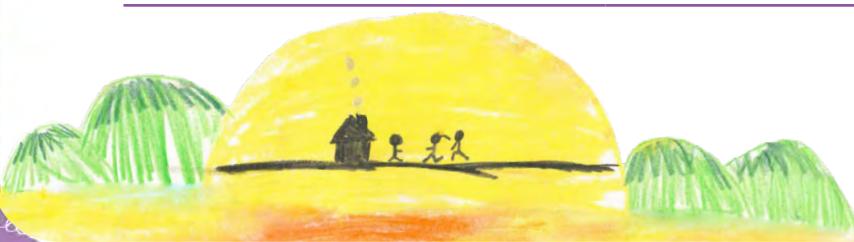


Integrity Governance and Risk Control

Management Approach - Ship Safety

Short-Term Targets (2024 - 2030)		Ship Safety	Medium- & Long-Term Targets (2031 - 2050)
<ul style="list-style-type: none"> Onboard inspection rate reaches 90%. Maintain 100% achievement rate for the management assessment mechanism. Major incidents ≤ 3. 			<ul style="list-style-type: none"> Maintain 100% achievement rate for the management assessment mechanism. Ad hoc ship-visit rate increases by 5% per year. Major incidents reduced to ≤ 2. Continuous reduction in safety incidents.
Performance Results			
 Management assessment: 100% achieved; major incidents ≤ 3 (met).  Onboard inspections by Company personnel: 72% (did not meet the 90% target).  Ballast water system training held (met)			
<ul style="list-style-type: none"> Impacts Ship safety is central to Shih Wei's operation, directly affecting seafarer safety, cargo integrity, environmental protection, and corporate reputation. Zero incidents and zero deficiencies enhance image and efficiency; conversely, in 2024 negative events, such as vessel contact with quay, collision with another ship (M.V. Wonderful SW's incident on Nov. 6), equipment failures (main/auxiliary engines), and cargo damage, may lead to high repair and compensation costs, schedule delays, and breaches of environmental regulations, thereby impacting finances and reputation. Policies and Commitments Shih Wei upholds four safety policies, safety of lives, vessels, cargo and Environment, and complies with the IMDG Code, MARPOL, and SOLAS to ensure compliant cargo stowage and vessel operations. The Company prioritizes crew safety, commits to zero casualties and zero pollution, and references IMO and RightShip standards to maintain high safety in equipment and operations. 	<ul style="list-style-type: none"> Action Strategies and Programs To strengthen ship safety, the Company adopts the following measures: <ol style="list-style-type: none"> Equipment management: Regular replacement of steel wires (max. 2.5 years or 1,000 hours), mooring ropes (≤ 5 years), and thimble spelter sockets (pi-pa heads) (every 18 months) to prevent degradation risks. Personnel training: Ballast water system and COLREGS (International Regulations for Preventing Collisions at Sea) training for both seafarers and shore staff (e.g., Headway online course on September 24, 2024) to enhance operational capability and reduce errors. Accident response: After an incident, notify insurers and port authorities for investigation (e.g., Wonderful SW contact case). Follow SMS, Flag State, Class, and P&I Club guidance for remediation, and complete permanent repairs promptly. Preventive measures: Hold monthly cross-department meetings to review events; issue case circulars (e.g., E-circular 24 ~ 35) fleetwide. Intensify advocacy of the International Regulations for Preventing Collisions at Sea. Monitoring and support: Port Captains ride along to observe operations, provide advice and training. The Company conducts ad hoc ship visits for supplemental inspections. 	<ul style="list-style-type: none"> Management and Effectiveness Measurement The Company holds monthly ship safety meetings, minuting topics for designated personnel to review and file. Quarterly cross-functional reviews assess SMS implementation and correct deficiencies. Each Master conducts a 12-month review of safety management (or before sign-off), with reports filed and commented on. Internal audits are conducted annually in port; external audits are performed by Class per certificate validity. Effectiveness indicators include: management assessment achievement rate (target 100%), improvement in Port State Control (PSC) performance, and major-incident count (2024: ≤ 3) to ensure safety and environmental protection. Designated Department Heads of the Marine Department, Risk Management Department, Crewing Management Department, and Business Department are responsible for ship safety. The designated person (Risk Management Department head) has the highest authority to allocate resources. Investments cover equipment renewal, training programs, the Port Captain program, and repair budgets to ensure execution. Grievance Mechanism Onboard issues may be reported directly to the designated person. For major incidents (e.g., oil spills), the P&I Club coordinates responses. In emergencies, a response task force is convened and countermeasures approved by the President. Follow-up is continuously monitored to ensure participation by crew and external parties in safety management. 	

Note: “” Achievement, “” Continuous Improvement



Integrity Governance and Risk Control

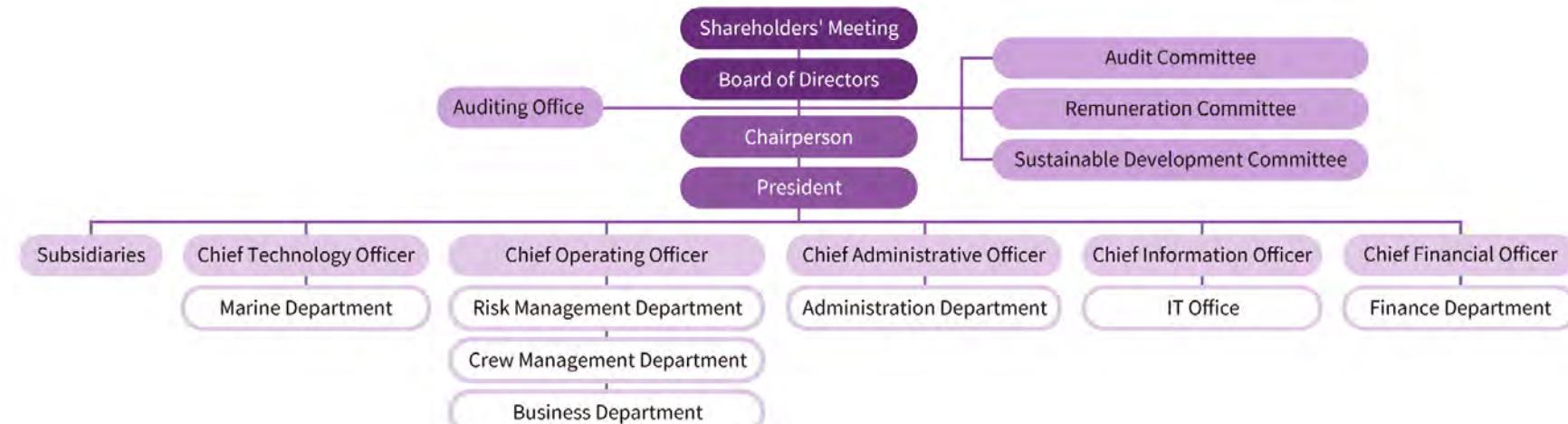


5.1 Governance Structure

Shih Wei upholds integrity as the foundation of corporate operations and strives to enhance corporate governance to fulfill the responsibility of sustainable business. A sound and effective Board of Directors is the basis of good governance. Under the Board, the Audit Committee and the Remuneration Committee assist the Board in performing oversight to honor the trust of shareholders and stakeholders.

The Board of Directors is the Company's highest decision-making and governance body, responsible for supervising overall operations and management's policy execution. Directors are elected in accordance with the Company's Procedures for Election of Directors. The Board features diversity and independence. The Chairperson concurrently serves as President to enhance management efficiency and decision execution. At the 2023 Annual General Meeting, the Company increased the number of independent directors. More than half of the directors do not concurrently serve as employees or managers, thereby improving Board functionality and strengthening oversight.

An Auditing Office is established under the Board, responsible for the Company's auditing work. The appointment and removal of the head of internal audit must be approved by the Audit Committee and the Board.



Board Responsibilities
(Rules of Procedure for Board Meetings, Article 12)
<https://www.swnav.com.tw/uploads/files/shares/policy/policy-10-1130327.pdf>



Procedures for Election of Directors
<https://www.swnav.com.tw/uploads/files/shares/policy/policy-10-1130327.pdf>



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



Integrity Governance and Risk Control

Board Composition

The current Board term runs from June 28, 2023 to June 27, 2026, with 7 directors. Employee-director ratio: 14%; independent directors: 57%; female directors: 43%. Among directors, 2 reappointed; 5 newly appointed; average age 55; all 4 independent directors have less than 3 years of tenure.

Note: For director information, see the 2024 Annual Report, "Corporate Governance Report," p. 4-5.

Board Operation

The Board meets at least quarterly to review and oversee operating performance. Material proposals are submitted to the Board as required by law. To effectively and promptly discuss ESG issues and significant events, including economic, environmental, and social impacts, relevant matters are reported to the Board. Where necessary, the responsible department submits follow-up reports at the next Board meeting. This reflects the Company's strong determination to implement sustainable development.

In 2024, the Board held 8 meetings with an attendance rate of 95%. ESG related items included:

- Mar 26: Report on 2023 sustainability execution results and the 2024 planned sustainability projects.
- Aug 13: Prior to publication of the 2023 Sustainability Report, briefed the Board on stakeholder engagement, material topics, GHG inventory results and assurance status, followed by Board approval of concrete implementation plans.
- Dec 24: Reported annual execution results and Sustainability Report preparation, risk assessment operations and responses, and 2025 sustainability strategy and goals.
- Quarterly: Reported to the Board the GHG inventory and assurance schedule & progress for the parent and subsidiaries.

Summary of major ESG-related proposals reported to the Board in 2024:

Category	Proposal
Governance	<ul style="list-style-type: none"> ▪ Plan to dispose vessel(s) of wholly owned sub-subsidiaries. ▪ Approval of the 2023 Sustainability Report. ▪ Adoption of the "Sustainability Best Practice Principles," "Sustainable Development Committee Charter" , and "Sustainability Information Management Guidelines" . ▪ Nomination and appointment of the 1st Sustainable Development Committee members. ▪ 2024 Integrity Operation & Implementation status. ▪ 2024 Risk Management operation status report. ▪ 2024 Intellectual Property Management plan & implementation status.
Environmental	<ul style="list-style-type: none"> ▪ Quarterly reporting of GHG inventory and assurance disclosure schedule for the parent and subsidiaries.
Social	<ul style="list-style-type: none"> ▪ Report on 2023 ESG execution results and 2024 planned projects. ▪ Report on social impact projects.

Note: For details of ESG-related proposals, see the 2024 Annual Report, p.255, "Summary of Minutes of Board Meetings"

Management Objectives and Practices

Management Objectives	Implementation Status	Improvement vs. previous term or year
Independent directors ≥ one-half of all directors	✓ 4 independent directors > 1/2 of all directors.	+1 independent director vs. prior term. Additionally, appointed one external professional (non-director) to each of the Remuneration Committee and Sustainable Development Committee.
At least one director of a different gender	✓ 3 female and 4 male directors.	+2 female directors vs. prior term
Directors concurrently serving as Company employees ≤ 1/3 of all directors	✓ 1 person. 1/7 of all directors	Chairperson concurrently serves as President due to operating needs
Independent director's tenure not to exceed three terms	✓ All independent directors' tenure under three years; none exceed three terms.	Maintained
Board members possess necessary knowledge, skills, and character to perform duties	✓ All directors possess diverse professional knowledge and skills.	Average 12.6 hours per director, exceeding regulatory requirements. Curriculum and topics are diversified.

Note: "✓" Achievement

Conflict of Interest Management

With reference to the "Rules of Procedure for Board Meetings" , the "Audit Committee Charter" , and the "Corporate Governance Best Practice Principles" , any director who has a personal or represented legal-person interest in an agenda item shall state the material content of the interest. Where the item may be detrimental to the Company's interests, the director shall recuse from discussion and voting and may not act as proxy for other directors. Where an independent director has a dissenting or qualified opinion, it shall be recorded in the Board minutes to ensure independent directors can perform their duties and to enhance Board operations and Company performance.

The Company has no cross-shareholdings with a single major supplier or other stakeholders and no controlling shareholders situation. For agenda items, resolutions, and recusals, see the 2024 Annual Report, "Corporate Governance Report," p. 23.

Integrity Governance and Risk Control

Board Independence and Diversity

The Board's composition strictly follows the "Securities and Exchange Act". No more than half of the Board have spousal or second-degree kinship relationships, ensuring independence. Director nominations follow a rigorous candidate nomination process, enabling shareholders to exercise their rights. Independent directors meet the positive/negative qualification and independence standards under the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". The Board has 7 seats, with 4 independent directors (57.14%), demonstrating high independence. Age composition: 0% under 30; 3 between 30 ~ 50 (~43%); 4 over 50 (~57%). Gender composition: 57% male (4 directors); 43% female (3 directors), reflecting the Company's commitment to gender balance.

Shih Wei is committed to a diversified Board as a core value of governance. We believe diversity enhances decision quality, optimizes structures, and elevates performance and long-term value creation. Director selection is based on professional capability and cross-disciplinary skills, covering business judgment, management experience, leadership, and crisis management to ensure the Board has comprehensive capabilities for a dynamic environment.

Looking ahead, we will continue to review and refine the diversity policy in line with Board operations and development needs to ensure directors possess the requisite expertise and competencies to support sustainability goals and create greater stakeholder value.

For the current Board's diversity implementation, see the website (Board Operations) or the 2024 Annual Report, "Corporate Governance Report," p. 11.



Board Operations

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



Annual Report

<https://www.swnav.com.tw/investors/shareholders-meeting/>



2024 Board Minutes Summary (Key Significant Matters)

<https://www.swnav.com.tw/uploads/files/shares/bod/bod20241231-02-1.pdf>

Functional Committees

To effectively oversee management and establish systems, the Board has set up the Audit Committee, Remuneration Committee, Sustainable Development Committee, and the Auditing Office to ensure shareholder rights and operational transparency.

In 2024, the composition and operations were as follows:

- Audit Committee: Composed of 4 independent directors; 8 meetings; 97% overall attendance.
- Remuneration Committee: Composed of 2 independent directors and 1 member (independent external advisor, not an employee); 2 meetings; 83% overall attendance; no other stakeholders' opinions incorporated.
- Sustainable Development Committee: Composed of the Chairperson, 2 independent directors, and 1 external professional (non-director); 1 meeting; 100% attendance. (Committee term started Nov 12, 2024.)

Functional committees' duties and 2024 operations are available on the website:



Articles of Incorporation

<https://www.swnav.com.tw/uploads/files/shares/policy/policy-01-20250711.pdf>



Audit Committee

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



Remuneration Committee

<https://www.swnav.com.tw/govern/remuneration-committee>



Sustainable Development Committee

<https://www.swnav.com.tw/govern/6788ae5b6eaf3>



Integrity Governance and Risk Control

Remuneration Policy

Director remuneration structure and policy are set in the “Articles of Incorporation” and the “Regulations Governing Compensation for Directors and Managers”. ESG performance indicators are not yet included in directors' KPIs. Except for directors who also serve as employees, there are no pensions, severance, bonuses, or clawback mechanisms.

 Directors	<ul style="list-style-type: none"> The Remuneration Committee sets each director's pay at 0% ~ 150% of industry benchmarks based on participation and contribution. Regardless of profit or loss, the Company grants NTD 3,000,000 annual salary to the Chairperson and NTD 1,000,000 annual salary to each director, pro-rated by days in office during the year.
 Independent Directors	<ul style="list-style-type: none"> Regardless of profit or loss, each independent director receives: <ol style="list-style-type: none"> NTD 10,000 per month NTD 1,000,000 per year Each pro-rated by days in office.
 Managers	<p>The Remuneration Committee sets manager pay at 0% ~ 150% of industry benchmarks based on participation and contribution.</p>
 Employees	<p>Starting salaries for new hires are negotiated by labor and management based on job complexity, responsibility, and education/experience; salary adjustments and bonuses are planned per the “Employee Work Rules” and individual performance appraisals.</p>

Board Effectiveness

Board Performance Evaluation

To implement governance and enhance Board function and performance, the Company has adopted the “Board Performance Evaluation Measures”. Internal evaluations are conducted annually, with results reported to the Board. An external evaluation is conducted at least once every three years. In 2022, an external independent body (Taiwan Association for Honest and Reliable Management) conducted the evaluation, and results were reported to the Board in Q1 2023. Based on the 2022 results, the Company established the Risk Management Task Force in 2023. In 2024, the Board approved the establishment of the Sustainable Development Committee.

Evaluation Results as below. See website for details.

Evaluation dimensions	Results
<ul style="list-style-type: none"> Board's professional competencies Board decision-making effectiveness Board's emphasis on and oversight of internal control Board's attitude toward sustainable operations 	<p>The evaluation concluded that Shih Wei should first set up a dedicated Risk Management Task force given external uncertainties in the shipping market, and then consider establishing a Risk Management Committee or Sustainability Committee to integrate risk assessment and prevention and ensure implementation.</p>

Directors Training

Pursuant to the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies”, and in light of industry changes, internal development needs, and annual strategic priorities, the Company plans courses to enhance directors' expertise and competencies. In 2024, total director training hours were 88, averaging 12.6 hours per person, exceeding the regulatory guideline of ≥ 12 hours for new directors in the year of appointment and ≥ 6 hours per year for continuing directors. Training included ESG related courses such as Corporate Governance and Sustainability Operations Workshop, Sustainability Practices Promotion Seminar, and the 2024 Cathay Sustainable Finance and Climate Change Summit, among others. For details, see 2024 Director Training.



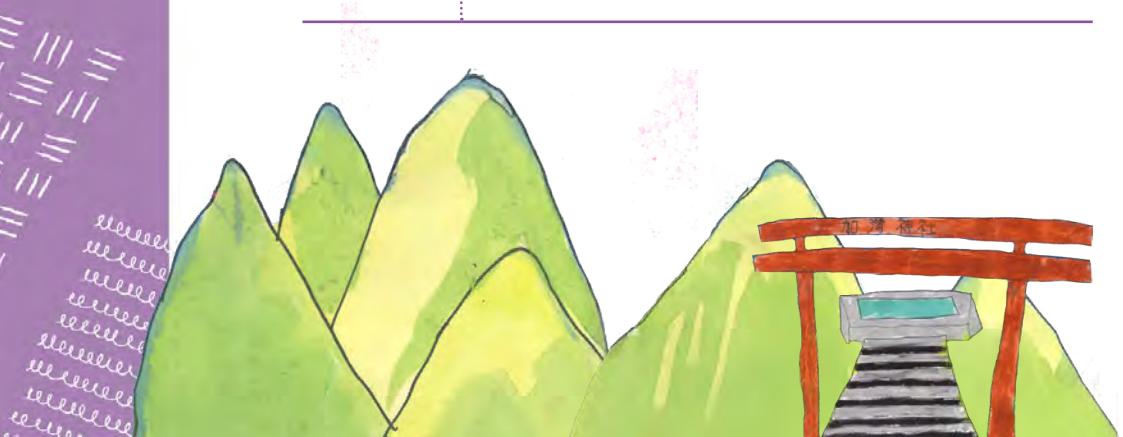
Board Performance Evaluation Measures

[https://www.swnav.com.tw/
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bod-00.pdf](https://www.swnav.com.tw/uploads/files/shares/bod/bod-00.pdf)



2024 Director Training

[https://www.swnav.com.tw/
uploads/files/shares/bod/
bod20241231-03.pdf](https://www.swnav.com.tw/uploads/files/shares/bod/bod20241231-03.pdf)



Integrity Governance and Risk Control

5.2 Integrity in Business

■ Integrity Management System and Implementation

Shih Wei Navigation upholds the principle of integrity and has established the “Corporate Governance Best Practice Principles”, the “Integrity in Business Code of Conduct, Operating Procedures, and Guidelines”, and the “Code of Ethical Conduct” to prevent improper behaviors such as bribery, illegal political contributions, inappropriate donations or sponsorships, and offering or accepting unreasonable hospitality. Employees receive regular education, training, and advocacy. Implementation status is disclosed on the Company website, in the Annual Report, and prospectus.

The Administration Department promotes integrity in business in accordance with Board-approved rules, implements anti-fraud measures, formulates programs to prevent dishonest conduct, reduces related risks, advances policy advocacy and training, plans the whistleblowing system, and assists the Board and management in evaluating effectiveness. Report annually to the Board. Most recent report submitted on December 24, 2024. The Board fulfills the duty of a good administrator and has set up the Audit Committee, Remuneration Committee, and Internal Audit mechanisms to ensure integrity policies are implemented.

To prevent fraud, Shih Wei has established robust accounting and internal control systems; audit personnel conduct audits regularly per plan. In 2024, the audit plan completed 70 internal-control audits with 49 audit reports issued; no violations such as fraud, insider trading, anti-competitive conduct, monopoly, or market manipulation were identified, and there were no related lawsuits or penalties. During the reporting period, the fleet made zero calls at countries ranked in the bottom 20 of Transparency International's Corruption Perceptions Index (CPI).

Details of integrity management implementation are available on the Company website.



Integrity in Business

<https://www.swnav.com.tw/sustainability/governance/Integrity-in-Business>

■ Anti-corruption

The Company's “Employee Work Rules” require employees to be honest and clean. If an employee is verified to have engaged in fraud, embezzlement, bribery, or other improper benefits, the labor contract will be terminated to eradicate corruption. These rules are communicated during pre-employment training. Through internal-control self-assessments, self-supervision is implemented. The Headquarters (100%) is covered by audits. As of 2024, no incidents of corruption occurred involving the Company or insiders. The Employee Work Rules and Integrity in Business Code are available on the Company website for employee reference.

■ Prohibition of Insider Trading

Shih Wei prohibits directors, employees, and other insiders from profiting by trading securities using non-public information. Monthly email reminders are sent to insiders not to trade Company stock during blackout periods being 30 days before the annual financial report announcement and 15 days before each quarterly report announcement.

Annual employee education and advocacy cover definitions, purposes, and elements of material inside information and insider-trading prevention, the subjects involved, abnormal situations, and penalties for violations, reinforcing understanding among all employees and directors.

■ Education and Training

Shih Wei ensures all colleagues fully understand and follow integrity principles through director continuing education, employee training, and written advocacy. At Board level, all 7 members completed communication on the anti-corruption policy. 5 directors completed anti-corruption training (71.43%). For onshore staff, the HQ has 10 senior managers and 64 employees. 100% completed anti-corruption policy communication. Anti-corruption training completion: 10 senior managers 100%, 57 employees (89.06%).

In 2024, the Company organized/participated in 12 integrity-related sessions: 4 courses for directors (18 person-hours, 6 participants) and 8 courses for employees (242 person-hours, 79 participants). To enhance governance transparency, a whistleblowing mechanism has been established with a mailbox on the Company website. One whistleblowing case was received in 2024. After investigation per procedure, the report was found inconsistent with facts and was properly closed. No violations of integrity management policies occurred during the reporting year.

Information restatement note: The Chairperson and President are the same person. In 2023, statistics for “all directors” and “all employees” both included this position; from 2024 onward, to avoid double counting, the Chairperson (President)'s training hours are counted only under “all directors” .

Integrity Governance and Risk Control

Whistleblowing System and Whistleblower Protection

The “Integrity in Business Code of Conduct, Operating Procedures, and Guidelines” include an independent whistleblowing mailbox, legal@swnav.com.tw, and describe the standard operating procedures for handling reports and confidentiality mechanisms. Employees and external parties may report violations of integrity regulations or improper conduct by letter/email.

The Company ensures confidentiality and protection of whistleblower identity and report contents. Whistleblowers should provide at least:

- Name and ID number (anonymous reporting is also accepted), and contact information (address, phone, email).
- The name of the reported person or other identifying information, and specific facts/evidence for investigation.

For the fleet, contact details for Company designated personnel and department heads are posted in key public areas, including the bridge, engine control room, and mess room area, so that crew can readily make contact. In 2024, the HQ received no whistleblowing cases; the fleet received one case, which was investigated and closed.

Major Violation Incidents

Shih Wei's operating sites and entire fleet comply with environmental protection, ship safety, and occupational safety and health regulations to achieve the safety goals of the “Shih Wei Policies” and minimize impacts on the surrounding environment and communities. Where penalties occur, the Company accepts them with sincerity, promptly reviews deficiencies, and implements improvements; corrective actions have been completed and approved upon re-inspection by the competent authority. Shih Wei will continue to strengthen internal audits and operating procedures and enhance employee education and advocacy to prevent violations.

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.

As Shih Wei's risk-analysis measurement standard set in 2023, a major violation is defined as: (1) a domestic fine > NT\$1,000,000; or (2) an overseas fine > US\$500,000. In 2024, neither the HQ nor the fleet incurred any major violations. The total amount of government penalties is disclosed in 2.2 Business Performance Disclosure.

5.3 Risk Management

Shih Wei identifies the opportunities and risks faced by the maritime industry in detail. For each category of opportunity and risk, the respective designated departments take responsibility within their scope of work to leverage advantages and implement corresponding strategies and actions. Risks related to vessel operations are managed in accordance with the ISM Code policies and procedures.

The Board serves as the highest governing body for risk management matters. In 2023, the Company launched a risk management implementation project and established a dedicated Risk Management Task Force to systemically oversee and integrate risk management issues.

Directors and Officers Liability Insurance

To strengthen corporate governance and protect directors and key officers from personal liability and financial loss arising from third party litigation in the course of duty, the Company has placed Directors and Officers (D&O) Liability Insurance with Chung Kuo Insurance. This is intended to mitigate the potential liability exposure they face in the discharge of their duties, ensuring they can focus on the Company's strategy and decision-making.

Given the capital-intensive nature of our industry and the scale of asset purchases, in recent years we have increased the insured amount to US\$10 million to align with our asset size and the proportionality principle in risk management. This mechanism transfers potential liabilities arising from duty performance to the insurer, thereby mitigating unknown risks to overall operations, safeguarding the rights and interests of shareholders and stakeholders, and demonstrating our commitment to sound corporate governance.

Management Procedures and Risk Identification

Management Procedures

Shih Wei's risk management procedures include objective setting and strategy planning, risk identification, risk analysis, risk evaluation, risk response, and risk monitoring and review.

The Risk Management Task Force, with reference to the Best-Practice Principles for Risk Management of TWSE/TPEX-listed companies and other international standards and good practices, develops the risk appetite and risk-analysis measurement standards, which, upon Audit Committee approval, serve as the basis for risk analysis, evaluation, and response execution.

Risk Identification

Each designated department identifies risks for its short-, medium-, and long-term objectives and business mandates in line with Company strategy and the risk management policies and procedures.

Risk identification may adopt feasible analytical tools and methods, drawing on past experience and information and considering internal and external risk factors and stakeholder concerns, to comprehensively identify potential events that could hinder achievement of objectives or cause loss or negative impact to the Company.

Risk sources include strategic, operational, financial, compliance, and other risks.



Risk Management Policies and Procedures

<https://www.swnav.com.tw/uploads/files/shares/policy/police-12-20231103.pdf>



2024 Risk Management Operation Report

https://www.swnav.com.tw/uploads/files/shares/ESG_REPORT/operational-overview/20250109.pdf

Integrity Governance and Risk Control

Risk Identification Results

The Top 10 major risks identified by the Company are summarized below. For linkage to climate risks, please refer to 3.2 Climate Change Risks and Opportunities.

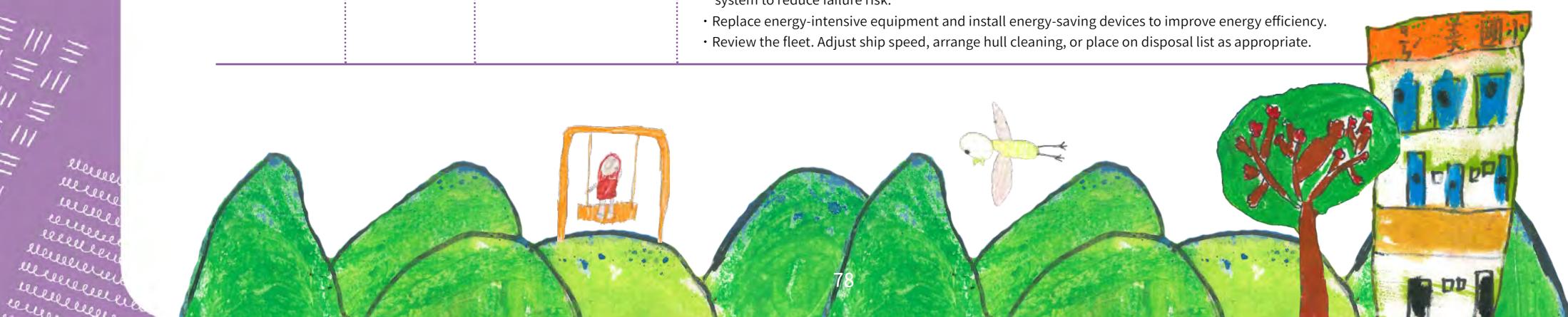


Risk Aspect	Risk Category	Risk Event	Risk Management Measures
Governance	Strategic risk	Geopolitical and other external events	Adopt multiple measures to respond to geopolitical changes, including timely route adjustments, protective clauses and contingency mechanisms in contracts, regular screening against sanctions lists for specific regions/countries, and close monitoring of international political-economic developments to inform and implement response strategies.
Governance	Strategic risk	Asset acquisition and disposal	Strictly follow procedures and applicable regulations for acquiring/disposing of assets. Conduct risk assessments or valuation reports prior to vessel acquisition/disposal to ensure decision accuracy and reliability.
Governance	Operational risk	Ship inspection and rating	<ul style="list-style-type: none"> Maintain SMS effectiveness to prevent incidents and ensure maintenance. Install speed-limiting devices and assess other energy-saving equipment/methods for retrofit planning. Strengthen training and drills. Promptly issue fleet circulars. Increase ship-visit frequency to reduce deficiencies and improve vessel ratings. Use management tools to monitor fleet carbon-intensity indicators in real time. Reinforce audits on maintenance gaps. Analyze causes of inspection/rating deficiencies and implement proactive countermeasures.
Social	Operational risk	Human resources and labor management	<ul style="list-style-type: none"> Regularly review pay/bonuses/job scope and adjust to stay competitive. Sign telemedicine service contracts for real-time medical consultation. Expand multi-national seafarer recruitment to broaden sources. Establish succession plans for critical roles; set talent-development strategies and diverse recruitment channels (industry-academia cooperation, campus recruitment, employee referral incentives, job banks), and collaborate with recruitment vendors/activities to increase exposure.
Governance	Operational risk	Damage to goods/assets/equipment	<ul style="list-style-type: none"> Arrange shore-based professional surveyors or relevant personnel for cargo inspection. Take out cargo liability insurance to reduce financial loss. Implement SMS training and preventive maintenance plans for critical equipment and strengthen spare parts inventory control. Liaise with equipment manufacturers to understand maintenance point and prevent malfunction. Shorten inspection cycles for fuel related equipment.



Integrity Governance and Risk Control

Risk Aspect	Risk Category	Risk Event	Risk Management Measures
Governance	Operational risk	Business continuity & incident/crisis handling	<p>HQ</p> <p>Assess and plan measures. Establish BCP/DRP and conduct regular system-recovery drills</p> <p>Fleet</p> <p>Include protective clauses in contracts. Regularly screen sanctions lists. Track international political-economic developments. Issue fleet circulars on possible incidents, latest regulations, and cautions. Conduct accident-response drills and submit photo. If a ship is detained/arrested, identify causes, liaise with authorities for PSC re-inspection and release the ship, and amend Company procedures and notify the fleet. For incidents, the Master reports immediately and the Emergency Response Task Force is activated. For crew injury/illness, arrange medical assistance at the nearest port or crew change, and contact Maritime Rescue Coordination Center when necessary.</p>
Governance	Operational risk	Data security and personal data protection	Conduct regular data security and personal data protection training. Deploy firewalls with real-time updates. Install and update endpoint antivirus. Regularly update OS/software. Run social-engineering drills. Back up and test-restore data. Establish incident reporting/handling procedures. Implement personal data protection management. And encrypt electronic files during storage/transmission.
Governance	Financial risk	Working capital and liquidity	Perform investment evaluation and budgeting. Reinforce management of current assets/liabilities to avoid overuse of funds. Pursue an optimal capital structure with the lowest total capital cost within acceptable financing risk. Use financial instruments to hedge interest-rate risks.
Governance	Compliance risks	Regulatory Compliance	Track the latest regulations/standards. Actively participate in seminars and engage with external bodies. Implement necessary measures and staff training; analyze regulatory trends and upgrade/replace equipment likely to fall out of compliance. Consult legal counsel or communicate with authorities on ambiguities. Analyze each violation and circulate learnings to prevent recurrence.
Environmental	Compliance & other risks	Environmental risk	<ul style="list-style-type: none"> Implement ISO 14064-1:2018 organizational GHG inventory. Advance energy conservation and carbon reduction. Maintain SEEMP and use StormGeo s-Insight data to capture daily position, cargo volume, fuel consumption/stock, and monitor GHG and air pollutants. Strictly comply with international exhaust-emissions standards. Execute scheduled maintenance as per the Company's system to reduce failure risk. Replace energy-intensive equipment and install energy-saving devices to improve energy efficiency. Review the fleet. Adjust ship speed, arrange hull cleaning, or place on disposal list as appropriate.





Integrity Governance and Risk Control

5.4 Ship Safety Management

Shih Wei's founding intent embraces four safety policies, Safety of lives, vessels, cargo and environment, forming a deeply rooted culture. All personnel, both onshore and seafaring, must understand and comply.

Shih Wei prioritizes Safety of lives as the foremost policy, grounded in the belief that only by ensuring personnel safety can ship safety be secured while safeguarding cargo and the environment. We strictly implement safety management in accordance with applicable domestic and international regulations.

Shih Wei Policies	Implementation Approach
Safety of lives Ensure Personnel Safety	Under the "Shih Wei Policies", personnel safety is top priority. In accordance with the MLC, safety measures are implemented to protect seafarers and prevent accidents. Crew on board are equipped with appropriate workwear, safety footwear, and other PPE, and are required to wear them as specified during duty. If illness or injury occurs while at sea, first aid is administered by the Master or another qualified officer in accordance with Chapter 7 (Shipboard Medical Care) of the Shih Wei MLC Compliance Manual, and the Company is notified for further handling.
Safety of ships Ensure Vessel Safety	To reduce navigational incidents and achieve the goal of safe maritime transportation, Shih Wei's fleet regularly arranges education and training and provides hands-on instruction related to assigned duties to raise safety awareness and responsibility. To uphold ship safety and zero navigational accidents, all cargoes entrusted for carriage are properly and safely loaded in accordance with the IMSBC Code, IMDG Code, MARPOL, and SOLAS. For equipment reliability, crew are required to perform maintenance as per manufacturers' manuals and recommended schedules.
Safety of cargo Ensure cargo integrity	We agree on Cargo Exclusion Clauses with Charterers. Vessels designated to carry specified cargo during the contract period must hold appropriate certificates proving compliance with conditions permitted by the issuing classification society. Charterers are required to ensure that cargo loading/unloading, stowage, and carriage comply with IMO and local laws. The Company and vessels retain relevant certificates. Cargo loading and carriage follow SOLAS, and, where applicable, the IMSBC Code and IMDG Code to ensure dangerous goods are fully compliant with IMDG and related international and port-state requirements. Prior to loading, Charterers must provide a Shipper's Declaration for Dangerous Goods or a Material Safety Data Sheet (MSDS).

Shih Wei Policies	Implementation Approach
Regulations/Policies	Response Measures
Taiwan – Climate Change Response Act	Implemented ISO 14064-1 organizational GHG inventory in 2023; target parent-company external assurance in 2024 and subsidiaries/fleet external assurance in 2025.
IMO - MARPOL	Bilge water and sewage are treated via onboard systems and discharged in accordance with regulations to protect local waters and marine ecology.
IMO- International Convention for the Control and Management of Ships' Ballast Water and Sediments, BWMC	Vessels are equipped with ballast water treatment systems and follow ballast-water management procedures.
IMO- MARPOL Sulphur cap	Fuels are low sulphur to reduce SOx emissions and air pollution.

For details, please refer to the Company website - Maritime Safety Management: <https://www.swnav.com.tw/sustainability/governance/Maritime-Safety-Management>

Disclosure of Vessel Accidents and Safety Management

Item	Description
2024 Vessel safety incidents: 0 times Major incidents percentage: 0	<ul style="list-style-type: none"> Statistics follow IMO definitions of marine casualties and very serious marine casualties. For employee casualties, see 4.3 Occupational Safety and Health Management.
Number of items required or recommended by Classification Society: 25 occurrences	--
Port State Control (PSC): (1) Deficiencies: 207 items (2) Detentions: 2 times (3) No-deficiency rate: 47.6%	<p>In 2024, there were 107 PSC inspections (including third party managed vessels and vessels sold during the year); 51 inspections recorded no deficiencies.</p> <p>Port State Control (PSC) refers to inspections by port authorities under international conventions or regional agreements to ensure safety. Detention (commonly "ship arrest") is a warning sign of inadequate ship management and must be promptly rectified to safeguard the safety of vessels, personnel, and the environment.</p>



Integrity Governance and Risk Control

5.5 Supply Chain Management

Shih Wei regards every supplier as a long-term strategic partner and implements a comprehensive supplier evaluation system to co-create sustainable value. Criteria cover price, quality, and service and further integrate ESG dimensions. Since 2022, standards such as environmental compliance, occupational safety and health, and human rights protection have been incorporated. Related management measures were revised and implemented in 2023 to ensure suppliers' commitments and practices in sustainability.

To deepen sustainability, the HQ prioritizes products with eco-labels or energy-efficiency labels and actively practices local procurement and social impact purchasing (e.g., sourcing agricultural products from local smallholders to support the local economy and reduce transport-related carbon emissions). For fleet management, given industry characteristics, procurement/repair/contracting activities are often conducted in port where vessels call, with local suppliers as primary partners to lower the carbon footprint and foster local economic development.

As of 2024, Taiwan local procurement accounted for 0.89% and overseas local procurement for 99.11%, demonstrating commitment to localization in global operations.

■ Overview of the Marine Industry Supply Chain

Shih Wei collaborates with hundreds of suppliers worldwide, including port agents, ports/terminal operators, and shipyards as key partners. Through collaboration, we promote elevated standards in environmental protection, safety management, and hygiene across the supply chain. Suppliers are required to strictly comply with local laws and meet environmental, labor safety, health, and human rights standards. Responsibilities are also clarified via contract clauses or verbal communications to ensure fulfillment of sustainability obligations.

Operationally, we work closely with suppliers, service/repair providers, and classification societies to address real-time ship needs and ensure safe fleet operations, enhancing efficiency and strengthening supply-chain resilience and sustainability to underpin long-term ESG goals.



■ Suppliers Management System

Shih Wei has established the "Supplier Management Policy" and "Supplier Management Procedures" to govern suppliers' capability and quality requirements, and maintains a "Supplier Directory". At least once a year, performance is evaluated against price, quality, service attitude, and sustainability governance. Where needed, credit checks or bank guarantees are used to mitigate supplier-operation risks. Ongoing assessment and improvement are conducted through routine contacts and ad hoc mutual visits.

We reference the ISSA (International Shipsuppliers & Services Association) member list to identify high quality suppliers. ISSA registered suppliers must follow its Code of Ethics, prohibiting predatory pricing, collusion/monopoly, slander of competitors, exaggerated claims, or poaching, to ensure safe delivery and reliable transactions, and are required to provide compliant product information (e.g., asbestos-free certificates) with each shipment.

As a global shipping company, Shih Wei requires suppliers to comply with Company policies and local regulations via contract-specified responsibilities, including the Human Rights Policy and Sustainability Commitment (see 4.2 Human Rights Management). We work with suppliers to enhance sustainability, maintain service quality, and fulfill corporate social responsibility.



Integrity Governance and Risk Control

Supplier Evaluation

New-Supplier Screening

For fleet procurement, environmental standards are included in screening. Priority is given to:

- ✓ Suppliers of eco-friendly materials meeting asbestos-free requirements or provide MSDS.
- ✓ Many marine spare parts are Japanese brands sourced from several Japanese manufacturers and air-freighted via freight forwarders to suitable ports to reduce transport cost and carbon emissions.
- ✓ Local good quality suppliers at ports of call are preferred to reduce transit time and emissions, improve flexibility, create local jobs, and lower supply-chain GHG emissions.
- ✓ Where no long-term partner exists at a port, suppliers with GMP, ISO 9001, HACCP or those listed by ISSA/ShipServ are selected to ensure delivery safety, transaction reliability, and sustainable-procurement practice.

Since 2023, the Human Rights Policy URL is included in the order system and email signatures (see 4.2 Human Right Management) to improve accessibility; continued advocacy encourages value chain partners to jointly respect human rights. In 2024, three new suppliers were added, all of whom recognized and signed Shih Wei's Human Rights provisions, agreeing to comply during cooperation.

Existing-Supplier Evaluation

Procurement follows procedures that consider market conditions, delivery performance, pricing, and quality responsiveness. The supplier management system verifies environmental and social performance; partners complying with international regulations and holding certifications are prioritized.

- ✓ Environmental dimension: suppliers must provide asbestos-free or non-hazardous marine products. Ropes and wire ropes must carry certificates and break-load test proof. Chemicals (e.g., hold cleaning agents) must include MSDS. Eco-friendly detergents are preferred to reduce potential marine impacts.
- ✓ Social dimension: focus on crew safety and human rights protection to ensure product/service safety and support employee wellbeing.

In 2024, the Marine Department conducted annual evaluations for long-term suppliers across five dimensions: price, quality, service enthusiasm, environment, and human rights. Where deliveries did not meet specifications, the Company promptly coordinated for improvement or replacement/return. Where supply/control lapses were found, explanations and improvement plans were requested. If improvements failed to meet expectations or requirements, cooperation would be terminated. All 102 suppliers evaluated passed. No terminations due to environmental or social negative impacts occurred, indicating effective implementation and no significant adverse impacts.

Supplier Quality Control



Supplier Screening and Control



Comply with procurement procedures

Follow standardized processes based on market conditions, delivery performance, pricing, and quality response details.



Remedy nonconformities

- When abnormalities are identified, coordinate with the supplier to meet Company requirements.
- If lapses are found, request explanations and improvements. If improvements are poor or infeasible, terminate cooperation immediately.



Evaluation and appraisal

Conduct at least one evaluation annually for suppliers. Score based on price, quality, service attitude, and sustainability governance. Provide coaching to suppliers scoring below threshold to align with sustainability policies.



Third-party-recommended suppliers

Where no long-term supplier exists at a port, use ISSA, ShipServ, etc., to identify high quality suppliers.



Fulfil responsibilities

Suppliers must fulfill responsibilities under the Supplier Management Procedures to ensure their operations meet our requirements, promote supplier sustainability, and advance corporate social responsibility.



Integrity Governance and Risk Control

5.6 Data Security Management

With the widespread use of computers and the rapid development of the Internet, society has undergone profound change. Alongside the convenience of information flows come growing concerns over data security. We therefore implement robust protection measures so that convenience is enjoyed only on the premise of security. This is the proper attitude in the information era and the way to meet future challenges.

Shih Wei exercises comprehensive controls over the access, processing, transmission, and retention of customer data, as well as the security of personnel and equipment. Security controls and maintenance measures are applied across application development and maintenance, databases, networks, personal computers, and storage media to prevent theft, loss, or leakage and safeguard customer data.

To maintain normal operation of networked information systems, ensure the security of information transmission and transactions, and protect the confidentiality and integrity of data processed by computers, thereby ensuring the security of data, systems, equipment, and networks. Operations are governed by the “Data Operations Cycle Procedures”, the “Information and Communications Security (ICS) Organization and Management Measures”, the “Information Operations Business Continuity Plan”, and the “Personal Data Protection Management Measures”.

Shih Wei attaches great importance to ICS and has established a Data Security Management Team convened by the head of the IT Office, with members including a qualified information-security supervisor, dedicated Data Security personnel, department heads, and IT Office colleagues. The team regularly discusses and reviews Company-wide information-security issues.

Management and Implementation Methods

In addition to annual internal audits conducted by the Auditing Office, the Company engages an ICA firm to perform an information-operations cycle review annually. We respond to the recommendations in their reports and implement improvements. Examples include:

1. Computer information and communications security control (new in the year: “Legal Software Audit Management Measures” and an internal list of permitted software for installation).

2. Personal-data and confidentiality management.
3. Strengthening overall information-systems integration (continued firewall warranty and threat-intelligence subscription support).
4. Server virtualization and cloud adoption (e.g., the employee portal and HR system), with reinforced security management.
5. Irregular sharing of data security news (five announcements) and social-engineering drills. Continued professional development for IS/IT personnel to obtain relevant certifications (one data-security certificate earned in 2024).
6. Irregular employee training (HQ self-run ICS training: 74 person-hours, 74 total participations. Information unit participation in online/onsite ICS courses or seminars: 43.5 person-hours, 3 total participations).
7. Regular restoration drills for critical systems (2 drills in 2024). Legal software audit spot checks (2 in 2024; 100% pass rate). Internal and external audits covering the information-operations cycle and ICS checks.

Customer Data and Privacy Protection

Shih Wei affords optimal protection to customer-provided data to ensure privacy. Comprehensive controls govern data access, processing, transmission, retention, and the security of personnel and equipment. Corresponding security measures are in place across applications, databases, networks, PCs, and storage media to prevent theft, loss, or leakage and safeguard customer data. In 2024, there were zero complaints concerning infringement of customer privacy or loss of customer data, and zero major information-security incidents.

Ship Information and Communication Security

The Company is committed to implementing ICS on vessels. Always-on satellite networks are deployed so that antivirus software remains up to date. Coupled with firewall controls on both the ship side and ground station, vessel network use is more secure. By the end of 2024, installation of redundant satellite links was fully completed, improving online availability and control over data-security management. We regularly execute sign-offs on the Data-Security Work Code and conduct incident-response drills to enhance crew responsiveness.





Environmental . Social . Governance

2024

SHI WEI NAVIGATION

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Appendix I GRI Content Index

Statement of use	Shih Wei Navigation Co., Ltd. has reported the information for the period January 1, 2024 to December 31, 2024 in accordance with the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	N/A

GRI 2: 2021 General Disclosures

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Material Topics Disclosure

「*」 indicate Shih Wei-specific topics

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	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.3 Occupational Safety and Health Management	62	
	403-8 Workers covered by an occupational health and safety management system	4.3 Occupational Safety and Health Management	58	
	403-9 Work-related injuries	4.3 Occupational Safety and Health Management	62	
	403-10 Work-related ill health	4.3 Occupational Safety and Health Management	62	
Social Engagement				
203 Indirect Economic Impacts 2016	3-3 Management of material topics	4 Happy Workplace and Social Inclusion	46	
	203-2 Significant indirect economic impacts	4.5 Social Care and Investment in Public Welfare	63	
	413-1 Operations with local community engagement, impact assessments, and development programs	4.5 Social Care and Investment in Public Welfare	66	
413 Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	3.7 Protecting Marine Ecology	39	
	Risk Management*			
3-3	Management of material topics	5 Integrity Governance and Risk Control	69	
Ship Safety *				
3-3	Management of material topics	5 Integrity Governance and Risk Control	70	

Appendix

Appendix II SASB Metrics Cross-Reference Table - Marine Transportation

Metric Code	Disclosure	Disclosure Information		Section
		Greenhouse Gas Emissions		
TR-MT-110a.1	Gross global Scope 1 emissions (Metric tons (t) CO ₂ e)	331,223.5777		3.3 Climate Change Mitigation
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	Shih Wei sets GHG-reduction targets aligned with the IMO International Shipping GHG Strategy; see 3.2 Climate Change Adaptation and Climate Risks Management.		3.2 Climate Change Adaptation and Climate Risk Management 3.3 Climate Change Mitigation
TR-MT-110a.3	(1) Total energy consumed (GJ) (2) Percentage heavy fuel oil (%) (3) Percentage renewable (%)	(1) 4,354,597.962 (2) 92.65% (3) 0%		3.3 Climate Change Mitigation
TR-MT-110a.4	Average Energy Efficiency Design Index (EEDI) for new ships (Grams of CO ₂ per ton-nautical mile)	4.763 g CO ₂ /t · nm		Climate Change Mitigation
Air Quality				
TR-MT-120a.1	Air emissions of the following pollutants (Metric tons (t)): (1) NOx (excluding N ₂ O) (2) SOx (3) particulate matter (PM10)	(1) 7,609.619 (2) 939.428 (3) 446.968		3.6 Air Pollutant Management
Ecological Impacts				
TR-MT-160a.1	Shipping duration in marine protected areas or areas of protected conservation status (Number of travel days)	519.8775 days		3.7 Protection Marine Ecology
TR-MT-160a.2	Percentage of fleet implementing ballastwater (Percentage (%)) (1) exchange and (2) treatment	Exchange: 41% Treatment: 100%		3.7 Protection Marine Ecology
TR-MT-160a.3	(1) Number and (2) aggregate volume of spills and releases to the environment (m ³)	No spills during the reporting year		3.7 Protection Marine Ecology
Workforce Health & Safety				
TR-MT-320a.1	Lost time incident rate (LTIR)	9.673		4.3 Occupational Safety and Health Management
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	0		5.2 Integrity in Business

Appendix

Metric Code	Disclosure	Disclosure Information	Section
TR-MT-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption (NT\$)	NT\$0.00	5.2 Integrity in Business
Accident & Safety Management			
TR-MT-540a.1	(1) Number of marine casualties (2) percentage classified as verySerious (%)	Casualties: 0 Very-serious share: 0	5.4 Ship Safety Management
TR-MT-540a.2	Number of Conditions of Class or Recommendations	Recommendations: 25	5.4 Ship Safety Management
TR-MT-540a.3	Number of Port State Control (1) deficiencies and (2) detentions	Deficiencies:207 Detentions: 2	5.4 Ship Safety Management
Activity			
TR-MT-000.A	Number of shipboard employees	497	4.1 Happy Workplace
TR-MT-000.B	Total distance traveled by vessels (Nautical miles, nm)	1,377,582 nm	3.3 Climate Change Mitigation
TR-MT-000.C	Operating days	9135.61 days	NA
TR-MT-000.D	Deadweight tonnage (Thousand deadweight tons)	1,083,182	2.1 Company Overview
TR-MT-000.E	Number of vessels in total shipping fleet	27	2.1 Company Overview
TR-MT-000.F	Number of vessel port calls	754	NA
TR-MT-000.G	Twenty-foot equivalent unit (TEU) capacity	Not Applicable	NA

Appendix

Appendix III TWSE Climate-Related Information Cross-Reference Table

Item	Implementation
Describe the Board's and management's oversight and governance of climate-related risks and opportunities.	
Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	3.2 Climate Change Adaptation and Climate Risk Management
Describe the financial impact of extreme weather events and transformative actions.	
Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	3.2 Climate Change Adaptation and Climate Risk Management 5.3 Risk Management
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.	NA
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.	NA
If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	NA
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.	3.2 Climate Change Adaptation and Climate Risk Management
Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.	Separately fill out in point 1-1 ~ 1-2

Appendix

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 inventory covers the parent company Headquarters, one passenger ship, and vessels operated by subsidiaries/sub-subsidiaries, conducted in accordance with ISO 14064-1.

- 1.The parent-company (standalone) shall commence inventory from 2026.
- 2.Consolidated subsidiaries shall commence inventory from 2027.

	Emission Scope / Category	Year	
		2023	2024
Scope 1	Category 1	369,611.5154	331,223.5777
	Category 1 - vessel fuel	363,950.2699	324,388.2160
Scope 2	Category 2	115.3234	185.3218
Scope 3	Category 3	93,069.6186	82,897.8058
	Category 4		
Total		462,796.458	414,306.705
Revenue (NT\$ million)		3,461	3,493
Ton-nautical Mile		398,541,712,578	385,525,733,199
Intensity (metric tons CO ₂ e/NT\$ million)		133.718	118.615
Intensity (metric tons CO ₂ e/ Ton-nautical Mile)		0.000000913	0.000000841

Note:

1. Ton-nautical miles (Ton-mile) = cargo weight (metric tons) × distance traveled (nautical miles). Given industry characteristics, the Company uses ton-nautical miles to calculate intensity.
2. For intensity (tCO₂e / NT\$ million), the numerator is total emissions; for intensity (tCO₂e / ton-nautical mile), the numerator is vessel fuel emissions.
3. For inter-year comparability, the above revised calculation method has been applied and information restated

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. Fleet CO₂ data are sourced from ClassNK fuel consumption verification.
2. The 2023 Sustainability Report GHG information passed external assurance by Bureau Veritas Certification (Taiwan).
3. The 2024 Sustainability Report is scheduled for publication by end of August; full assurance details will be disclosed therein.
4. In 2023, the Company formally adopted ISO 14064-1 for organizational-level GHG inventories; external assurance for the parent company is planned in 2025, with external assurance for subsidiaries (fleet) to be obtained as well.

Appendix

1-2 Greenhouse Gas Reduction Targets, Strategy, and Specific Action Plan

Describe the base year and data for greenhouse gas reduction, reduction targets, strategies, concrete action plans, and the achievement of reduction targets.

Greenhouse Gas Emission Reduction Base Year and Reduction Target

To plan GHG-reduction strategies, the Company formally adopted ISO 14064-1 in 2023. With the parent company and vessel-operating subsidiaries/sub-subsidiaries as the reporting boundary, the base year is 2023. Scope 1 and Scope 2 emissions are 369,611.5154 and 115.3234 metric tons CO₂e, respectively. From the base year, the Company targets at least 2.9% annual reduction to achieve a 20% reduction by 2030.

Greenhouse Gas Reduction Strategies and Specific Action Plans

The Company actively mitigates GHG impacts to enhance competitiveness. Actions for the fleet and HQ are as follows:

• Fleet

1. Sold 3 aging vessels and added 1 eco vessel to build a younger, eco-efficient fleet. Main-engine daily fuel consumption reduction about avg. 29.65 MT; equivalent to 10.6740 tCO₂e reduction.
2. Based on ClassNK Consulting Service Co., Ltd. (NKCS) calculations, EPL installation on selected vessels to meet EEXI.
3. Use of silicone-based antifouling paint on hull to reduce hydrodynamic drag, improve fuel efficiency, and protect marine biodiversity.
4. The installation of PBCF on vessels to effectively reduce fuel consumption.
5. Full LED lighting retrofit on board. In 2024, Moonbright SW completed full-ship LED conversion, reducing about 43,204.97 kW generator electricity per year, annual fuel consumption reduced by about 28.64 MT and about 10.3104 tCO₂e.

• HQ

1. Replaced fuel-powered company cars with 2 hybrid vehicles, with fuel reduction about 31.61% and reducing GHG emissions about 2.3348 tCO₂e per year versus 2023.
2. Monitored HQ's air conditioning system and optimized operating schedules to conserve energy.
3. confidential-document destruction by hydropulping; in 2024, 2,010 kg were processed, reducing GHG emissions by 0.7236 tCO₂e compared with traditional incineration.
4. Hosted the employee portal on Microsoft Azure cloud servers; compared with traditional rack-mounted servers, it's estimated to reduce GHG emissions by about 2.0568 tCO₂e per year

Achievement of Reduction Targets

In alignment with the IMO strategy adjustment for maritime decarbonization, the Company adjusted its reduction targets and reset the base year to 2023 upon adopting ISO 14064-1.

Comparing 2023 vs. 2024, the total emissions decreased by 10.48% and the intensity (tCO₂e / t-nm) also declined.

Appendix

Appendix IV Independent Third Party Assurance Opinion Statement



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 SHIH WEI NAVIGATION CO., LTD. 2024 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 SHIH WEI NAVIGATION CO., LTD. 2024 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.

The objective of our engagement is to provide assurance to SHIH WEI NAVIGATION CO., LTD. stakeholders over the accuracy, reliability and objectivity of the reported information and that it covers the issues material to the business and its stakeholders.

Scope of work

The scope of our work was limited to assurance over AA1000 AccountAbility Principles, included in the ESG Report for the reporting period January 1, 2024, to December 31, 2024. Subject to the limitations and exclusions listed in the section below, our review included:

- Data and information included in SHIH WEI NAVIGATION CO., LTD. 2024 Sustainability Report;
- 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)
 - 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 Standards.

Reporting Criteria

SHIH WEI NAVIGATION CO., LTD. 2024 Sustainability Report has been prepared in reference to relevant best practices reporting frameworks such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB), as well as internal definitions set by SHIH WEI NAVIGATION CO., LTD. for tracking and monitoring the progress against its ESG (Environment, Social, Governance) performance indicators.

Limitations and Exclusions

Bureau Veritas Certification (Taiwan) Co., Ltd. 1/5

15 April 2025



Our work was subject to the following exclusions:

- Financial data, including financial data that feeds into the calculation of information in the ESG report as these are audited by an external financial auditor and are relied on as accurate for the purposes of our scope of work. This includes but is not limited to any statements relating to production, sales, revenue, salaries, payments, and financial investments;
- Greenhouse gas emissions will be verified by verification body selected by SHIH WEI NAVIGATION CO., LTD. and are relied on as accurate for the purposes of our scope of work;
- Information related to activities outside the defined reporting period or scope;
- Company position statements (including any expression of opinion, belief, aspiration, expectation, aim or future intent) and any SHIH WEI NAVIGATION CO., LTD. or third-party anecdotes or testimonials;
- Content of external websites or documents linked from the ESG Report and country or business unit specific Reports of other SHIH WEI NAVIGATION CO., LTD. entities or joint ventures;
- Appropriateness of any new targets, commitments, and objectives established and communicated by SHIH WEI NAVIGATION CO., LTD.; and
- Appropriateness of definitions and any internal reporting criteria adopted by SHIH WEI NAVIGATION CO., LTD. for its disclosures.

The following limitations should be noted:

Our work was limited to SHIH WEI NAVIGATION CO., LTD. Head Office activities where SHIH WEI NAVIGATION CO., LTD. consolidates and reconciles data provided by its markets, countries of operation, suppliers and other third parties. The reliability of the reported data is dependent on the accuracy of data collection and monitoring arrangements at market and site level, not addressed as part of this assurance.

This Moderate level assurance engagement relies on a risk based selected sample of the information in the ESG report and the associated limitations that this entails.

Responsibilities

The preparation and presentation of the ESG Report are the sole responsibility of the management of SHIH WEI NAVIGATION CO., LTD. Bureau Veritas was not involved in the drafting of the ESG Report. Our responsibilities were to:

- Provide Moderate level assurance as per AA1000 over the accuracy, reliability and objectivity of the information contained within the ESG Report;
- Form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- Report our detailed conclusions and recommendations in an internal report to SHIH WEI NAVIGATION CO., LTD. management.

Assessment Standard

Bureau Veritas Certification (Taiwan) Co., Ltd. 2/5

15 April 2025

Appendix



The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard (AA1000AS v3), Type 1 at a Moderate level of assurance.

Summary of work performed

As part of our 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. Evaluate the design of internal systems, processes and controls for data collection, aggregation, analysis and reporting, including assessing the appropriateness of assumptions made, estimation techniques used and reporting boundaries;
6. Assess the disclosure and presentation of SHIH WEI NAVIGATION CO., LTD. 2024 Sustainability Report to ensure consistency with assured information.

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 SHIH WEI NAVIGATION CO., LTD. 2024 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 reporting period;
- 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 2024 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 has integrated them 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.

Key areas for ongoing development

Based on the work conducted, we recommend SHIH WEI NAVIGATION CO., LTD. to consider the following:

- In areas such as climate change, human rights, and supply chain management, the responsiveness of disclosure can be further strengthened, including more detailed management approaches, specific actions, and performance targets. (RESPONSIVENESS)
- The quantification of impact effects and setting of targets can be further improved to better demonstrate the company's sustainability achievements. (IMPACT)

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specializes in quality, environmental, health, safety, and social accountability with over 195 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems, and processes.

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 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.



Bureau Veritas Certification Taiwan
3F-B, No. 16, Nanjing E. Rd., Sec. 4, Songshan District, Taipei 10553, Taiwan R.O.C.
09 June 2025

Technical Reviewer:

Verifier:

AA1000
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Environmental · Social · Governance